

Thailand Sings the Post-coup Blues

Six months after tanks rolled into Bangkok, uncertainty rules

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The six-month report cards for the coupmakers are in, and most Thais aren't impressed with their military leaders.

This doesn't mean a majority is clamoring for Thaksin Shinawatra's return, although it's impossible to tell since the deposed premier has been in exile since the September 19 putsch, and will likely only be allowed back in the country either to face criminal charges or after the next election, whichever comes first.

Still, the sharp drop in popularity of Prime Minister Surayud Chulanont's government has been remarkable. Five months ago, Surayud's popularity rating was soaring at more than 70 percent; now it's below 35 percent.

The slide began on December 18, when the central bank, with strong urging from then-finance minister Pridiyathorn Devakula, imposed a 30% reserve measure on foreign currency inflows. The move prompted the largest one-day fall in the Stock Exchange of Thailand's history, and at the same time wiped away the veneer of technocratic competence that coup supporters had bestowed upon the cabinet of wise old men.

Two weeks or so later on New Year's Eve, a string of coordinated bomb attacks in Bangkok killed three and wounded more than 30. Suddenly the coup didn't seem so bloodless after all, and the military-installed leaders looked as if they couldn't provide security in Bangkok or to the restive majority Malay-Muslim southernmost provinces.

Now Surayud's government is facing criticism from all sides. Business leaders have lost confidence, newspaper columnists are disillusioned, academics are gloomy, democracy activists are becoming bolder and southern insurgents are ratcheting up their brutal attacks. Thailand is again mired in political uncertainty, and the road to fresh elections looks filled with potholes.

"There doesn't seem to be a light at the end of the tunnel," said Prudhisana Jumbala, a political scientist at Chulalongkorn University.

The military leaders have tried to put a positive spin on things, holding a press briefing last week to spell out their few accomplishments. Coup leader Sonthi Boonyaratglin insisted the timetables for drafting a constitution, putting it to a referendum and then holding a general election later this year all remain on track.

Some very large questions remain:

Can the government maintain security?

Since the New Year's Eve bombings, Bangkok has seen a fair share of bomb hoaxes, false alarms and warnings. No major incidents have occurred since, but the prospect of more violence lingers in the background.

Although the military dismissed any link between the Bangkok blasts and southern insurgents, police are now saying such a link might be possible. New police chief, Seripisut Temiyavej, has issued four arrest warrants for people captured on closed-circuit television at the bombing sites, but no arrests have been made and police have not released the identities of the suspected bombers.

Certainly any arrests linking the bombers to the southern insurgency would further undermine the credibility of the government, which immediately pointed the finger at Thaksin and his buddies in the military and police.

The generals had good reason to deflect attention away from the South as they touted a softer approach towards the insurgency than Thaksin. Some experts initially thought the new coup group might present an opportunity for peace in the region, but things look to be getting worse in a conflict that has claimed more than 2,100 lives since January 2004. Last week, a group of Muslims ambushed a commuter minivan in Yala and eight Buddhists, including two teenage girls, were executed with gunshots to the head; the driver was spared after he was heard praying to Allah. The news prompted the military to order a curfew in certain districts across the South, and outraged Buddhists.

Generals have warned that militants are increasingly using "Al Qaeda-style" tactics of targeting civilians. Officials are now seeking Malaysia's help and Sonthi is looking to increase troop levels. The royal family in particular has expressed concern for peace to return to the region. Surayud said last week that the government would follow Queen Sirikit Kitiyakara's suggestion to arm local villagers so they can protect themselves.

"People are realizing that a real watershed moment is occurring down South," said a Western diplomat. "They are very worried about sectarian violence taking root, which is a fire that takes much longer to put out. People are also upset with how the South is being managed, and depending on how senior that gets, we might see a changing of the guard"

Will the junta punish Thaksin and Thai Rak Thai?

At the press conference trumpeting the coup group's accomplishments, Sonthi pleaded for patience in bringing charges against Thaksin, whom the military said they booted out largely because of rampant corruption.

Of 14 corruption cases, the Assets Examination Committee so far has only forwarded one to prosecutors against Thaksin's wife and her stepbrother for allegedly evading tax on the 1997 transfer of Shin Corp shares worth 738 million baht (\$22 million). Kaewsan Athiphothi, secretary-general of the ASC, said in an interview that "sufficient evidence" exists to bring charges against Thaksin himself in two cases, though he declined to give specific details.

