In January 2001, Thaksin Shinawatra and his Thai Rak Thai (Thai love Thai, TRT) party won a landslide victory in Thailand’s first general election following the 1997 financial crisis and the passage of an ambitious new constitution. The party had fought the election on a public platform appealing largely to the rural mass – an innovation in Thai political practice. The *Far Eastern Economic Review*\(^1\) analysed that Thaksin “won by embracing populism on a grand scale”, and over following issues referred to “his populist policies”, “populist spending programmes”, “populist pledges”, “populist sheen”, “populist election campaign”, and “populist brand of government”. But this populist branding was fundamentally foreign. The Thai language has no equivalent. Some newspapers used a transliteration, *poppiwlit*, which was vague. Others translated it as *prachaniyom*, which was rather neutral (roughly, people-ism). Thai academics helpfully wrote press articles to

explain the word and its history. This use of the term “populism” reflected a fear, especially among foreign businessmen, that the Thai government, which since the 1997 crisis had been submissive to the IMF and foreign pressure, would now pay more attention to its local constituency than to outside forces.

But the new government was also different from its predecessors in two rather contradictory ways. First, it was led by one of the country’s richest businessmen, and supported by several other big business families that had survived the crisis. Second, TRT had fought the election on a popular platform (which of course is no different from any western political party) appealing especially to the rural mass. The implication seemed clear: in the wake of the 1997 crisis, which had savaged Thai domestic capital, big business saw the need to control the state in order to shake off IMF tutelage, resist further takeovers of cash-strapped local firms by foreign investment, and restart economic growth; but to win power, the businessmen needed to share the fruits of economic growth more widely than in the past. Thailand’s pluto-populism was government of the people, by the rich, for the rich—and a little bit for the people too.

But over the new government’s first two-and-a-half years in power (through to mid-2003), the situation became more complex. It became apparent that the TRT government was reacting not only to the external threats imposed by globalisation, but also to internal threats that had appeared with the spread of democracy and civil society over the previous two decades. The TRT government achieved a dominating position in parliament, which made it possible to implement a wide-ranging agenda designed principally to improve the environment, both external and internal, for the growth of large-scale, modern business. The internal part of this agenda (on which this chapter concentrates) had two main elements: first, dismantling the political system that had developed over the past decades, in order to increase the power of political parties which big business could dominate; and second, suppressing the growing demands of civil society and imposing greater social discipline, often using authoritarian methods reminiscent of Thailand’s earlier era of military rule. The “populist” policies were a part of this larger agenda.

The result has been a major hiatus in the trajectory of political change in Thailand. Since around 1980, parliamentary democracy has developed in parallel with media freedom, civil rights, and popular assertiveness. The alignment of these elements has now been broken. Thailand’s pluto-populism has summoned up the “embedded conservatism” willed by the country’s dictatorial past in order to manage both the external impact of globalisation and the internal consequences of democratisation.

BACKGROUND: WEALTH, MONEY POLITICS, REFORM AND CRISIS

Over the last quarter of the twentieth century, Thailand’s average real GDP per capita tripled, the proportion of the workforce outside agriculture rose from a quarter to a half, and Bangkok expanded from a city of around 4 million people to the centre of a sprawling urban region housing three times that number.

Unlike many other countries in the region, politics changed rapidly in response to this economic transformation. On the one hand, students and activists took to the streets to get rid of military dictators. On the other, in the aftermath of these crises, businessmen
supported the writing of constitutions, formation of political parties, and the emergence of a parliament. By this mechanism, the army was pushed back to the barracks and Thailand moved to government by an elective parliament. But the Cold War left behind suppressive controls and a hegemonic antagonism to popular political movements. This allowed businessmen to monopolise parliament, especially provincial businessmen able to control elections through cash, intimidation and pork barrel. These businessmen quickly negotiated a *modus vivendi* of power and profit sharing with the formerly dominant bureaucracy – a configuration dubbed “money politics”. MPs grouped into loose factions and parties which competed to control ministries with large capital budgets for construction and similar spending. Senior bureaucrats retained considerable power by aligning themselves with parties and co-operating in the division of the budget. The constant competition among MP factions resulted in annual recomposition of the Cabinet by reshuffle or election. The military elite was excluded from parliament and Cabinet, but was compensated somewhat by control over border areas and their lucrative trades.

In the early 1990s, “money politics” came under attack from an alliance of conservatives (businessmen, political scientists, bureaucrats) and liberal social activists. This alliance constructed a new draft constitution aimed to upgrade the quality of politicians, create more stable governments, and increase popular participation, though still within strict limits. The constitution was passed in 1997 after the financial crisis persuaded businessmen and the urban middle class that politics had to be reformed to achieve better economic management.

The most successful party of the 1990s was the Democrat Party which headed the governing coalition for all but twenty-eight months from September 1992 to the 2001 election. Like other parties, its foundations were among the provincial business bosses (construction contractors, crop traders), particularly in the southern region. But in the early 1990s the Democrat Party added a top-dressing that reflected the needs and aspirations of a society undergoing economic boom and rapid urbanisation. It brought in technocrats who promised to manage and modernise the economy; showcased a new generation of young urban professionals who symbolised urban aspirations for modernisation; and thus attracted electoral support from the capital as well as the south.

In 1994 the Democrats were pushed out of power. But after the financial crisis in mid-1997, Bangkok businessmen and urban middle class clamoured for the Democrats to return and manage the economy. In December 1997, they were returned to power, not by coup or election, but by a reshuffle of parliamentary parties. Over the next three years, the Democrats were closely identified with the IMF programme of crisis management. In fact the programme was in place before they resumed office, and the Democrats pressed the IMF for modifications. But the Democrats also fiercely defended the programme and resisted arguments that it damaged Thai business and society for the benefit of international finance. As the crisis lingered, and the IMF’s approach was widely discredited, the Democrats suffered from the association.

While the rural majority of the population and its concerns gained little voice in parliament, the liberalising trend opened up more space for politics *nok rabop* (outside the system), in the media and on the street. New protest coalitions were formed, especially the Assembly of the Poor in 1995. By the late 1990s, these protests were able to block large government projects which displaced villagers or took control of local
resources on which villagers depended.

**BUSINESS AND POPULISM**

**Business reaction to the 1997 crisis**

The Thai Rak Thai party was formed in July 1998 against the background of the economic crisis. The economy in 1998 shrank by over 10 per cent – a sharp break from the previous forty years in which growth had averaged 6–7 per cent and never fallen below 4 per cent. The Thai currency lost 60 per cent of its value after the baht was floated in July 1997. The banking system effectively ceased to function, and almost half the loans in the financial system turned bad.

The party founder, Thaksin Shinawatra, had been the most successful entrepreneur in the 1986–96 boom. His success was based on new opportunities in telecommunications, and a rising stockmarket following financial liberalisation. Between 1988 and 1992, he secured from government seven telecommunications concessions including a mobile phone network and a satellite. He listed his four main companies on the stock exchange between 1990 and 1994 when inflows of portfolio capital boosted the index from 600 to a peak of 1753. The asset value of the Shinawatra companies increased from 0.6 to 56.0 billion baht over five years. By the mid-1990s, Thaksin was estimated to be worth 60–80 billion baht (US$2.4–3.2 billion). He entered politics in the mid-1990s and briefly held ministerial roles, but failed to make much impact.

Business in trouble rallied behind the new party. Between its foundation in 1999 and the general election in January 2001, TRT attracted the support of several other major business families. Since the early 1980s, such national-level business figures had preferred not to enter politics themselves or openly align themselves with specific parties, but manoeuvred in the background. The shock of the economic crisis changed that. Chatri Sophonpanich, head of the largest bank, explained that he supported Thaksin to become prime minister “because as a businessman, he understands business”. Dhanin Chearavanont, head of the largest Thai conglomerate (Charoen Pokphand, CP), emphasised the need for Thailand’s businessmen, in the wake of the crisis, to draw on the power and protection of the state: “This is an age of economic war. It’s crucial that we have a prime minister who understands business and the economy.”

**Thai Rak Thai and populism**

Between 1998 and the 2001 election, Thaksin and his advisers positioned the new party to gain the support of two major sections of Thai society by promising to counter the impact of the economic crisis. This approach to electioneering was new. Previously, Thai political parties built coalitions of “big men” in the localities through personal contacts, distribution of money, or simply log-rolling support behind the leader likely to be in a position to form the next coalition government. The candidate then turned out the vote in the locality by a similar mix of personal networks, pork-barrel promises, intimidation, and direct vote-buying. Party platforms were usually unremarkable boilerplate, and played little part in the process.

Thai Rak Thai appealed first to the mass of small businessmen who had been hit by the
economic downturn, especially by the collapse of the banking system which deprived them of credit and often forced them into bankruptcy. Thai businessmen resented the explanation of the crisis that blamed “crony capitalism”, and felt abandoned by government that over the prior 40 years had been highly supportive of business. To appeal to this group, Thaksin highlighted his personal origins as a small entrepreneur, his subsequent success, and his difference from the “bureaucratic mentality” of the ruling Democrat Party. He promised to revive the economy by stimulating domestic entrepreneurship through an “Italian” model of local genius combined with high technology. In particular, he promised to repair the financial system by relieving the banks of their bad loans.

