Thai government offers a small olive branch to opposition parties

John Roberts 29 April 2009

Thai Prime Minister Abhisit Vejjajiva last Friday lifted the state of emergency imposed on April 13 to suppress anti-government protests that shut down the ASEAN summit the previous weekend. On April 14, thousands of heavily armed troops clashed repeatedly with protesters on the streets of Bangkok in fierce battles that left two people dead and more than 100 injured.

The determination of the protesters, many of them young and poor, shocked not only the government, but the opposition United Front for Democracy against Dictatorship (UDD) that had called the demonstrations. Concerned that the movement was slipping out of their control, the UDD leaders immediately called off further protests.

Speaking from exile in Dubai, former Prime Minster Thaksin Shinawatra told the Associated Press on April 16 that he wanted an end to the violence. Shelving his previous call for a "peoples' revolution" to bring down the Abhisit government, he said: "War will never end by war, it has to end by negotiation ... If the government wants to reconcile, I will encourage the 'red shirts' [UDD] to participate."

In lifting the state of emergency, Abhisit also called for political reconciliation between his government and the pro-Thaksin opposition. Abhisit proposed an allparty commission to reform the constitution imposed by the military following the September 2006 coup that ousted Thaksin. Abhisit has raised the possibility of an amnesty for 220 opposition party officials banned from politics under the constitution's Article 237. That compromise is even being discussed reflects deep fears in the ruling elite that the bitter factional battles of the past three years are opening the door for the eruption of workers and the urban and rural poor who are being hard hit by the country's worsening economic and social crisis.

Thaksin won power in 2001 by capitalising on widespread hostility to the free market agenda imposed by Abhisit's Democrat Party in the wake of the 1997-98 Asian financial crisis. While initially supportive of Thaksin, Thailand's traditional elites—the monarchy, army, state bureaucracy and judiciary—increasingly came to regard him as a dangerous populist who was undermining their power and privileges.

Thaksin was ousted by the military in 2006 following protracted protests by the Peoples Alliance for Democracy (PAD) and an unresolved constitutional crisis. When the army called fresh elections in late 2007, however, the pro-Thaksin People Power Party (PPP) won power again, despite a political ban on many of its leaders. The courts intervened twice last year to oust the PPP government—on the first occasion, ruling Prime Minister Samak Sundarevej guilty of trumped-up corruption changes, then in December dissolving the PPP over alleged electoral fraud.

Abhisit was installed with the backing of Army commander General Anupong Paochinda, who pressured sufficient MPs to defect from the PPP-led coalition to give the Democrats a majority. None of the underlying issues, however, were resolved. As a result, the pro-Thaksin UDD initiated its own protests to demand Abhisit's resignation and fresh elections. The rallies and demonstrations drew significant support from the urban and rural poor, who had previously voted for Thaksin because of his limited social reforms.

During his term in office, Thaksin, a billionaire telecom magnate, introduced cheap health care and provided village loans. At the same time, he was notorious for his autocratic methods of rule. His call for a "people's revolution" had nothing to do with meeting the needs and aspirations of the Thai masses. Rather he and the UDD leaders sought to manipulate popular sentiment as a means of reinstalling his party, renamed Puea Thai, in office.

While both sides are now talking about reconciliation, Abhisit's proposals fall well short of the UDD's demands. The proposed amnesty does not include those who have been convicted of criminal charges, including Thaksin and other UDD leaders such as Jakrapob Penkair. In large part, the government's proposals are aimed at sidestepping the UDD's central demand for fresh elections, which the ruling Democrat coalition would in all likelihood lose.

The ongoing tensions in the ruling elite were highlighted by the attempted assassination of media tycoon and PAD leader Sondhi Limthongkul on April 17. Sondhi, his driver and bodyguard were shot while travelling to his office. According to police, five men in two pickup trucks waited for their target at an intersection and opened fire on his vehicle with automatic weapons. Sondhi narrowly survived and was operated on to remove bullet fragments from his head.

Suspicion immediately fell on the pro-Thaksin UDD, which was formed to oppose the PAD protests. However, even as the finger was being pointed at the UDD, PAD leaders were accusing the military of involvement and calling for the replacement of the security chiefs. An article in the *Nation* claimed that Abhisit had been attempting to sideline army commander Anupong. Sondhi's son, Jittanart, hinted that members of the Abhisit coalition previously part of the pro-Thaksin PPP might have been responsible.

While angry UDD members may have tried to kill Sondhi, there are certainly deep divisions between the Abhisit government and its backers. On the crucial issue of economic policy, the Democrats have been advocates of a free market agenda that has been bitterly opposed by the traditional elites, including the military and the monarchy. Further splits will erupt as PAD leaders have rejected outright Abhisit's proposals for a compromise with Thaksin and his supporters.

Underlying the divisions within the Thai ruling elite is the country's worsening economic crisis, which has been compounded by the protracted political turmoil. Abhisit warned last week that the Thai economy could contract by up to 5 percent in 2009. Like other exportdependent countries, Thailand has been badly affected by the contraction of demand in Europe, Japan and the US. The Commerce Ministry announced last week that Thai exports had declined by 23.1 percent in March—the fifth consecutive monthly fall.

Tourism, which contributes 6 percent of GDP and employs 1.8 million workers, has been severely affected by the political infighting. Hundreds of thousands of tourists were stranded in Bangkok last year after PAD demonstrators occupied the city's two main airports. The tourism council is predicting tourist numbers could fall from 14.1 million in 2008 to 10.9 million this year and revenues by 35 percent. An estimated 275,000 jobs could be axed as a result.

Efforts to find a formula to end the political crisis are obviously being driven by concern over its economic impact. At the same time, the sharp economic contraction is only exacerbating the antagonisms as competing factions seek to shore up their own interests at the expense of their rivals. Looming over the entire political establishment is the discontent and frustration of ordinary working people whose living standards are rapidly deteriorating amid rising unemployment and poverty.



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