

Election campaign heightens Thai political tensions

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With national elections in Thailand to be held on July 3, the campaign is again exposing the deep divisions within the ruling class and highlighting the social tensions that led to the army's violent suppression of anti-government protests in May last year.

The ruling Democrat Party-led coalition is backed by the country's traditional ruling elites, including the army, the monarchy and state bureaucracy, that bitterly oppose former Prime Minister Thaksin Shinawatra. He was ousted in an army coup in 2006 and is currently living in exile. His youngest sister, Yingluck Shinawatra, heads the pro-Thaksin Puea Thai party, which is currently ahead in the polls.

Both major parties are running populist campaigns promising to help the rural poor and ease the burden of rising prices on working people. At the same time, they are promoting themselves to the corporate elite as the best business managers, pledging pro-market policies to attract foreign investment and boost profits.

Desperate to undermine Puea Thai's strong support among the rural and urban poor, Prime Minister Abhisit Vejjajiva has promised government handouts—everything from free train travel to low-interest loans for taxi drivers. Abhisit and Finance Minister Korn Chatikavanij have emphasised their commitment to an income guarantee scheme for farmers and to a 25 percent increase in the minimum wage within two years. At the same time, Korn has assured big business that the Democrats' policies would benefit business.

Yingluck has more than matched these promises. Puea Thai has pledged to increase the minimum daily wage to 300 baht (\$US9.80) from its present level of 159 to 221 baht. It has promised university graduates a starting salary of 15,000 baht a month. Puea Thai is outbidding the Democrats in rural areas by pledging to buy unmilled rice at 15,000 baht a tonne, double the current price.

Yingluck, who is a wealthy businesswoman in her own right, is also promising to cut the corporate tax rate from 30 percent

to 20 percent within two years to bring Thailand into line with its regional competitors. She has hinted that a Puea Thai government might move to privatise companies such as Thai Airways and the Krung Thai Bank, saying that she thought state-controlled firms were "not dynamic."

Both parties will quickly dump their election promises to working people. Speaking for the financial elites, Bank of Thailand governor Prasarn Trairatvorakul warned on June 7 that the "populist" programs of the rival parties would worsen public debt, which stood at 43 percent of GDP in 2010, and could bankrupt the economy.

Yingluck's hint at further privatisations will only exacerbate the divisions over economic policy that lie at the heart of the political turmoil of the past five years. Thaksin, a self-made billionaire, came to power in 2001 in the aftermath of the 1997-98 Asian financial crisis promising to protect Thai businesses against the pro-market International Monetary Fund agenda being implemented at the time by the Democrats. Once in power, however, he came under pressure from international finance capital to open up the Thai economy, and in doing so quickly lost support among less competitive businesses and the traditional elites.

Thaksin was ousted in an army coup in 2006 after protracted protests by the so-called Peoples Alliance for Democracy (PAD) based primarily among the Bangkok middle classes. The pro-Thaksin party, however, won the 2007 election held under a new constitution drawn up by the military. This was largely as a result of Thaksin's continuing support among the rural poor in the country's North and North East. While in office, Thaksin had made limited concessions in the form of a cheap health scheme and financial support for villages as part of his efforts to stimulate the economy.

Two pro-Thaksin governments were ousted in 2008 after PAD protests, backed by the monarchy and the military, created the climate for manifestly political rulings by the Thai courts. Abhisit was installed as prime minister in late 2008 after pressure from the military led to the defection of smaller parties

and a faction of Thaksin's party to the Democrats.

The pro-Thaksin United Front for Democracy against Dictatorship (UDD) last year sought to exploit the outrage felt by many voters in the North and North East to mount a "Red Shirt" movement to demand that Abhisit step down and hold immediate elections. The protests, however, quickly became a vehicle for the resentment of the urban and rural poor toward the Bangkok elites. The government ordered a military crackdown on the Red Shirts that ended with more than 100 dead and 1,800 injured—mostly unarmed UDD supporters.

Abhisit's decision to hold an early election was in part an attempt to patch over the very sharp differences within the ruling elite. Both the pro- and anti-Thaksin factions recognised that their differences risked opening the way for a broad political movement of the masses that neither could control. The prime minister also calculated that his bid for an election win would be undermined by a slowing economy—with GDP growth this year predicted to be around 3.5 percent, less than half of that for 2010.

There are deep concerns in business circles that further political turmoil will impact on the export-dependent economy, which is vulnerable to slower growth in its major markets—Europe, the US and Japan. Political uncertainty has already hit foreign direct investment, which, according to the latest Bank of Thailand figures, slumped from \$US10.48 billion in 2006 to \$4.4 billion in 2010. For the first three months of 2011, just \$69.5 million flowed into Thailand.

None of the underlying political tensions has been resolved, however. Sections of the traditional elite, including layers of the military, are completely opposed to any government formed by Puea Thai. The military's fears of retribution for last year's crackdown have not been allayed by Yingluck's promise not to exact revenge should she become prime minister. Anti-Thaksin sentiment has been inflamed by the Puea Thai campaign slogan, "Thaksin thinks and the party does", as well as its plan for a political amnesty that would allow Thaksin to return to Thailand.

The latest opinion polls indicate that Puea Thai is pulling ahead of the Democrats, but not far enough to achieve an outright majority. An internal police poll revealed last week that of 331 single-seat constituencies outside Bangkok and the country's far south, Puea Thai would win 164 to the Democrats 83. In the Dusit Poll reported in the *Nation* on May 30, a national survey showed 43.16 percent intended to vote for Puea Thai and 37.45 percent for the Democrats in the party list ballots.

While military has pledged not to interfere in the elections,

army chief General Prayuth Chan-ocha made a blatant intervention into the campaign with a pre-recorded television appearance on two national networks on Tuesday. "If you allow the election [result] to be the same as before, you will not get anything new and you will not see any improvement from this election," he declared.

Without naming Thaksin, Prayuth declared that the authorities had evidence of "rampant" anti-monarchism by "Thais living abroad." Anti-Thaksin critics have repeatedly accused the former prime minister of undermining the monarchy, which is protected by anti-democratic lese majeste laws in Thailand. In reality, the popular standing of King Bhumibol Adulyadej, a central prop of the Thai state, has been eroded by the monarchy's obvious anti-Thaksin partisanship.

Speculation is rife in Bangkok that the security forces will intervene if Puea Thai looks likely to form the next government. Already the Department of Special Investigations has revoked the bail of two prominent UDD leaders, Jatuporn Promphan and Nisit Sinthuprai, who have been charged over last year's protests. At the behest of the army high command, Jatuporn has been charged with lese majeste. In all, 17 prominent UDD leaders have been charged, nine of whom are Puea Thai candidates. The security forces are also maintaining bans on "Red Shirt" websites and radio stations.

Any attempt to undermine a Puea Thai win would trigger a fresh protest movement, however. A Reuters report in the rural North and North East of the country found that anger over last year's military crackdown remained high. At least 320 villages in the provinces of Udon Thani and Khon Kaen have formally designated themselves as "Red Shirt Villages" and affiliated with UDD regional organisations. "Inside the villages, slogans on red T-shirts and posters rail against the 'double standards' of Thai society, accusing the rich, the Bangkok establishment and top military brass of breaking laws with impunity," the article stated.

Significantly, neither Yingluck nor Puea Thai have endorsed these villages. Although expressed in a distorted form, the village slogans point to the social tensions that have underpinned the political upheavals of the past five years, and that will inevitably erupt again, whatever the immediate election outcome.



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