Concerning criticism that the committee is taking too long, Kaewsan said: "People don't know anything. Some cases we have to look at behind closed doors and we can't tell anything to anyone. It's up to people what they want to think, but if you are the police or the prosecutor, being criticized is part of the job."

The ASC term expires in one year, so the next six months should reveal what goods they have. "Within the next five months every case must be brought to the prosecutor," he said. "We don't need more time; we need more manpower. We are so tired."

As the cases against Thaksin move slowly, the case against the party he founded in 1998 is underway. A junta-created legal body, the Constitutional Tribunal is hearing cases to dissolve Thai Rak Thai and the main opposition Democrat party for alleged fraud in the boycotted - and

subsequently nullified - election of April 2, 2006.

Legal experts say party dissolution was only put into the now-defunct 1997 Constitution to prevent the rise of militant communist-style parties that once advocated the violent overthrow of the government. Many see the dissolution cases as political retribution.

Speculation that the court will dissolve Thai Rak Thai has prompted several major factions to leave the party. None is more important than Somsak Thepsuthin's Wang Nam Yom faction, which was a Thai Rak Thai with more than 100 MPs. It has already formed a new political group called Matchima, or Middle Way, and will likely appoint former Thai Rak Thai economic guru Somkid Jatusripitak as its leader.

Somkid has adeptly managed a transition from key Thaksin associate to friend of the junta. Many political analysts see Matchima as a strong political force that could propel Somkid to the premiership whenever elections are held. Assuming another coup doesn't take place before then.

Finally, what will the next constitution say, and will people accept it?

The junta's constitution drafters are set to finish a first draft of the new charter on April 15 and finish it by July 6. Then the country will vote on whether to accept it. If the constitution is rejected, then the interim constitution states that the cabinet and junta-appointed legislature will get together and choose any of Thailand's previous 17 charters, make any revisions they want, and within 30 days it will become supreme law of the land.

Although the referendum was meant to give the Constitution credibility and make it more "democratic," many are already wondering what will motivate voters. Prasong Soonsiri, a former intelligence chief and the lead constitution drafter, has said the government's lagging popularity might prompt people to vote against the constitution. Others say a widespread movement against the constitution would only take place if they introduce clauses for a non-elected premier, which could spark an uprising. Still others say that it's impossible to vote yes or no on a long and highly complex document, especially when the alternative is unclear.

"How many people will be able to decide rationally about whether to vote yes or no on the constitution?" asked Chulalonkorn's Prudhisan. "I'm not even sure whether I'm capable of looking through 300 or so articles and making a yes or no decision."

As for what the document might say, bits and pieces have leaked out. So far, the loudest debates have been over the issue of a non-elected PM, whether to make Buddhism the national religion, the number of parliamentarians and a clause that would absolve the coupmakers of any blame.

Most blatantly, however, the new constitution looks set to increase substantially the power of the judiciary and other non-elected actors, particularly through a Senate that will be appointed by a newly created "selection committees." The judiciary, and particularly the Supreme Court, will have more duties - seemingly in response to the king's speech in April 2006 where he called on the country's top judges to solve the country's political problems. Judges will play a greater role in independent bodies like the National Counter Corruption Commission and take over certain responsibilities from the Election Commission. They will also be able to name an interim prime minister and cabinet when a sitting prime minister calls for an election. "The bureaucracy will govern Thailand again" said Vorajet Phakheerat, a law lecturer at Thammasat University. "The country will go back to the Prem system of 20 years ago, and that's not good."

The references to former general Prem Tinsulanonda, who heads the king's 19-member Privy Council, foreshadows what could grow into a movement against the constitution, and ultimately the

coup leaders themselves. Several anti-coup groups have vowed to campaign against the constitution because they see Prem as the root of the problem.

A recent protest by the Confederation for Democracy was staged in front of Prem's house to urge the 86-year-old senior statesman to stop pulling strings from behind the scenes. He is a close confidante of chief constitution drafter Prasong, whom the pro-democracy protestors see as the last person who would usher in an improved democracy.

Attacks on Prem are not taken lightly, as Thaksin found out last September after making a veiled reference to Prem when he accused an unnamed figure of trying to overthrow his government. Many fear that increased agitation against the powerful privy councilor may prompt authorities to get tough on protesters.