Thaksin and TRT also appealed to the rural mass that had borne the brunt of the crisis through the collapse of crop prices, and the decline of remittance income from migrant relatives working in the city. Between 1996 and 1999, the official count of the number below the poverty line had risen by 3 million, with almost all the addition in the rural areas. The crisis exacerbated a long-run trend of economic decline and growing political dissidence in the countryside. As a result of a downward trend in agricultural prices, rural indebtedness had increased sharply in the 1990s. Many new farmer organisations had appeared to campaign for debt relief and government subsidy of crop prices. During the crisis, these organisations staged mass protests. Large rallies were held in the capital and provincial centres demanding government provide debt relief to farmers rather than to bankers and businessmen. Paddy growers invaded Bangkok’s northern suburbs to demand price support; cattle raisers started marching on the capital with herds of cows; cassava farmers threatened to build a bonfire in the city centre; and sugar farmers threatened an invasion of sugar trucks during a UN conference.

The TRT party tapped this sentiment. It contacted NGOs and activists involved in rural issues. With their help, it compiled an election programme of an agrarian debt moratorium, cheap health care scheme, and revolving funds of one million baht for each village. This 3-point programme was advertised on street posters across the country. The TRT manifesto and campaign materials adopted much of the vocabulary of rural activism (community, participation, empowerment). Farmer organisations stopped short of publicly endorsing TRT, but did vow to “drive the Democrats to extinction” at the polls, which amounted to the same thing.

The TRT campaign also highlighted its leader more aggressively than was usual in Thai electoral culture. From two years ahead of the poll, TRT erected large posters all over Thailand showing Thaksin with the party motto, “Think new, act new, for every Thai”. During the run-up to the polls, TRT posters were produced in a uniform format showing Thaksin with the constituency candidate. The author of a recently acclaimed biography was hired to write Thaksin’s life-story, serialised in Matichon weekly news magazine and then assembled as a book. The biography portrayed Thaksin rising from modest origins to outstanding commercial success through hard work, persistence, and daring. The essence of the book was distilled into a press ad and posters headlined: “Let me use my life’s knowledge and experience to solve the problems of the people.” The following excerpt conveys something of the village-to-world story and the homely style:

I was a village kid. I started my schooling in a village school. I became a coffee dealer; helped my dad on his farm; delivered newspapers; got into mining; then
computers. I once had a company with seven employees. Now it’s over 60,000 and a turnover of billions of baht. I put a satellite up in the sky. I invested overseas. I had to chase after customers to collect checks. I got into debt to the banks and became an NPL. I almost went bankrupt, three times but now I have more wealth and property than I could ever have imagined. Even today, my friends range from hired motorcycle drivers to the presidents of great countries.

The various incidents in his life were then linked to his policies: his rural origins dictated his rural uplift policies; his small business origins explained his interest in small entrepreneurs; his experience as a debtor led to his focus on the capital market; and so on. The policies of TRT emerged from the life of its leader.

Yet TRT did not abandon old electioneering methods. In the last nine months before the polls, it log-rolled many of the old political bosses in classic style, and made no attempt to prevent them campaigning using old-fashioned methods (pork barrel, vote buying, intimidation). Yet the striking thing about the TRT campaign was its novelty. It presented a clear set of campaign promises, outlined on 3-point posters on every street corner, and expounded in much greater detail on its website and other campaign materials.

It focused on Thaksin as a new kind of leader whose business success was proof of his ability to get things done and deliver change. It was orchestrated as a national campaign, with a similar style and message throughout the country. It clearly represented a very large financial investment.

The election result mirrored this mix of old and new, with the emphasis on the new. Many local bosses were returned, but a large number of sitting MPs and other powerful local figures who had resisted being log-rolled into TRT were defeated. The Democrat Party retained support in its old heartland in the southern region, but was annihilated elsewhere. TRT gained 48 percent of votes on the party list, and won just three seats short of an absolute majority (248 out of 500). In elections since 1979, the leading party had never won more than a third. The TRT parliamentary party was made up of two groups of roughly equal size. The first consisted of first-time MPs, with an average age in their late 30s. The second consisted of established MPs who had defected from other political parties, with an average age in the mid-50s.

Parliamentary power

Over the following year, the new government built an unprecedentedly strong position in parliament. This was based on its strong electoral support, but magnified by several other factors.

This government was the first formed under the 1997 constitution. Through the 1990s, a succession of coalition governments of small parties had been felled by corruption scandals. The drafters of the new constitution aimed to create more stable governments by moving towards a two-party system (through changes in electoral rules), strengthening the prime minister, and introducing new checks and balances to improve the quality of the parliament’s members and their work. Several smaller parties were dissolved before the 2001 election, and others were decimated at the polls. One remaining small party (Seritham) merged its fourteen seats into TRT immediately after the result, and the New Aspiration Party dissolved and joined TRT a year later, bringing TRT’s strength in
parliament to 295 out of 500. Thaksin recruited two other parties with reputations for joining any coalition government (Chat Thai and Chat Phatthana) to create a dominant coalition of 364 seats.\(^\text{28}\)

Parliamentary opposition was ineffectual. Only the Democrat party was left out of the coalition. Under the new rules, it had too few seats to launch a no-confidence debate against the prime minister.\(^\text{29}\) As a result of its identification with the IMF-nominated crisis policies, it had lost widespread public support. “Talking about the Opposition,” Thaksin noted, “I can only laugh.”\(^\text{30}\)

Thaksin also increased his popular support after the election. In part, this reflected popular optimism that the new prime minister would be able to revive the crisis-hit economy. It was also the result of an attempt to use popular support to intimidate the judiciary.

Ten days before the 2001 election, the National Counter Corruption Commission (NCCC) ruled that Thaksin had failed to report his full assets on three occasions over 1997–98 when he had to make a statutory declaration as a minister. The concealed assets, amounting to between 0.6 and 2.4 billion baht, were registered in the names of Thaksin’s cook, maid, gardener, and driver. The NCCC surmised that the concealment was “part of a dishonest scheme, or there would have been no need to use the nominees in the first place”.\(^\text{31}\) If the Constitutional Court decided that Thaksin had intentionally concealed the assets, he would be banned from politics for five years.

Thaksin fought the case with legal argument – his lawyers tried many strategies, but settled on the claim that the concealment was an “honest mistake” committed by one of the women in his entourage (wife, secretary, etc.) – but also by rapidly implementing his electoral agenda for the rural mass to build popular support. The debt moratorium, village fund and cheap health scheme were all launched within the first year in office. Although the implementation was sometimes clumsy, and the financing questionable, there is no doubt the schemes were popular. As the decision on the asset case approached, Thaksin adopted a highly public, almost presidential style, claiming to be the only leader capable of boosting economic growth and ridding Thailand of poverty:

> The people want me to stay and the people know what’s right for Thailand. And who should I be more loyal to? The people? Or to the Court? I love people. I want to work for them.\(^\text{32}\)

In effect, he challenged the court to risk the public discontent that would arise if he were removed. In a curious verdict, he was acquitted on a 8/7 split decision.\(^\text{33}\)

After the decision, Thaksin had both a dominant position in parliament, and an unprecedented level of public support for an elected leader. He immediately predicted he would govern for two four-year terms. No previous premier had lasted one. Over the next year, this self-estimate swelled to twelve, sixteen, and then twenty years in power for Thaksin and successors in the TRT leadership. “By then,” he told a party assembly, “if I’m still alive, I will ask the people to choose other parties out of sympathy.”\(^\text{34}\)

**A SOCIAL CONTRACT**
In power, the Thaksin’s government moved quickly on its agenda to defend and promote domestic capitalism. It eased some of the regulatory provisions imposed by the IMF, accelerated the repayment of IMF debt, and made preparations for managing the liberalisation of service industries under WTO commitments in 2006. In one of his first major speeches in power, Thaksin announced his aim to create “a new class of entrepreneurs” by “looking inward to our original strengths, our unique local know-how, and matching them with new marketing and communications technology”.35 The government relieved the state banks (but not the private ones) of their weight of bad debts, opened up new sources of credit to stimulate specific sectors such as property, and drew up plans to increase Thailand’s “competitiveness” through sectoral policies. It helped individual firms, especially those with connections in the Cabinet, through debt relief, regulatory changes, and other favours.36 It stimulated the economy through a high budget deficit and cheap credit, achieving GDP growth of 5.3 per cent in 2002.

