

Thailand's Coup: Origins and Implications

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THE MILITARY COUP in Thailand a week ago marked the second high profile collapse of a democracy in the developing world in the last seven years. The first was the coup in Pakistan in October 1999 that brought General Pervez Musharraf to power. Like the coup in Thailand, that coup was popular with the middle class. As in Thailand, the military was expected to vacate power soon after it ousted Prime Minister Nawaz Sharif. Six years later, Musharaff and the army are still in power.

It is now said in some quarters that Thaksin Shinawatra undermined the democratic regime that came into being after the people's power uprising in May 1992. This is true, but Thai democracy was in bad shape before Thaksin came to power in January 2001. The first Chuan Leek-Pai government from 1992 to 1995 was marked by the absence of even the slightest effort at social reform. The government of former provincial businessman Barnharn Silipa-Archa, from 1995 to 1996, was described by one observer "a semi-kleptocratic administration where coalition partners were paid to stay sweet, just like he used to buy public works contracts." Then from 1996 to 1997 came the government of Yongchaiyudh Chavalit, a former general, which was based on an alliance among big business elites, provincial bosses, and local gangsters. True, elections were held, but elections were used cynically by competing elites mainly as a mechanism to determine which new coalition of elites would have their turn at using government patronage as a mechanism of private capital accumulation.

Not surprisingly, the massive corruption, especially under Barnharn and Chavalit, repelled the Bangkok middle class, and the urban and rural poor did not see the advent of democracy marking a change in their lives.

Democracy suffered a further blow in 1997-2001 following the Asian financial crisis. This time it was not the local elites that were the culprit. It was the International Monetary Fund (IMF), which forced first the Chavalit government, then the second Chuan government to adopt a very severe reform program that consisted of radically cutting expenditures, decreeing many corporations bankrupt, liberalizing foreign investment laws, and privatizing state enterprises. The IMF assembled a \$72 billion rescue fund, but it was money that was spent not to save the

local economy but to allow the government to pay off the foreign creditors of the country. When the Chavalit government hesitated to adopt these measures, the IMF pressed for a change in government. The second Chuan government complied fully with the Fund, but lost its credibility as the country plunged into recession and one million Thais fell under the poverty line. Meanwhile the US Trade Representative told the US Congress that "the Thai government's" commitments to restructure public enterprises and accelerate privatization of certain key sectors-including energy, transportation, utilities, and communications-[are expected] to create new business opportunities for US firms."

The IMF, in short, contributed greatly to sapping the legitimacy of Thailand's fledgling democracy, and this was not the only instance where the Fund contributed to eroding the credibility of a government, especially among the poor. If there is today a pattern reversing so-called "Third Wave" of democratization that took off as a trend in the developing world since the mid-seventies, the IMF-supported of course by the US government-is part of the answer. An IMF program requiring steep rises in transport costs destroyed the last ounce of legitimacy of Venezuelan democracy in 1989 and plunged the country into the spontaneous rising known as the "Caracazo." The IMF forced the new democratic Aquino government to adopt a national economic program prioritizing debt repayment over development, pushing the Philippines into a period of stagnation, rising poverty, and rising inequality that saw, among other things, the squandering of much of the legitimacy of the democracy that succeeded Marcos. And a key contributor to the unravelling of Pakistan's democracy were the structural adjustment programs that the IMF and the World Bank saw to it would be imposed by both the Benazir Bhutto government and the Nawaz Sharif government that succeeded it. As one Pakistani economist warned, "The almost obsessive concern with short-term macroeconomic stabilization has with the danger...that some of our basic social programs might be affected, and this would have inter-generational consequences on development in Pakistan." Since parliamentary democracy became associated with a rise in poverty and economic stagnation, it is not surprising that the Musharraf coup was viewed with relief by most Pakistanis, from both the middle classes and the working masses."

