

New Thai prime minister installed amid continuing political turmoil

Anti-government protests

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After a week of sharp political twists and turns, Thailand's parliament elected Somchai Wongsawat as the country's new prime minister on Wednesday. Far from ending the protracted political crisis in Bangkok, the selection of Somchai, the brother-in-law of ousted prime minister, Thaksin Shinawatra, will only intensify the standoff with the Peoples Alliance for Democracy (PAD), which has vowed to continue its anti-government protests.

Somchai takes over from Samak Sundaravej, who was compelled to stand aside as premier after the Constitutional Court ruled on September 9 that his acceptance of fees for appearing on a television cooking show violated the constitution. Two days later, the ruling People Power Party (PPP) announced its intention to reappoint Samak as prime minister. But when parliament met last Friday, the session had to be abandoned for lack of a quorum after more than 70 PPP lawmakers, along with those from the PPP's five coalition partners and the opposition Democrat Party, stayed away.

Confronted with an open rebuff from a section of the PPP, Samak was forced to step aside. On Monday, the PPP executive announced that acting prime minister Somchai would be the party's new nominee as prime minister. Behind the scenes, however, factional wrangling continued inside the PPP. According to the *Nation* newspaper, a group of 73 MPs from the country's rural north east led by Newin Chidchob declared they would refuse to vote for Somchai.

The faction apparently favoured Finance Minister Surapong Seubwonglee. While he was reportedly also preferred by big business, Surapong was one of the architects of Thaksin's populist politics of cheap health

care and village development funds. These measures won Thaksin's Thai Rak Thai (TRT) party and its successor the PPP, strong support among rural voters, particularly in the impoverished north east.

Even as late as Tuesday afternoon, Somchai had not been confirmed as the PPP's candidate amid media speculation of new elections. In the event, the differences inside the PPP were patched up and, with the backing of the PPP's five coalition partners, parliament elected Somchai 298 to 163 over opposition Democrat Party leader Abhisit Vejjajiva. Somchai, who was formally sworn in yesterday by King Bhumibol Adulyadej, called for unity and promised to address the economy.

Somchai served as a judge for more than 20 years before entering the state bureaucracy in 1998 as a deputy permanent secretary in the Justice Ministry, and later became permanent secretary. He remained in the Justice Ministry after Thaksin won the 2001 election and briefly became permanent secretary in the Labour Ministry in 2006 before the military coup that ousted Thaksin. He only entered politics last year when the PPP was established, following the dissolution of Thaksin's TRT.

Somchai is married to Thaksin's younger sister Yaowapa who was one of 111 TRT MPs banned from politics after the party was dissolved. He became PPP deputy leader and was appointed Education Minister after the PPP won a convincing victory in last December's poll and formed a coalition government.

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PAD leaders declared they would continue their protests in Bangkok's Government House compound, which demonstrators have occupied since August 26. PAD spokesman Suiryasai Katasila told the media: "If Samak was Thaksin's proxy, Somchai is even more so. They are related and this is not acceptable to us. It captures the essence of what we are protesting about, that Thaksin's regime is still in power."

Until now, the PAD leadership has had the tacit backing of the military, sections of the state bureaucracy and royalists. Last Sunday Somchai, then acting prime minister, lifted the state of emergency imposed by Samak on September 2 following clashes between pro- and anti-government protestors. Despite a ban on public meetings, the military and police took no action against the ongoing PAD demonstrations. The Constitutional Court showed a similar political bias in its decision to remove Samak.

The thousands of PAD protesters camped at Government House are drawn mainly from sections of the middle class, together with some trade unionists and non-government organisation activists. Despite its name and calls for "people's participation," PAD is a right-wing, bourgeois formation. It was formed in 2005 to agitate for Thaksin's ousting, welcomed the September 2006 military coup and defends the anti-democratic constitution imposed by the military junta last year.

PAD's call for "new politics" is in reality an appeal for a return to the political domination of the traditional elites—the military and state bureaucracy presided over by the king. Hostile to the rural base on which the PPP has relied, PAD calls for 70 percent of parliament to be appointed rather than elected. PAD protests have had considerable financial backing, particularly from media magnate and PAD leader Sondhi Limthongkul, whose ASTV satellite news station has broadcast PAD propaganda throughout the country.

At stake in the continuing political standoff are differences over economic policy as well as resentment over Thaksin's shameless use of power for economic benefit. PAD leaders such as Sondhi supported Thaksin's election in 2001 and only turned on him when his government tentatively turned to implementing pro-market policies that impacted on less globally orientated sections of Thai business. Sondhi and other PAD leaders did not object to the Thaksin's

government's vicious campaign of extra judicial murders of alleged drug dealers or its military repression in southern Thailand against Muslim separatist groups.

The factional brawling in the Thai political establishment has been intensified by a slowdown in economic growth and foreign investment. Finance Minister Surapong has warned that GDP growth this year might not reach 5 percent, well below the regional average of 7.4 percent predicted by the Asian Development Bank (ADB). Thailand's SET index has plunged by more than 25 percent since May when PAD began its protests and by nearly 10 percent since PAD seized the Government House compound. Tourism, one of the country's major foreign exchange earners, has been affected, with hotel occupancy down by roughly 40 percent from last year.

Like other Asian economies, Thailand will be hard hit by the financial crisis in the US and any downturn in the American economy. Singapore-based CIMB-GK Securities economist Song Seng-Wun told Bloomberg.com he was pessimistic about the prospects for the Thai economy. "For Thailand, there is more downside risk than upside. Even a nomination of a prime minister this week may not resolve anything. This kind of risk continues to weigh down on sentiment. Next year may be more cloudy," he said.

There is no obvious end in sight to the protracted political crisis in Bangkok. Even if the PAD protests were to subside temporarily, the PPP is facing a doubtful future. The Constitutional Court is in the process of ruling on a recommendation by the election commission to dissolve the party for alleged electoral fraud, a move that would only set the stage another round of political turmoil.



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