Recruiting Rousseau

In parallel, the TRT government implemented its “populist” electoral platform (debt relief, cheap health care, village funds) and invented several new schemes including micro-credit and cheap urban housing. Some commentators characterised this combination of pro-business policies and popular measures as a new social compact or contract.37 In November 2002, Thaksin adopted this vocabulary in a speech. He opened by quoting the first lines of Rousseau’s *Social Contract* (“Man is born free…”), and interpreted these as follows:

> Since the government derives its powers and authority directly from the people, it also has an obligation to serve its citizens and do everything to promote their interests. Such is the Social Contract between the people and the State. But the true meaning of this sacred bond has often become diluted and distorted. In many cases, the concept was used to serve the interests of those in power rather than their electorate. Governments have enacted laws to sustain their own power rather than to empower the people who put them in office. Many authorities are often under delusion that what is best for themselves is best for the country. Rather, it has to be the *vice versa* that is correct: *only what is best for the country will be best for themselves.*38

Politics, he continued, had moved beyond the age of ideology: “The post Cold War political parties should no longer compete on the basis of ideology, but on the basis of winning the hearts and minds of the people through their actions.” Policy should simply be guided by popular needs. In the two years before the election, “our party members roamed the countryside and villages to listen to the needs and desires of the people.” Later he told a party meeting, “Every breath we take, we think of the people.”39

At one level, the village funds and credit schemes were simply an intensification of the Keynesian stimulus which the previous government had begun. But Thaksin also vaunted them as part of a longer-term approach to stimulating the economy:

> We need to first ensure that our foundations are solid by assisting the people at the grass-roots level so they can support themselves. We believe that by stimulating the domestic economy at the grass-roots, it will subsequently improve the competitiveness of the country, thereby enabling Thailand to compete in the
increasing global markets of the 21st century. Our focus is based on the 
acknowledgement that globalization is here to stay and that we must improve our 
domestic capabilities if we want to be able to compete in the international 
marketplace. Strengthening domestic capabilities entails strengthening both the 
business sector and the grass-roots economy. Our private sector must be encouraged 
to maximize their potential, earning their due rewards while responding to social 
responsibility.... The underlying principle is for the private sector and the grass- 
roots to grow hand-in-hand.40

In other words, the 1997 crisis had exposed Thailand’s reliance on external factors, 
particuarily capital sources. The new government’s policy would diverge from an “Asian 
model” of foreign direct investment and export-oriented industry, and instead boost 
domestic consumption and domestic entrepreneurship. In the face of the realities of 
Thailand’s open economy, the government had to quickly revise this stance to a “dual 
track” policy, balancing internal stimulus with external opportunism.

But these “populist policies” were more than Keynesian stimulus for economic revival, in 
two ways. First, they were designed to provide a “cushion” against social disorder. 
Thaksin explained they would “solve the problem of poverty of the majority” and 
“reduce the socio-economic gaps between the poor and the well-to-do, and, especially 
between the rural and urban sectors”. This in turn would “ensure social cohesion and 
political stability, which will enable economic recovery and growth”.41 Thaksin told 
investors that,

Improving the quality of life at the grass-roots level will create a stable social 
platform – a cushion. This social harmony protects and enhances your investments 
from the volatility of the global economy.42

Social policies were needed to prevent political problems destabilising entrepreneur-led 
growth. They were an antidote to the protests which had grown in both scale and intensity 
over the prior decade.43

The second purpose of the populist policies was “to encourage Thais to be more 
entrepreneurial”.44 The one million baht per village fund was designed as a revolving 
fund for small-scale enterprise. The Thaksin government also hurried into existence a 
People’s Bank offering micro-credit loans through a new window into the existing 
Government Savings Bank, and adopted the Japanese campaign of “One Village, One 
Product”, offering another source of credit for local enterprise.45 In 2002, Thaksin 
became interested in the Peruvian economist, Hernando de Soto, who argued that in non- 
western countries the poor stayed poor because they were unable to establish the property 
rights needed to convert assets into capital.46 De Soto was invited to Bangkok and feted.47 
The government then launched plans to convert some conditional forms of land title so 
that they would be more readily accepted as loan collateral, and to issue titles against 
others assets (such as a vendor’s site) so they too could be used as collateral.

Behind all these schemes was a view that large parts of the population, especially the 
rural population, were only very loosely and partially integrated with the national 
economy, and that the economy would grow if more people could be converted from 
peasants into petty capitalists. Thaksin said, “Capitalism needs capital, without which 
there is no capitalism. We need to push capital into the rural areas.”48 In a similar spirit,
Thaksin proposed to bring some parts of Thailand’s large underground economy within the scope of the formal economy. He estimated this could boost economic growth by 2 per cent.\textsuperscript{49} A government scheme was launched to replace the enormous underground lottery, and the finance minister looked for ways to legitimise and tax the sex trade.

In Thaksin’s view, the promotion of national capital on the one hand, and the populist schemes on the other, were part of a single strategy for deepening and expanding capitalism: “We are fully committed to making economic prosperity and social development mutual and reinforcing components of each other.”\textsuperscript{50} Later he explained, “Capitalism has targets but no ideals, while socialism has ideals but no targets … We need to combine the best of each … I’m applying socialism in the lower economy, and capitalism in the upper economy.”\textsuperscript{51}

**RECONFIGURING POLITICS**

The TRT government also set about transforming the political system. In the old system of “money politics”, the key figures were the local boss politicians. They invested in winning local elections, networked into parties to gain access to ministerial power, and then controlled the distribution of budget funds to the localities.\textsuperscript{52} The senior bureaucracy cooperated in this system and resisted projects for bureaucratic reform. As it came to realise the extent of its parliamentary power, the TRT government began to dismantle this system. It launched attacks against bureaucratic power and corruption, and against the “influence” of local bosses. To arm itself for such an ambitious project, the government also redrew the relationship between the elected government and the military.

**Business and bureaucrat**

The Thaksin government was emphatically a government of businessmen. In Thailand over the past century, business had been dominated by families of Chinese origin. From 1950, Chinese in-migration ceased, and family, cultural and commercial links with China were cut. Settled Chinese families were obliged to take Thai nationality, put their children through Thai education, and adopt certain cultural rules. As a result, over the next two generations, locally settled Chinese-origin families “became Thai” by language and practice, while Bangkok effectively “became Chinese” in terms of the origins of the families that first dominated its business, but later spread into the professions, bureaucracy, armed forces, and politics.

Thaksin is a fourth generation member of a family of Chinese immigrant origin. He made almost no reference to this family background, although it was generally known.\textsuperscript{53} He positioned himself aggressively as a “CEO premier”, and constantly contrasted his “business” background with “bureaucratic” culture.\textsuperscript{54} Inevitably, this contrast recalled the ethnic politics of the recent past when “Thai” bureaucrats and generals used administrative rules and cultural politics to limit the political power and commercial independence of “Chinese” businessmen.

The advent of the Thaksin government, in which there was scarcely a minister who could not claim some Chinese family background, was a climactic stage in the process whereby these barriers were gradually circumvented and dismantled. The impact was both political and richly symbolic. For example, one minister (Somkid Jatusripitak) spoke Thai with a
heavy accent which indicated to local listeners that he probably spoke Chinese inside his family and attended a Chinese-language school. Until only a very few years earlier, such an accent would have placed the speaker in danger of public ridicule. This did not prevent Somkid acting as one of the government’s most prominent spokesmen. His performances were part of the dismantling of old barriers.

This new cultural confidence appeared against the background of China’s re-emergence as an economic power. This re-emergence had special significance for Thailand because of China’s proximity and because of the size of Thailand’s community of people with Chinese origins. Families that had been remote from China for two generations began to rediscover their roots, creating a boom in Chinese language teaching, and in sales of pocketbooks re-educating people about Chinese beliefs and practices. Historians began to stress the role of the Chinese in Thai history, and television serials dramatised this story for a popular audience. Pop stars, actors, models, and even the victor in the Miss Thailand World contest in 2002 sported looks that would have been demeaned as “too Chinese” only a few years earlier. In a deconstruction of national identity unlikely in the pre-Thaksin past, one prominent businessman proudly described himself as “one hundred per cent Cantonese born in Thailand”.

**Business and military**

The political role of the military had been in decline since the departure of its US patron in the late 1970s, and more emphatically since generals staged a coup in 1991 and tried to retain power by shooting demonstrators a year later. The military elite had lost not only power, but some social status, and a great many opportunities (legal and illegal) to earn secondary incomes. Thaksin revived the political role of the military in a very new configuration – as a subordinate ally of big business.

Here, his personal and family relationship to the military is indicative of a wider sociopolitical trend. Like most immigrant families, the Shinawatra initially prospered from commerce. But in the post-Second World War era, they began to invest heavily in education, and diversify into the official careers that conveyed both political power and social status. Thaksin enrolled in the Armed Forces Academy Preparatory School which serves as a general officer training school. Hence he belonged to one of the school’s classes which have cultivated a tradition of networking and mutual help for career advancement and political influence. He subsequently graduated from the police academy (top in his class) and served in the police. Several members of his extended family took a similar career path. In addition, he married the daughter of a senior police general whose (Damapong) family has a similar span, while an elder sister (Yaowalak) married an army general and a younger sister (Yaowapha) married into another prominent bureaucratic clan (Wongsawat).

