

Thai parliament endorses Yingluck as new PM

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The Thai parliament formally endorsed Yingluck Shinawatra as the country's next prime minister in a 296-3 vote last Friday. Yingluck's Puea Thai party won an absolute majority in national elections on July 3 and has formed a coalition with several small parties, establishing a dominant parliamentary position.

Yingluck takes power after five years of intense political upheaval in Thailand following an army coup against her elder brother, former Prime Minister Thaksin Shinawatra, in September 2006. Signs of continuing tensions in ruling circles were evident in last Friday's proceedings when three members of the Democrat Party voted against Yingluck, rather than abstaining along with the other opposition MPs.

While the Election Commission dismissed various objections to Yingluck and other Puea Thai members taking their seats, the new government still faces a number of legal challenges. Last month, several Democrats filed a case to dissolve Puea Thai on the grounds that it had received assistance during the election from politicians banned from politics, including Thaksin—who is currently in exile in Dubai.

Yingluck did not immediately receive King Bhumibol Adulyadej's formal assent, which is expected to be granted today. The slight delay, which members of the pro-Thaksin United Front for Democracy against Dictatorship (UDD) have interpreted as a royal snub, points to the ongoing entrenched opposition of the country's traditional elites—including the monarchy, the military and state bureaucracy—to Thaksin and Puea Thai.

After the army relinquished power in late 2007, two

pro-Thaksin governments were removed through what were in effect judicial coups, supported by protests by the royalist People's Alliance for Democracy (PAD) and tacitly by the military. A Democrat-led government headed by Prime Minister Abhisit Vejjajiva was installed in late 2008. Political tensions reached a high point last year, when Abhisit ordered the army to violently crack down on sustained UDD protests, resulting in the deaths of more than 90 people.

Prior to last month's election, several commentators pointed to a backroom deal between Thaksin and sections of the military and monarchy to allow Puea Thai to form a government should it win. While bitter differences in the country's ruling elite continue, all factions are deeply concerned about the economic impact of the protracted political turmoil and the dangers of unleashing a social upheaval that neither side is able to control.

Although Yingluck has been able to assume office, she clearly remains on notice. The military is insisting that she name a former general to the key post of defence minister. Despite the UDD playing a major role mobilising rural votes for Puea Thai, Yingluck is under pressure not to name UDD leaders as ministers. She has already declared that she will not appoint anyone regarded as "yucky" to her cabinet.

Yingluck is expected to nominate her cabinet after receiving royal assent. While no ministerial choices have been formally confirmed, all the names being tossed around in the Thai media confirm that Puea Thai, far from representing the interests of the country's urban and rural poor, is a rival faction of the political establishment.

The man most likely to become finance minister is Thirachai Phuvanatanarubala, who was secretary-general of the Securities and Exchange Commission until he resigned last Friday. He is not a parliamentarian or a member of the Puea Thai-led coalition, but a trusted representative of finance capital. Before heading the Securities and Exchange Commission, he was deputy governor of the country's central bank, the Bank of Thailand.

Several former generals are being discussed as the next defence minister, including Yuthsak Sasiprapha—a graduate of the elite Armed Forces Academies Preparatory School and the former permanent secretary for defence. Ex-police and military officers feature strongly among those considered for other posts, including former senior police officer Pracha Promnok as justice minister, and either ex-air chief marshal Sumeth Phomanee or former air chief marshal Sukampol Suwannathat as transport minister. Former national police chief Kowit Wattana is slated to become a deputy prime minister overseeing security matters.

Thaksin himself was a police lieutenant colonel before resigning to focus on building up a huge business empire—initially through obtaining lucrative government contacts. The billionaire Thaksin was notorious for his autocratic methods of rule as prime minister. He alienated sections of the traditional ruling elite by further opening up the country to foreign investment and cutting across established patronage systems in favour of his own businesses and those of his close cronies.

Yingluck is a wealthy businesswoman in her own right, having managed key companies in her brother's business empire. She was most recently managing director of a real estate company, until Thaksin installed her to head the Puea Thai campaign less than three months ago. She has no previous political experience.

Puea Thai ran a populist campaign, promising a substantial rise in the minimum wage and graduate salaries as well as higher rice prices for farmers. At the same time, Yingluck pledged to help business and

encourage foreign investment by slashing the corporate tax rate from 30 to 20 percent over the next two years.

Having raised expectations among its supporters in the rural North and Northeast, Puea Thai is already under pressure from the corporate elite to water down or ditch its election promises to working people. Last Thursday, Bank of Thailand governor Prasarn Trairatvorakul warned of slow growth in the US, Japan and Europe and further global financial turmoil, calling for the new government to be fiscally responsible.

Business leaders have criticised plans to raise the minimum daily wage to 300 baht (about \$US10), saying that Thailand will lose foreign investment to neighbouring countries like Vietnam, Cambodia and Indonesia that have lower wages. A failure to keep its election pledges, however, will quickly give rise to social discontent as working people have been hit hard by rising prices. The overall annualised inflation rate for July was 4 percent, but food and energy prices have been rising more sharply.

Amid a deepening global economic crisis, all factions of the ruling elite are counting on the Yingluck government to impose the austerity agenda being demanded by international finance capital. In conditions where Thailand already has one of the highest levels of social inequality in Asia, such policies will be politically explosive. Like Thaksin and the previous Democrat government, Yingluck will not have the slightest hesitation in using police-state measures to attempt to suppress any opposition.



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