All in all, Thailand's political future is very much up in the air. Worst of all for the idealists who thought that Thaksin's ouster would lead to a cleaner democracy, there is not much to be optimistic about.

"Things now are chaotic, and in a chaotic situation, we need some positive events to have new hope," said the ASC's Kaewsan. "But right now we don't have any new hope."

Mrs Thaksin's Day in Court

Six months after the coup, Thai prosecutors finally pinned a Shinawatra with a crime, and it wasn't deposed premier Thaksin. It was, his wife Pojaman - a slippery character in her own right.

The cunning former first lady of Thai politics, along with her brother and secretary, was charged with tax evasion for share transfers completed a decade ago. Investigators said Pojaman and her brother, Bhanapot Damapong, dodged a 546 million baht (about \$15.6 million) tax bill when she transferred 4.5 million Shin Corp shares to him. Initially, one of the Shinawatra maids testified that Bhanapot had bought the shares with Pojaman's money. After that came out, Pojaman insisted the transfer was a wedding gift — albeit a bit late, considering that her brother had gotten married a year earlier.

For many who opposed Thaksin, the prosecutor's decision to bring charges against these two 10 years overdue, and recalls the glory days of the ill-fated 1997 Constitution.

Back in 2000, the share deal aroused interest after the National Counter Corruption Commission accused Thaksin of concealing his wealth in a landmark trial that might have banned him from politics for five years. At the trial, it was revealed that Thaksin had dumped his assets into the hands of about 10 proxies, including housemaids, chauffeurs and security guards. It also discovered that the share transfers between Pojaman and Bhanapot, prompting commission chairman Klanarong Chantik (who was re-appointed after the coup) to suspect tax evasion. "The switching of share ownership when the real owner is Khunying Pojaman suggested an irregular and dishonest practice," he said at the time. "It is aimed to disguise shareholdings."

Although the evidence for asset concealment appeared rock solid, the Constitution Court stunned legal observers by clearing him in an 8 to 7 verdict. After his acquittal,

For the next four years, Thaksin systematically handicapped the independent bodies designed to keep the country's leaders in check until they finally reasserted power during the premier's political decline last year. Now the tables are completely turned, and the junta-appointed Assets Scrutiny Committee is looking in every nook and cranny to find any suspicious activity committed by the fallen couple and anyone associated with them.

Though it may seem excessive to take aim at the first lady, Pojaman was a crucial player within Thai Rak Thai. Party members said the road to influence passed through her.

For instance, when Thaksin was considering taking a "break" from politics last year, *Pojaman* reportedly favored trusted adviser Bhokin Bhalakula, a former House speaker, as his replacement over Somkid Jatusripitak, the premier's key economic adviser. Sources said Pojaman didn't trust Somkid, who did little to defend Thaksin, and feared he might prove popular with the public, blocking her husband's return to power.

Pojaman also met with former prime minister Prem Tinsulanonda, the Privy Council head who some claim helped orchestrate the coup, about a month after the September 19 putsch. Though the contents of the meeting were not disclosed, many news reports saw it as a clever way to undermine the junta.

"Her act was indeed almost a coup de grace for the coup-makers, confirming her formidable position as a shrewd political femme fatale who can manipulate a situation to her full advantage, making the Council for National Security and the Surayud government look like greenhorns in a high-stakes game plan" The Nation newspaper wrote at the time.

It remains to be seen if her sharp political skills will allow her to elude punishment once again. Pojaman, her bother and the secretary plan to fight the charges, and all were released on bail of five million baht each on Monday.

At first glance, they appear to have the upper hand. Bhanapot has a letter from the Revenue Department, signed by then director-general Sirote Swasdipanich, that says he was exempted from paying taxes because the transfer was a gift.

To get around this, the prosecution is also bringing a case against Sirote and other senior Revenue Department officials for malfeasance in failing to collect tax on the transaction. This is the same Sirote who first defended the tax-free transfer of Shin Corp shares between Thaksi's kids right before the mega-deal with Singapore-run Temasek Holdings, and then immediately reversed his decision after the coup.

The prosecution now needs to make the case that the Shinawatra couple evaded tax initially and the Revenue Department wrongly exonerated them. Whether that will stand up in court remains to be seen.

P.S.

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