Thaksin thus has a dense and extensive network of kin, in-laws, and classmates spread across the military, police and senior ranks of the bureaucracy. After becoming prime minister, he strengthened this network. In the military promotions of 2001 and 2002, he promoted several members of his cadet school class, and leapfrogged his cousin, Chaisit Shinawatra, several rungs up the military ladder into a post that enabled him to become army commander a year later in 2003. In 2002 he also moved Priewphan Damapong, his wife’s brother, into line to become the next-but-one police chief. In mid 2003, he
moved former class-mates and colleagues into most of the key second-level positions in the police hierarchy. The importance of this network was shown when the justice minister tangled with a Shinawattra in-law who served as permanent secretary in his ministry. Even though the minister regularly topped polls measuring popular approval and had earlier been tagged as Thaksin’s possible successor, his political prospects were destroyed within days.

A central piece of Thaksin relationship with the military was General Chavalit Yongchaiyudh, who had been army commander in 1987–89, before resigning to form the New Aspiration Party. As prime minister in 1996–97, Chavalit had revived the political use of the security apparatus, and had floated schemes for the military to benefit from the economic boom. In 2002, he merged his party into TRT, admitting that he no longer commanded the funds required for party leadership after Thaksin’s entry into the political market had changed the price levels. Thaksin appointed him first as defence minister, and later as a deputy prime minister overseeing projects involving cooperation with the military. Shortly after, Thaksin gave adviser posts to 53 of the large number of surplus generals who had no substantive job. This group is widely believed to have been instrumental in planning policies to control dissent.

**Overthrowing (finally) the bureaucratic polity**

In the 1960s, Riggs described Thailand as a “bureaucratic polity”, meaning that the military officials and civilian officials ruled with little interference from extra-bureaucratic forces, even businessmen. Despite the subsequent rise of parliament, bureaucratic dominance diminished little until 1988, when the Chatichai cabinet used ministerial power of appointment over senior officials and state enterprise boards to intimidate officials into greater submissiveness. But after the reaction against this attempt contributed to a coup in 1991, future Cabinets were less aggressive. Through the 1990s, bureaucratic reform was constantly discussed but never acted upon.

The Thaksin cabinet changed that. At the outset, it repeated the Chatichai tactic of making many changes to senior bureaucratic appointments. But it also went further. In October 2002, it implemented a comprehensive remapping of the bureaucratic structure, changing from fourteen to twenty ministries, re-assigning several departments, and making a large number of senior appointments, promotions and transfers. Thaksin also appointed more businessmen to positions on statutory boards (normally occupied by officials), and proposed to modify regulations to allow appointment of non-officials to senior posts like permanent secretaries.

In late 2002, the press uncovered that TRT cadres in every province were drawing up lists of local officials and assessing their political leanings (pro-TRT, pro-opposition, or neutral). In the subsequent outcry, the party disowned the exercise, but not before a senior party manager had confirmed its existence in an interview. TRT was intent on deepening the politicisation of officialdom. The government also launched a “war on corruption”. Corruption brought politics and politicians into disrepute, and hence undermined the efforts of the new elected leaders to move finally beyond the era of the bureaucratic polity. The campaign conspicuously targeted malpractice by officials but not malpractice by politicians or businessmen.
Senior bureaucrats had retained authority in part because they had the machinery for policy making. Thaksin and TRT set out to change this too. Again Chatichai had pioneered change in the late 1980s by assembling a policy-making team under party control, but subsequent governments had not developed this practice further. The TRT cabinet assembled a much larger and more active set of policy-making advisory teams than any previous government. Thaksin trawled the universities for willing talent, recruited from his colleagues in the business world, and transferred people from within his own family companies. This greater party control of policy-making was specially prominent in economic affairs. Thaksin assembled an inner economic cabinet of five or six members including his sister (Yaowapha), his first finance minister (Somkid), and some business colleagues.

Thaksin also set out to change the culture and status of the bureaucracy. In several speeches, he argued that bureaucrats were inferior to businessmen because they did not contribute directly to the national economy. In addresses to senior officials, he talked about business management principles, summarised the findings of the latest business school theorists and futurists, and stressed that bureaucratic practice would have to change to this “modern” culture. For the launch of a scheme of “CEO governors” in mid-2003, the government brought in international management experts to train the candidates, and Thaksin lectured them on management and innovation.

**Overthrowing influence**

In February 2003, the government launched a campaign against the methamphetamine trade that had ballooned since the mid-1990s. The campaign mostly entailed arrest or murder of small-time traders and users, but eventually winkled out a few of the larger figures controlling the trade. In May, Thaksin broadened the campaign to target the “dark influences” behind all kinds of illegal activity.

This was an ambitious initiative. The term “dark influence” had come into use since the 1980s. Particularly in the provinces, some of the most successful businessmen were those who strayed across the line dividing legal from criminal activity. With the establishment of parliament and elective local government, such figures had been able to convert their wealth into political positions, or influence over those who held them. Governments in the mid-1990s were dominated by a handful of “godfathers” of national prominence.

For more established and respectable businessmen and politicians, such figures offered unfair competition (because of the size of their illegal profits), and brought both business and politics into public disrepute. Bangkok magnates who wished to set up a business in the provinces, or run for a provincial constituency, were irritated that they had to gain the support of such powerful local figures. Aspirant prime ministers had to compromise with them, including Thaksin. In 2000, Thaksin deliberately lured many of these figures into TRT. He was obliged to include some in his Cabinet, but publicly apologised.

Closing down the godfathers would remove a source of competition in both business and politics. It would also shift the criteria for success in elections – away from local “influence”, towards membership of a national party with a policy agenda. The interior minister explained, “I want the elections to be clean and fair competition under rules. I do not want to see influential people using their power to force people to go to the polls.”
Thaksin said, “Influence which buys votes is a barrier to proper democracy. It’s a vicious circle. Corrupt politicians use their power to recoup their investment. I want politicians who see politics as service to the people, not as an investment.”

The first move in the campaign targeted two Kanchanaburi local bosses who were clearly identified with the opposition Democrat Party. Perhaps by chance, another major godfather associated with the Chat Thai party (Kamnan Bo), was arraigned on murder and corruption charges. Beyond that, the campaign fizzled. The effort to draw up lists of influential people was obviously subject to influence. However, the announcement of the campaign itself, and the initial moves, sent a clear message: to remain influential, a local boss should come under the shelter of the ruling TRT party.

Taken together, the measures to transform the peasantry, overthrow bureaucratic dominance, and intimidate the godfathers were nothing less than a wholesale attack on the old political order.

**Dissent and Discipline**

Another main theme of TRT’s first two-and-a-half years in power was suppression of the popular politics, open debate, claims for rights, and enthusiasm for “civil society” which had grown dramatically over the previous decade. Thaksin set out to replace this “bottom-up” agenda with a new justification of strong leadership.

**Social contract or moral leadership?**

Thaksin’s reference to a social contract in a speech in 2002 was not his first use of this phrase. He had used it in a speech in 1999 about a prominent Buddhist thinker. Buddhadasa (1906–93) had provided the philosophical underpinning for a more socially and politically engaged form of Buddhist practice that had inspired many activists. He argued that it was the duty of a good Buddhist to improve this world rather than storing up merit for the next. Against the background of Thailand’s military dictatorship during the Cold War, he argued for “dhammic socialism”, rule by those who had escaped attachment to self and material things, and hence could lead society towards both material and moral improvement.

In his 1999 speech, Thaksin expressed his admiration for Buddhadasa’s ideas, and interpreted them in a way which aligned with the concept of a social contract:

Buddhadasa saw that politics is dhamma and dhamma is politics. Politics is a duty. Politics is organising the mass of people in society to live together peacefully, without crime. It’s the same as the social contract theory which old philosophers like Montesquieu, Rousseau, John Locke and Thomas Hobbes talked about, which is really about organising people to live together peacefully.

In this Buddhist version, the social contract is not the result of the pooling of rights imagined by European theorists, but arises from the moral vision of leaders who have escaped the clutches of self-interest through Buddhist detachment from ego and greed. In Thaksin’s version of Buddhadasa’s ideas, parliament should be filled with “men of moral integrity” (satthaburut) who could “think of social benefit rather than private interest”. If
the parliament were truly such an assembly, then there would be no disagreement on the political agenda; conflict, by definition, was the result of self-interest. Thaksin continued, “if parliamentarians argue, exchange abuse, and destroy one another, just protecting their own interests, it should not be called a parliament in Buddhadasa’s sense”. Thaksin regretted that “politics in our country has been influenced by British politics with debate in the style of lawyers. This may conflict with what Buddhadasa wanted, which is a united parliament of men of moral integrity.”

By quiet implication, Thaksin was laying claim to be a leader capable of the sort of disinterested vision idealised by Buddhadasa. In his election campaign, and subsequently, he repeatedly emphasised that he had already made his fortune, and hence had no need to treat politics as a profit-making enterprise, as others did.