But back to Thailand. It was into this gravely weakened state of Thai democracy that Thaksin stepped into in 2001 after running and winning on an anti-IMF platform. In his first year in office, Thaksin inaugurated three heavy spending programs that directly contradicted the IMF: a moratorium on farmers' debt and credit promotion, medical treatment for all at only 30 baht per illness or less than a dollar, and a one million baht fund for every district to invest as it saw fit. These policies did not bring on the crisis that many conservative economists expected. Instead they buoyed the economy and cemented Thaksin's massive support among the rural and urban poor.

This was the good side of Thaksin. The problem was that, having secured

the majority with these programs as well as what analysts Alec and Chanida Bamford called “neofeudal patronage,” he began to subvert freedom of the press, use control of government to add to his wealth or ease restrictions on his businesses and those of his cronies, buy allies, and buy off opponents. His war on drugs, using his favorite agency, the police, resulted in the loss of over 2,000 lives, which bothered human rights activists, but it was popular with the majority. He also assumed a hardline, purely punitive, policy toward Muslim insurgents in the three southern provinces, but again, despite the fact that it worsened the situation, this policy enjoyed the support of the country’s Buddhist majority.

Thaksin appeared to have created the formula for a long stay in power, supported by an electoral majority, when he overreached. In January, his family sold their controlling stake in telecoms conglomerate Shin Corp. for \$1.87 billion to a Singapore government front called Temasek Holdings. Before the sale, Thaksin had made sure Parliament would change the rules to exempt him from paying taxes. This brought the Bangkok middle class to the streets to demand his ouster via a people power uprising like the January EDSA I movement that overthrew Joseph Estrada.

To resolve the polarization, Thaksin dissolved Parliament and called for elections, knowing that he would win elections handily, as his coalition had in 2001 and in 2005. The April 2 elections were held, Thaksin’s coalition won 57 per cent of the vote, but they were boycotted by the Opposition, leading to an Opposition-less Parliament. After a veiled not-too-veiled suggestion by the revered King Bhumibol, the Supreme Court found the elections in violation of the Constitution and ordered them held once more. Thaksin resigned as Prime Minister and said he would be a caretaker PM till after new elections were held.

It is important to pause here and note certain dimensions of the Thai conflict:

- It pitted the urban and rural classes-the majority-against the middle classes, meaning mainly the Bangkok middle class.
- It pitted representative democracy via elections as the principle of electoral succession against the direct democracy of the streets.
- It involved the split in the two principles that are united in the system of liberal democracy-liberalism and democracy. The people in the streets sought to remove Thaksin for his violations of human and civil rights and his arbitrary rule, while Thaksin’s supporters sought to keep him in power by appealing to the basic principle of a democracy—that is, the rule of the majority. The anti-Thaksin forces, however, claimed that Thaksin’s majority rule fit into what John Stuart Mill called the “tyranny of the majority.”

It is critical to point out that prior to the coup, the country was not

in gridlock. Certainly, it was far from descending into civil war. More important, the moral tide had turned against Thaksin, and his resigning as prime minister was a recognition of this. He had lost control, criticism of him was widespread in a media that was once tame, and the pressure was on for him to resign before the next elections, originally scheduled for October 15, but which were rescheduled for a later date. On Thursday, the day after the coup, the People's Alliance for Democracy had called for a mass rally to begin the final push against Thaksin from the streets.

This was democracy in action, with all its rough and tumble, and efforts to resolve conflicting principles. Of course, the outcome was not guaranteed, but indeterminacy and prolonged resolution of disputes are part and parcel of the risks that come with democracy. Thais were wrestling to resolve the question of political succession through democratic, civilian methods. The seeming chaos of it all was a part of the growing pains of a democracy. And it seemed like People Power or the democracy of the streets would successfully determine political succession, creating an important precedent in democratic practice. Direct democracy not only had relevance not only for political succession; it was reinvigorating and renewing the democratic practice and democratic spirit.