**Suppressing opposition**

In Thaksin’s interpretation of Buddhadasa, opposition to the moral leader was by definition wrong. In similar vein, in his later speech on the social contract, Thaksin focused specifically on Rousseau’s argument that citizens surrender all rights to the state:

> … through the act of setting up a state, the people consent to give up their personal freedoms and become bound by the laws and norms of the government and the general will. This is for the sake of social order and majority rule.

In this respect, Thaksin was following Thai military ideologists of the 1980s who had used exactly the same aspect of Rousseau to justify military dictatorship. Thaksin went on to argue that parliamentary-style opposition could be anti-people:

> Upon coming to office, many ruling parties try to do all they can to hang on to power, while those in the opposition try their utmost to topple the government and assume power themselves. Virtually anything initiated by the government is resisted by such opposition without considering whether the government’s actions are in the best interests of the people. Such adversary politics may not be for the best interest of the people. On the contrary, it may be a betrayal of our social contract to the people.

Thaksin expressed a desire for kan muang ning, meaning quiet or calm politics. He spoke approvingly of the Singaporean parliament where the opposition legitimised the form of parliamentary democracy without having any chance of challenging the government. He admired Mahathir’s domination of Malaysian politics. He reacted aggressively against all criticism and opposition. He challenged the role of the “independent bodies” established under the 1997 constitution to provide checks and balances on the politicians. He wondered aloud why such bodies appointed by a handful of people should have jurisdiction over those elected by millions. He threatened to cut their budgets: “At present we’re spending an annual Bt3 billion on independent bodies. If they become antagonistic, I think spending even one baht would be expensive.”

Over the previous decade, the most strident criticism of political leaders had come not from the parliament but from the press and public platforms. Thaksin deployed both old and new methods to bring this criticism under control.
The first TV channel independent of government (ITV) was launched in 1996 and rapidly set new standards for news reporting and investigative feature programmes. But, founded on the eve of the financial crisis, the channel never made a profit. This gave an excuse for a shake-up in 2000. The Nation group, which had only a 1 per cent stake but was responsible for the news content, was ejected. Thaksin’s family companies acquired a controlling interest. Just before the 2001 general election, journalists on the channel complained that Thaksin was interfering in its election reporting. Twenty-three were summarily sacked.84 Subsequently, the channel’s programming was changed to emphasise entertainment more than news. In September 2003, several others were sacked, reportedly for resisting political interference.85

The five other free-to-air channels were owned by the army or government.86 Yet over the 1990s, these five government channels had broadcast more programming, particularly on current affairs, provided by independent companies and allowing public debate on social and political issues. The head of the family running the most popular of these channels became a minister in Thaksin’s cabinet.87 Two of the companies providing independent current affairs programming to the government channels were ejected.88 Across all channels, news programming was shortened, and became lighter in content. Thaksin demanded that stations broadcast “constructive news”, meaning positive stories about the government.89 Whereas current affairs programmes had earlier carried lively debate and involved viewer participation by phone-in or phone-voting, by 2002 the only programmes left were interviews with ministers or permanent secretaries explaining government policies.

The 1997 constitution had established a mechanism for ending the control of electronic media by the government and army. However, the officials, generals and concessionaires who operated the old system had conspired to obstruct this change with the result that the procedure to establish the independent commission assigned to manage broadcast frequencies had been blocked and buried in litigation. The Thaksin government made no effort to end this jam, which meant all electronic media remained under the control of the government, army and Shinawatra family.

The press was independently owned. It had played a prominent role in the critique of military dictatorship, campaigned successfully to revoke dictatorial press laws in 1991,90 and enjoyed its reputation as one of the freest and liveliest presses in Asia. The TRT government used several strategies to quieten it down. It revived previous military governments’ tactic of calling in editors for friendly but intimidatory chats; provided journalists with facilities (snacks, internet hook-ups) that they would be loath to put at risk; and demanded removal of political-beat reporters who were over-critical. Most effectively, it manipulated the large advertising budget commanded by government agencies and companies associated with the government. Critics estimated that this combined budget amounted to 60 per cent of all press advertising. Many press owners had suffered financially during the crisis, and were especially vulnerable to this strategy. The head of the Thai Journalists Association commented:

With his abundant financial and staff resources, Thaksin can easily orchestrate the direction of news to his favour and curb media freedom in the most sophisticated ways... He has effectively silenced media by restricting advertisement from state bodies and enterprises.... As a result, he can map out long-term strategies and set
agendas for the media, which consequently will lead to the so-called “media-apartheid”—only pro-Thaksin media outlets will prosper.\textsuperscript{91}

In early 2003, government drafted a bill to subject all media to “ethical” monitoring by a council appointed by the premier, but had to abandon the project.\textsuperscript{92}

Opinion pollsters were subject to similar controls. After one of the two leading pollsters published findings that the prime minister’s popularity was slipping, its office received “frequent and unnecessary visits” from soldiers, special branch policemen, and officials who seized property and issued threats.\textsuperscript{93} Subsequently, the findings published by pollsters were conspicuously lacking in any opinions critical of the government.

The Nation media group\textsuperscript{94} was virtually alone in defying these pressures. Indeed, the group recognised that the government’s controls created an opportunity to launch a new Thai daily with a more defiant line. Within three months, this title (\textit{Khom chat luk}, Sharp Clear Deep) had the third highest readership (but attracted far less advertising than its readership merited).\textsuperscript{95} At exactly this time, executives of the Nation group discovered their bank accounts were being investigated by the Anti Money Laundering Office (AMLO), a new agency established to combat drugs and organised crime. AMLO claimed to have launched the investigation on the strength of an anonymous letter alleging the Nation group was linked with a financial crime syndicate. The Nation secured a court injunction to halt the investigation. The government denied it had initiated the probe, but also established a committee that eventually absolved AMLO officials of any wrongdoing.

The AMLO investigation included some non-Nation journalists who were declared critics of the government, and also a handful of NGO leaders. Later, Thaksin charged NGOs with fomenting protests to finance themselves: “They record their rallies on video and send the tapes overseas to get financial support.”\textsuperscript{96} He and other TRT leaders suggested that foreign funding of NGOs was a treacherous undermining of national sovereignty. In 2001, a deputy secretary-general of the prime minister office asked the foreign ministry to approach countries that were the source of this funding and “negotiate” to end it. The foreign ministry refused to comply.\textsuperscript{97} Later Thaksin explained the government would “co-operate with NGOs that have identical policies to ours in terms of serving the people”, but implied others should not exist.\textsuperscript{98}

In May 2003, the government instructed the army security services to restart monitoring political activities – reversing an order of the previous army commander limiting these agencies to issues concerning the border and external security.\textsuperscript{99}

Another source of criticism that was difficult to control was academics and public intellectuals. Thaksin reacted against academic economists’ criticism of the government’s economic policies by arguing that the world had changed:

This global crisis, which continues to send shock-waves around the world, was unprecedented. The impact on the interconnected economies of the world will probably intensify. Therefore any attempt at predicting the future, based either on existing economic textbooks or on number-crunching, to try to establish a trend will be futile. I ask my critics to go back and check the first book by Microsoft's Bill Gates. That shows the makeup of the past and the components of the future have very little in common.\textsuperscript{100}
He also argued that non-businessmen were not qualified to criticise the government’s economic policies: “Some of you don’t even know how to do business. So how do you justify having opinions in the first place?” In reaction to comments on growing government authoritarianism, he claimed superior knowledge: “I have a very good knowledge of democratic philosophy, so anyone who knows less please refrain from talking too much.”

When Thirayuth Boonmi, a leader of the 1973 student uprising who had become a prominent social commentator, drew attention to the government’s authoritarianism, Thaksin snapped back that “these people feel proud to be accorded quasi-hero status when in fact they have done nothing useful to society.” In response to a warning from Prawase Wasi, perhaps the single most prominent senior social activist of the era, Thaksin said: “He doesn't understand and all he ever thinks is that he's a cut above the rest.” After former premier Anand Panyarachun chided him gently, Thaksin asked Anand to “be patient and stop talking” because it was “too easy if one says something only in order to be perceived as a hero”. The prominent economist, Ammar Siamwalla, took a vow of public silence after Thaksin called him ignorant. In a more general reaction Thaksin argued that “Thai leaders and academics like to talk problems, not solutions”, and that “a lot of people feel like heroes when having a go at someone with their outdated opinions”. These aggressive reactions to people with status derived from age, experience and learning were a dramatic shift in the political culture, asserting the prime position of the elected leader.

In May 2003, Thaksin threatened to purge the universities:

> Some academics, for example, cannot teach and cannot make students analyse. Some researchers cannot research, but want to draft the constitution. These people will have to go and do not worry about them. We need to move our country ahead.

In this response and in several others, Thaksin portrayed attacks on himself or his government as attacks on the nation. He warned critical journalists: “You media people have to believe me. Today, serving the country is more important than sending your news dispatches daily to your editors. Think before you do anything that damages the country.” Talking about the prime minister with a taxi-driver, he said, was “not good for the country”. Even the opposition’s parliamentary scrutiny of government policy, Thaksin noted, was “not done for the country’s interests”. He warned opinion pollsters to “avoid causing damage to society and the nation”. Criticisms of Thaksin and TRT policies in the foreign press were repeatedly portrayed as attacks on “Thai sovereignty”.

**Controlling rural protest**

One of the most striking trends of the 1990s was the growth of rural protest, and particularly the demands for local control over natural resources that the state had earlier been able to use for “development” without difficulty. By 2000, every large infrastructure project that needed to appropriate resources of land, forest or water was blocked by some form of protest. These included two power plants, a gas pipeline on the Malaysian border, several dams, an experimental nuclear project, an industrial waste scheme for Thailand’s most polluted province, and urban waste schemes for the two largest cities.

Prior to the 2001 election, Thaksin consulted with NGO leaders and persuaded them he
would be sympathetic to the issues underlying recent rural protests. On his first day in office, he met with the Assembly of the Poor, undertook to deal with their grievances, and convinced them to disperse their protest camp outside Government House. Subsequently, Thaksin tackled three cases in which local communities protested against large development projects – a dam, two power stations, and a gas pipeline.

The power projects were located on the east coast of the peninsula, and designed to use imported (Australian) coal. Local protests had become concerted enough for the government agencies to become nervous about proceeding. Two attempts were made to hold public hearings which the protesters disrupted on grounds they were dishonest attempts to legitimise the projects, not opportunities for reconsideration. The issue had become a spearhead for pressure to introduce proper procedures for environmental and social assessments of projects, including public hearings. Thaksin first officially delayed the projects, and then negotiated with the contractors to shift to alternative sites. These shifts would raise the cost of the projects, but this solution evaded the larger issue of project assessments and public participation.

The pipeline was designed to transport natural gas from the Gulf of Thailand across a few kilometres of Thai territory en route to Malaysia. The project had been concluded as part of a larger scheme of Thai-Malaysian cooperation. The procedural issues were the same as in the power stations case. Thaksin first shifted the route of the pipeline slightly, but otherwise insisted on going ahead. When another protest on this issue in December 2002 ended in violence, police paraded slingshots and bags of chilli sauce as evidence of the weapons which the protesters had planned to use, and condemned them as “anarchists”. A video shot at the scene showed that the demonstration had been non-violent, but several hundred police had attacked the non-resisting protesters with much fiercer weapons, beating several people brutally, and overturning a truck and other vehicles. The National Human Rights Commission and the Senate separately investigated the incident and both blamed the violence on the interior minister and police.

The Pak Mun dam, completed in 1994, had been the most high profile object of protest throughout the 1990s. Protesters claimed the dam had wrecked fishing in an important stretch of the northeast region’s major river in order to generate enough electricity for a small department store. The project had been almost universally condemned. Fishing communities and environmental groups demanded the dam gates be opened permanently to allow the river to revive. The electricity authority had undertaken to abandon all similar projects in future, but was reluctant to write off its Pak Mun investment or be seen to bow to protest. Thaksin undertook personally to negotiate a solution. Despite the high profile of the dam over the previous decade, he showed scant understanding of the issues involved. He clearly believed that poor fishermen could be persuaded to abandon the protest if enough money were offered. When the Mun villagers spurned his cash, Thaksin summarily decided the issue in favour of the electricity authority, without even waiting for completion of several research projects launched by the government to help adjudicate the issue. Officials then dismantled the protesters’ camp. The Pak Mun case demonstrated Thaksin’s conviction that communities at or beyond the periphery of the market economy should be integrated by monetary temptation if possible and by stronger methods if necessary.

In April 2002, the Cabinet resolved to use “harsh action against protesters who violate the
The government drafted a bill to force protesters to seek prior permission for demonstrations, but abandoned it as unworkable. It then proposed to amend the Highway Act to criminalise any protest on a public road. Among the people targeted in the government’s campaign against “influence”, the police chief included “Those who have persuasive power, who can manipulate or misguide others to do illegal things, create turmoil – such as leaders of mobs, or forest encroachers.”

In 2001, government had begun drafting a security bill to replace the old anti-Communist law that had lapsed. The initial draft, which gave authorities wide-ranging powers of search and arrest, was delayed after widespread disapproval. In 2003, the government produced another Act on the Investigation Procedure of Special Cases which again gave authorities wide powers of search and detention. It also drafted a new National Police Act which placed the police force directly under the prime minister. In August 2003, it implemented an anti-terrorist law by executive decree. Critics questioned why the government had not used the normal course of legislation, and pointed out that the definition of terrorism was broad enough to cover various forms of dissent – a device used in earlier anti-Communist legislation.

Enhancing social discipline

The TRT government launched projects that showed a trust in the ability of the state to mould or dictate social and cultural practices. The most prominent of these was the *rabiap sangkhom* or social order campaign undertaken by the Interior Ministry. In practice, this was an attempt to reverse the spread of recreational drugs and relaxed sexual practices among a new generation of urban youth, largely through police raids on entertainment venues. But the titling of the campaign betrayed a more ambitious scope. The word *rabiap* means rules or regulations, particularly the codes and procedures observed by official bodies. More broadly it means order, orderliness and a proper arrangement of things. It is often yoked with *vinai* (the monastic word for the same general meaning) to mean discipline or conformity. Campaigns of social discipline had been a regular fixture of Thailand’s dictatorial era.

In 2003, this campaign was escalated into the war on amphetamines noted above. In launching the campaign, Thaksin told the police: “We have to shoot to kill and confiscate their assets as well, so their sinful inheritance will not be passed on. We must be brutal enough because drug dealers have been brutal to our children.” In the following two months, around 2,900 people died under the campaign, mostly in execution-style killings by hand-guns. Government claimed only a few were killed by the police in self-defence, and the remainder were “pre-emptive” killings by drug-dealers silencing colleagues who they feared might give evidence. This explanation was widely disbelieved, but government’s enthusiastic publication of the campaign – for six weeks, television news opened with clip after clip of bodies lying in pools of blood – had a powerful disciplining effect.

As part of its scheme of bureaucratic reorganisation, the government established a Ministry of Culture. Similar bodies had been set up by military governments in the 1930s and 1950s to plan and execute schemes of social and cultural engineering. The new ministry’s draft plan was innovative in recognising the ethnic and linguistic diversity of the country, and undertaking to promote egalitarianism and local cultures. Yet the plan as
CONCLUSION

In 2001, a big business backed party won an election landslide in Thailand by making an unprecedented appeal for popular support with a programme of “populist” policies. At one level, this populist programme was simply a compromise that big business was prepared to make in order to control the state for the primary purpose of managing the impact of global forces. But at another level, the populist measures were part of a more complex agenda. The electoral victory, combined with the new 1997 constitution’s measures to engineer more stable governments and with the new premier’s highly public profile, put the new government in a position to launch an ambitious agenda of internal transformation. The populist policies were woven into this agenda.

This agenda had four main parts. First, it set out to revive the crisis-hit economy, in the short term through a concerted Keynesian stimulus of local consumption, and in the longer term by incorporating the peasant economy (and the underground economy) more firmly into the national market economy. Populist policies – especially the proliferation of new sources of small-scale credit – were part of the attempt to broaden and deepen the reach of the capitalist economy.

Second, the new government set out to dismantle the political system in which local bosses with the resources to manipulate the peasant electorate were able to dominate parliament and rule in alliance with the senior bureaucracy. The government attempted to diminish the power and status of the senior bureaucracy, politicise its ladders of success, and change its culture to become more amenable to business needs. It also launched an attack on the “influence” of local bosses. This dismantling prepared the way for a new configuration in which parliament and Cabinet would clearly dominate, parliament would be controlled by big national parties, and such big national parties would be financed by and responsive to big business. The populist policies provided a new link between party and electorate, by-passing the old bosses.

Third, the new government set out to halt and reverse the growth of political assertiveness mediated through press, protest, NGOs, academics, public intellectuals and civil society organisations. It targeted particularly the rural organisations (and their NGO allies) that had become increasingly effective in resisting state claims to appropriate local resources for power generation, waste disposal, land development and other projects required for continued urban expansion. The populist policies were intended to serve as a “cushion” against protest and dissent. Where unsuccessful, they were superseded by more authoritarian methods.

Fourth, Thaksin borrowed from Rousseau’s idea of popular subjection to a general will, and reformist Buddhism’s conception of political leadership by “men of moral integrity”, to imagine a passive society without debate or disunity governed by leaders with the detachment and insight to treat people evenly and lead the society towards a prosperous future. Under this theory, dissent was by definition self-interested, illegitimate, anti-
people and even treasonous. In this spirit, Thaksin challenged the legitimacy of criticism by the parliamentary opposition, constitutional “independent bodies”, media commentators, international organisations, academics and public intellectuals.