That is the vibrant democratic process that the military coup cut short. This move, everybody agrees, was unconstitutional, illegal, and undemocratic. Many say, however, that yes, it is all this, but it is popular because it ended a crisis.

I question this. This coup may have temporarily ended the crisis but at the pain of provoking a much deeper one, for several reasons:

- Thaksin's mass base, that is the poor and underprivileged, will be deeply alienated from successor regimes, viewing these post-coup regimes as possessing little democratic legitimacy.
- The military has reasserted its traditional self-defined role as the arbiter of Thai politics, and this coup had as much to do with reasserting this role-which had been seen as illegitimate over the last 14 years-as with the political crisis.
- There has emerged a dangerous informal institutional axis that would subvert future democratic arrangements between the military and the Privy Council, one of the few national political institutions that was not eliminated by military decree. This is, not surprisingly, headed by a retired military ruler, Gen. Prem. Indeed, there is strong suspicion that Gen. Prem had more than just a neutral role in the affair as he had days before the coup told the military that their loyalty was principally "to the Nation and the King."
- The one really popularly drawn up constitution, the 1997 Constitution, has been abolished by military fiat, and this was done deliberately, not out of ignorance, because it placed many controls on

the exercise of parliamentary and executive power and on the behavior of professional politicians.

Some people say that coup leader Army Chief Gen. Sondhi Boonyaratkalin is sanguine about stepping aside. But we are talking about institutional interests here, not personal predilections. More than any other military in Southeast Asia, the Thai military has had a predilection for intervening in the political process, having launched some 18 military coups since 1932. Thai military men have an ingrained institutional contempt for civilian politicians, regarding them as blundering fools. The generals have often promised to return to civilian rule after a coup, but proceeded to rule directly or indirectly through military-appointed civilians.

Most civilian prime ministers appointed by the military have been weak politicians, whose tenures were marked by responsiveness to their military bosses. Anand Panyarachun who was appointed Prime Minister after a military coup in 1991 was a notable exception in this regard. The man appointed by Gen. Sondhi to head the interim government before elections in October 2007 is most likely to fit the mold of a pliable tool rather than an independent leader like Anand. Supachai Panitchpakdi was seen as a weak Director General of the World Trade Organization, and one moreover who was overly responsive to the developed country agenda rather than to the interests of developing countries. More directly relevant is the fact that he was deputy premier in the Second Chuan Government in 1997-1998 that followed to a "t" the IMF program that proved so devastating for the country. He is not one to stand up to the military and other power centers in the country.

Let me then sum up: even before Thaksin, Thai democracy was already in severe crisis owing to a succession of elected but do nothing or exceedingly corrupt regimes since 1992. Its legitimacy was eroded even further by the IMF, which for all intents and purposes ran the country, with no accountability, for four years, from 1997 to 2001, and imposed a program that brought great hardship to the majority. Thaksin used this disaffection with the IMF and the political system to create a majority coalition that allowed him to violate constitutional constraints and infringe on democratic freedoms, while enabling him to use the state as a mechanism of private capital accumulation in an unparalleled fashion. This led to the middle-class based, politically diverse opposition that sought to oust him by relying not on electoral democracy but on people power, the democracy of the street. The tide turned against Thaksin, and in the last few months, he not only lost moral legitimacy but a great deal of political power. Thai politics was not in gridlock, and the democracy movement was about to launch the final phase to drive Thaksin out when the military intervened. Though it is now popular among Bangkokians, the coup will eventually prove to be a cure worse than the disease.

As a final point, let me return to my first remark, that the Thai coup is an expression of a larger trend—a deep crisis of legitimacy among elite democracies that came into being in the 1980s and 1990s as part of

what Samuel Huntington called the “Third Wave of Democratization.” The Thai coup is the second high profile collapse of an elite democracy in the last seven years, the first being the collapse of Pakistan’s democracy in October 1999. It may not be the last. Is there now a reverse wave leading democracies back to authoritarian or semi-authoritarian regimes.

P.S.

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