The launch of this ambitious agenda was predicated on a new configuration between business and military in the Thai polity. Four decades earlier, American academics had described how “pariah entrepreneurs” had to depend on the patronage of a “bureaucratic polity” of officials and generals. This pattern had now been inverted. With its post-boom wealth and dominant position in parliament, big business was now in a position to rehabilitate the declining fortunes of the military, and draw on its coercive power. The rise of Thaksin as an entrepreneur, the development of his extensive family-based network in the military and bureaucracy, and his recruitment of General Chavalit as junior coalition partner, encapsulated this new configuration.

Thaksin and the TRT represent a major change in Thai political culture, and in many ways a step forward into the past. Principally Thaksin and TRT represent the big business capture of the state, and the launch of policies to promote and broaden the modern capitalist economy. But in its rejection of a liberal model of debate and consensus, the TRT project benefited from the “embedded conservatism” in Thai political culture. The mobilisation of state power – with significant military assistance – for the TRT’s ambitious agenda, recalled the political aggrandisement and social engineering of military regimes from the 1930s to the 1950s. The revival of a Ministry of Culture, nationalist rhetoric, and pugnacious attitude towards outside intervention also reprised that era.

Since the 1970s, business and civil society had allied behind a liberal agenda of democracy, rights and freedoms. In a recurrent pattern, activists brought down a dictatorial government, and then business moved in to write a constitution, form political parties, and ease more governing power away from the hands of generals and officials. The definitive capture of the state by big business in 2001 may have brought this period to an end – at least temporarily – and revived the traditions of top-down social engineering by a strong state. Thailand’s pluto-populism is woven through a big business agenda to manage both global and local forces.

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5 The sharing of power between politician and bureaucrat in this era is a matter of debate. Anek Laothammatas argues that politicians gained the upper hand, while Chai-Anan Samudavanija argues that change was illusory and the bureaucrats remained strong. Largely this difference is about different areas of government. Chai-Anan is focusing on the Ministry of Interior’s control of provincial administration and Finance Ministry’s control of budget-setting. Anek is looking at the politicians’ control over economic policy, and over the line ministries’ distribution of budgets. See Chai-Anan, “Old Soldiers Never Die, They Are Just By-passed: The Military, Bureaucracy and Globalisation”, in Kevin Hewison (ed.), Political Change in Thailand: Democracy and Participation, (London and New York: Routledge, 1997); Anek Laothammatas, Business Associations and the New Political Economy of Thailand: From Bureaucratic
The main reforms of parliament were as follows. Constituencies were broken down from multi to single member. Vote counting now prevented candidates tracing how individual villages or wards had polled. The conduct of the elections was transferred from the Ministry of Interior to an independent Election Commission which has stronger powers to penalise candidates for malpractice. Besides 400 territorial constituencies, 100 MPs were elected from a “party list” by a national vote. Constituency MPs selected as ministers had to resign their seats. All MPs were required to hold a tertiary degree. On the evolution of the constitution, see Michael K. Connors, “Political Reform and the State in Thailand”, *Journal of Contemporary Asia*, 29 (1999); Duncan McCargo, ed., *Reforming Thai Politics* (Copenhagen: NIAS, 2002); Pasuk Phongpaichit and Chris Baker, *Thailand’s Crisis* (Chiang Mai: Silkworm Books, 2000): Chapter 5.


3 The baht was valued at roughly 25/US$1 before the crisis, bottomed around 55, and settled at 42–43 in 2002.


6 *Bangkok Post (BP)*, October 31, 2000.


9 The model was supposedly based on Tuscany’s success in promoting small-scale entrepreneurship using local craft heritage married with modern technology.


14 A ‘non-performing loan’, meaning a defaulting debtor.

15 This ad appeared in most newspapers in the first week of December 2000.

16 See <www.thatrakthai.or.th>.

17 See Baker, “Pluto-Populism”.

18 Under a new system inaugurated at this election, 400 MPs were returned by single-member territorial constituencies, and another 100 through a separate vote by party, with seats distributed proportionately among all parties that secured at least 2 percent of total valid votes cast.

19 Among the 200 TRT MPs from territorial constituencies, 110 were new MPs with an average age of 42, and 90 were old MPs with an average age of 51.

20 Under clause 204 of the 1997 constitution, MPs appointed as ministers must resign their seats. A minister sacked from the Cabinet will disappear from parliament also, and hence ministers are wary of incurring the prime minister’s displeasure. Under clause 185, two-fifths of all MPs (i.e., 200) are needed to launch a motion of no confidence in the premier (explaining why Thaksin constructed a coalition of over 300 MPs). Under clause 118, an MP cannot change party without forfeiting his seat; and under clause 107, electoral candidates must have been member of their party for at least 90 days (while any general election must be held within 45 days of a dissolution). These provisions make it difficult for MPs to gain leverage against the premier by threatening to switch allegiance.


22 Under clauses 185 and 186, support of two-fifths of all MPs is required to launch a no confidence motion against the prime minister, but only one-fifth against other ministers. The Democrat opposition was able to launch no confidence debates against ministers, but these did not threaten the government’s stability.
The verdict was curious in many ways. The 8/7 result was actually the net effect of two divisions, one on a legal issue and one on the substantial issue, each of which individually went against Thaksin. Several judges ruled the opposite way on the same legal issue in a parallel case decided earlier in the same day; see James R. Klein, “The Battle for the Rule of Law in Thailand: The Constitutional Court in Thailand”, working paper (2003). Rumours a few days earlier had predicted that Thaksin would lose 6/9. The president of the court, Prasoet Nanasakul, appeared so distressed by the result that he could not bring himself to read the decision.


Baker, “Pluto-Populism”; Ukrist, “From Shinawatra Group”.


BP, April 6, 2003.


The Japanese campaign, originating from Oita prefecture, encouraged local communities to concentrate on a single product in order to penetrate wider markets.


The government invited de Soto to Thailand in November 2002. Phansak Vinyaratna, the prime minister’s chief adviser, said “Mr de Soto has given us the intellectual and practical groundwork for the direction we are taking” (TN, November 11, 2002).


Thaksin, “Keynote Speech”.

Speech to police officers in Phuket, televised on Channel 11 on September 3, 2003.


Every biography traces the family to Khu Chun Seng or Chun Seng Sae Khu, a Hakka trader and gambling tax farmer who started in Chanthaburi and moved to Chiang Mai around 1908. Seng’s son Siang became a bullock caravan trader into Burma and launched the family into the silk business. The family’s fortunes improved in the 1950s when it became agent for the expansion of a Bangkok-based bank (Siam City) into the north. One of Siang’s sons served as mayor of Chiang Mai, and two became MPs, including Thaksin’s father, Loet.
“excess risk” (choice so that people who earn salaries now will have the opportunity to quit and become entrepreneurs without facing excess risk” (Matichon Sutaspada, September 11, 1998).


Officially his police career runs from 1973 to 1994, but in practice he began work on returning from his Ph.D. study in the US in 1979, and had posts in the police information office and cadet school, but simultaneously launched a film distribution business, real estate venture, computer leasing business, and paging concession before resigning from the police in 1987. A brief biography is at <www.thaigov.go.th/general/cabin/thaksin-e.htm>. See also Sorakon Adulyanon, Thaksin Chinnawat asawin khloen luk thi sam [Thaksin Shinawatra, Knight of the Third Wave], (Bangkok: Matichon, 1993); Sanlaya, Thaksin Chinnawat.

In his early business career, he also developed links with a more senior generation in the bureaucracy and especially in the military. He won the concession to launch Thailand’s first communications satellite from the junta that took power by coup in 1991. When the satellite was launched, he said “I could not have this day without Big Jod”, meaning General Sunthorn Kongsompong, the head of the junta (quoted in TN, March 28, 2001).

In 2001 Chaisit became commander of the First Army Corps, in 2002 the assistant army commander, and in August 2003 the army commander. Another cousin, Uthai Shinawatra, became deputy permanent secretary for defence. A cadet school classmate, Chidchai Wannasathit, became assistant police chief and secretary-general of the Narcotics Control Board (BP, March 20, 2001; September 30, 2002; January 4, 2003; August 27, 2003).

TN, August 16, 2002. In early 2003, he booted two provincial army commanders upstairs to inactive posts, overlooked the two replacements nominated by the army, and installed a classmate from the cadet school and close associate of his younger brother, Phayap (BP, March 20, 2003).

Somchai Wongsawat, the husband of Thaksin’s sister, Yaowapha, who served as one of Thaksin’s secretaries and party managers.

The minister, Purachai Piumsombun, knew Thaksin since they had both been in the police. In the early stages of TRT, he looked after the party organisation. After the 2001 election, he was appointed interior minister, one of the most prestigious posts, and was later reshuffled to be justice minister. After this incident, he was appointed as deputy prime minister while plans were laid to run him as the TRT candidate for Bangkok mayor in 2004.

These included a telecommunication satellite and mobile phone network, which hint at his admiration for Thaksin. They also included schemes for commercial exploitation of the military’s enormous reserves of land.

Riggs, Thailand.

The new ministries were: tourism and sports; culture; social development and human security; energy; natural resources and environment; information and communications technology.

Phumtham Vetchayachai, deputy secretary-general of TRT, explained: “We can never be complacent because the next election will be a do-or-die battle….We have to be prepared. We have to resort to every strategy. And we have to know every area of the battlefield” (TN, November 13, 2002).

On taking office, Thaksin set up two overall policy-planning teams (Ban Phitsanulok and Ban Manangkhasila), a legal reform committee, economic team, personal advisory team, and political advisory team (BP, February 20, 2001). There were some continuities between Thaksin’s team and Chatichai’s earlier example. From the Chatichai team, Phansak Vinyaratna became the sole leader of the Thaksin’s Ban Phitsanulok team; Bowonsak Uwanno became cabinet secretary; and Surakiart Sathirathai became foreign minister.

Among the businessmen, most prominent was Thanong Bidaya, formerly president of Thai Military Bank (in which Thaksin’s family took a major stake). For other economic advisers, Thaksin recruited several financial figures who were brought down in the 1997 crisis, including: Vijit Supinit and Chaiyawat Wirulawasdi (both forced to resign as central bank governor); Narongchai Akrasenee (accused of malpractice as head of GF finance company; case dropped); Olarn Chaiprawat (eased out of Siam Commercial Bank). The NESDB, which had begun life as a planning board and still carried out that nominal function, was transformed into the secretariat of this inner economic cabinet. In February 2003, Thaksin appointed a former revenue official to the post of finance minister, and assigned him specifically to augment tax returns – something for which he had a good reputation. This appointment amounted to an abolition of the post of finance minister in its old form when the incumbent had been one of the most powerful and independent forces in the cabinet.

The campaign identified fifteen “influential targets”: drug trade; use of dark influence to fix outcome of bidding contests; extortion at factories and service venues; illegal control of motorcycle taxis and other vehicles for hire; oil and goods smuggling; gambling dens and underground lottery rackets; trafficking in women and children; job scams; smuggling of labourers; tourism scams; hired gunmen; debt collection using force or intimidation; illegal arms trade;

71 McVey, *Money and Power*.

72 “We dream of making big changes, but in reality it is not the way things are. Half the MPs are old-timers, so it takes time to replace them with fresh faces…. I don’t know what they [Thaksin’s Cabinet ministers] did in the past, but I will give them all a chance…. If any of them are found to be corrupt while working for me, I will get rid of them” (BP, February 18, 2001). Thaksin wriggled out of giving a cabinet post to Snoh Thienthong, perhaps the unofficial leader of this genre of politician, but had to mollify him with the title of the prime minister’s chief adviser.


74 Speech to police officers in Phuket, televised on Channel 11 on September 3, 2003.


76 Politics is “arranging or acting so that the many, many people who live [in this world] truly live together in peace and happiness”, Buddhadasa quoted in Jackson, *Buddhadasa*: 239.

77 “When there is no morality politics necessarily splits into parties and factions”, Buddhadasa quoted in Jackson, *Buddhadasa*: 239. In the 1970s, Buddhadasa preferred a morally guided dictatorship, but in the 1980s he came to the conclusion that “the idea of democracy exists in every person by the principles of nature” (Buddhadasa quoted in Jackson, *Buddhadasa*: 248–49).

78 Thaksin first entered politics in 1994 in the Phalang Tham Party led by Chamlong Srimuang who took his inspiration from Buddhadasa and attempted to import a moral element into Thai politics, see Duncan McCargo, *Chamlong Srimuang and the New Thai Politics*, (London: Hurst, 1997).

79 Thaksin, “Keynote Speech”.


81 Thaksin, “Keynote Speech”, emphasis in the original. Speaking in the Philippines in September 2003, Thaksin said, “The government’s actions have no hidden agenda, but it’s up to the people who are the focus. However, the government is ready to listen to the opinions of the opposition, but doesn’t pay them much attention, because the opposition finds fault with the government as a matter of course. If the government truly acts for the people, it will be popular, just like my government at present is becoming more and more popular, and I’m confident the next election will be a landslide victory.” Daily News (Thai), September 11, 2003.

82 These included a strengthened National Counter Corruption Commission, Constitutional Court, Election Commission, ombudsman, and National Human Rights Commission.

83 TN, September 27, 2002.

84 The labour court ruled that the sacking was illegal, but ITV defied the court order to re-employ the 23 people (TN, September 27, 2002).


86 Two cable operators had begun during the 1990s, and merged during the crisis. The Shinawatra family is again one of the largest shareholders.

87 Pracha Maleenont whose family company operated Channel 3 and other entertainment enterprises.

88 These were the Nation group and Chirmsak Pinthong’s Watchdog company. In both cases, legal means were found: the Nation group was behind on fee payments, and Chirmsak did not have the right licence; see Narongchai Bunyanonthachai, *Thaksin bon ballang nayok rathamontri: 2 pi rathaban thai rak thai* [Thaksin in the Premier’s Seat: Two Years of the Thai Rak Thai Government], (Bangkok: Dok Ya, 2002): 98–106. But there was no doubt that the government had targeted the two most independent-minded programme makers. Others fell into line to survive.

89 TN, November 7, 2002.


92 In May 2003, Freedom House, a US-based non-profit organisation, downgraded Thailand’s media from “free” to “partly free”, and noted that “journalists exercise an increasing level of self-censorship” (TN, May 2, 2003). The head of the Thai Journalists Association said “State power…is applied to proprietors of publishing firms who subsequently put pressure on media operators who are their employees…. This has caused the media to impose self-censorship to avoid problems” (BP, May 4, 2003).

93 BP, March 1, 2002.

94 Based on an English-language daily, *The Nation*, the group also has a Thai business daily, Thai weekly news magazine, several magazines, book publishing, and broadcasting ventures.

95 TN, February 2, 2002.

96 TN, July 31, 2002.

97 BP, May 9, 2003.


This exchange with Prawase was especially resonant. Prawase had been prominent in the reform agenda of the 1990s, including the 1997 constitution and many projects to increase participation in policy-making (Connors, “Ideological Aspects of Democratisation”). He had swung his considerable popularity and moral presence in support of Thaksin in 2001 in expectation that Thaksin would be more visionary and reformist than the Democrats. Prawase is also a prominent lay Buddhist and follower of Buddhadasa. Thaksin’s abuse of Prawase came after Prawase had advised Thaksin to dispose of his business interests. The implication was that as long as Thaksin was primarily a businessman, he could not lay claim to be the “man of moral integrity” which Thaksin had seemed to imagine himself as in the 1999 speech on Buddhadasa.

Thaksin’s financial temptation of the Pak Mun fishing communities was broadcast on live TV. After they rejected all his offers on grounds they had only the knowledge and inclination to fish, Thaksin exclaimed in frustration, “Surely you can do something else. In my life I have done many things”. The reply came back, “But we don’t have education like you”.

Thaksin replied that the decree route had been used because, “Of course we have more MPs, but they [the opposition] can outclass us because they are very good at playing games” (TN, August 14, 2003). The TRT government had never come close to losing a parliamentary vote.

Two of the ministers overseeing this campaign – General Chavalit Yongchaiyudh and General Thammarak Issarangkun na Ayuttaya – had been involved in the campaign to mop up Communist insurgents using similar methods in the early 1980s. When a senior member of the National Human Rights Commission talked to a UN body about the anti-drug campaign, Thaksin branded the action as “ugly…sickening”, and argued that only the government should talk to the UN (BP, March 9, 2003). When a UN human rights officer expressed criticism, Thaksin said, “The UN is not my father” (BP, March 5, 2003). When the same officer later made a tour to Thailand and called attention to the “climate of fear” created by government campaigns, Thaksin responded that “the UN does not send us rice to eat”. However, he also commented over the drug issue, “We should not be over-sensitive to what others say…. Don’t try too hard to live up to international standards” (TN, February 15, 2003). When the pipeline protesters beaten up by the police talked of approaching the UN human rights body, Thaksin said such action would be a “grave sin” (TN, January 19, 2003).

During the campaign but in unconnected incidents, an environmental campaigner was shot and also a key prosecution witness in a tax evasion case against the prime minister’s family business.

Draft plan at <www.culture.go.th/ops/panda/DraftMasterPlan.doc>. Within six years, Thaksin promised, “Everybody will have land to make a living and every home will have electricity and tap water. All will have money and education” (BP, April 6, 2003); further ahead, Thailand would qualify for OECD status (which would require tripling the per capita income) (TN, May 11, 2003).

Especially those of Plaek Phibunsongkhram (1938–44, 1948–57). They too had a vision of moving beyond an old order (the absolute monarchy) and making Thailand a player in the world of nations. They also had faith in the power of the state to engineer change from above; they thought the state could tell people how to dress, think, speak, behave, and believe.