

Country Focus Thailand Post-2011: New Directions

Session Two of the ISIS Praxis Seminar was entitled 'Country Focus: Thailand Post 2011 – New Directions.' It was moderated by **Dato' Ku Jaafar Ku Shaari** Director General, Institute of Diplomacy and Foreign Relations (IDFR) Malaysia. The panelists were **Dr Pongsak Hoontrakul**, Senior Research Fellow, Sasin Graduate School of Business Administration, Chulalongkorn University, Thailand, **Major General Surasit Thanadtang**, Director General, Strategic Studies Center, National Defense Studies Institute, Thailand, and **Mr Bunn Negara**, Associate Editor, The Star Publications (M) Bhd, Malaysia. ISIS Analyst **Zarina Zainuddin** reports.



(From left) Pongsak Hoontrakul, Ku Jaafar Ku Shaari, Surasit Thanadtang and Bunn Negara

In his introduction, **Dato' Ku Jaafar** outlined the significance of the year 2011 for Thailand, the novelty of its first woman Prime Minister and the familiarity of the Thai people with her family background, the challenges posed by the massive flooding, as well as the simmering tensions in the South, and finally, the ailing state of Thailand's much respected monarch, King Bhumibol. These themes would largely shape Thailand's outlook for the year 2012.

'All Politics are Local'

Dr Pongsak Hoontrakul stressed that an understanding of local politics, such as the evolution of Thai politics, the economic interplay at work, as well as the role of the monarchy and

the military, are needed before any sound judgment on Thailand can be made.

The Thai political scene is unique in many ways; to date it has had 18 coups and about as many changes in its constitutions and yet all its important institutions have managed to stay intact. While there has been violence and bloodshed, Thailand has a built-in stopper, either in the form of the monarchy, the military or the people, that manages the crisis before it goes too far. However, despite the Thais' dislike of drastic change and their willingness to compromise, Pongsak said change is nevertheless coming. Thailand is gradually embracing democratic processes, and the declining frequency of coups and royal interventions attest to this fact.

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Thailand is not an egalitarian society said Pongsak -- where you are born would likely determine what your life would be in terms of your occupation, level of education and income. He blamed the lack of egalitarianism on the failure of Thailand's educational reforms.

He has had the opportunity to meet and observe Thailand's two most recent leaders — former Prime Minister Abhisit Vejjajiva and current Prime Minister Yingluck Shinawatra. He found Abhisit capable but with a tendency to micro manage, which Pongsak thinks is a mistake. It is difficult enough to govern during normal times let alone during a crisis such as the red shirts versus yellow shirts riots.

Yingluck understood her limitations and surrounded herself with good capable people but while her approach worked well during normal times, her lack of leadership and experience was seen during the flooding crisis, posing a serious obstacle to effective crisis management.

Thailand does not have a class struggle but a power struggle said Pongsak. He said it was amusing that Yingluck's supposed 'people' cabinet had a combined income that was much higher than that of the previous cabinet. Yingluck's populist cabinet had come up with several proposals, some of which Pongsak agreed with, but the important ones he said were those centring on food and wages.

He warned that Thailand being a 'reprocessing' economy depended heavily on labour and thus the labour cost component and any measures that might affect wages and food should be given thorough consideration or Thailand would risk

facing economic problems such as inflation. The current government economic programmes will benefit the very rich and the poor but will squeeze out the middle income group.

Dr Pongsak then elaborated on the flood situation in Thailand. The floods thus far had claimed over 600 lives, affected about 10 million people, leaving an estimated one million unemployed, 300,000 of them perhaps permanent; in a worst case scenario damage incurred would total up to 10 per cent of the GDP. However, the situation would not have been as severe had the Yingluck government acted sooner and more decisively than it did.

The rainfall was not excessive; had the relevant authorities managed the water level of the dams more effectively by releasing the water earlier and were less concerned about preserving the second harvest of the year which would have been destroyed by the water, the damage could have been limited. As a result of this mismanagement the current government has lost credibility.

There is also concern about the status of Yingluck's brother Thailand's former Prime Minister Thaksin and the perceived effort to grant Thaksin amnesty. Pongsak felt there would be trouble should Yingluck try to pursue the Thaksin agenda, particularly given the people's poor perception of her government.

Another problem Pongsak saw was the lack of long term policy vision on the part of the government policy-making body. The flood situation for example could have been avoided had the previous government implemented suggestions proposed by His Majesty the King of

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Thailand some 15 years ago! Interestingly, said Pongsak, the clear winner from the flood situation has been the military whose tireless efforts to assist distressed citizens garnered them the highest approval rating from Thai citizens.

Thailand's Security Outlook

The world has changed and along with the change comes new forms of security risk. **Major General Surasit** spoke at length about the potential security risks posed by the social network media. Thais in general embraced new 'things' and social media tools such as Facebook, Twitter, and YouTube are particularly popular in Thailand. Mindful of the Arab Spring revolution that was fuelled via the social network media, Surasit feels that despite the millions allocated to military spending, the military is ill-equipped to deal with any security risk that might arise from the social network media.

On regional superpowers, Surasit said that Thailand acknowledged the rise of China and accepted the presence of the US as a regional superpower. From the military standpoint, a superpower intervention can come in several forms — among them diplomatic, political, economic, and finally military. How and when these channels are used is important, and Thailand has to deal with these potential interventions in a prudent manner.

Another increasing threat faced by Thailand is the non-traditional security threat, most of it arising from natural or environmental problems. The recent floods posed a serious food security risk — about 3.5 million tonnes of rice were lost due to the floods. The effect was felt not only in Thailand but also around the region and globally since Thailand is one of the major rice producing countries.

Thailand may also face water shortages in five years' time, a worrisome prospect given the inept way in which the government has dealt with the flood situation. There is also the threat of

climate change which has affected Thailand's agricultural sector. There have been changes in the harvest time for fruit and other food crops due to changes in the climate pattern. Surasit also sees potential threats from energy security — given the existing high energy prices, any external shock such as that presented by the current Arab spring might spike oil prices to a level that would be detrimental to Thailand's economic development.

Surasit commented briefly on several security issues. On the Southern Thai provinces, he proposed that the government proceed with reconciliation efforts by using by His Majesty King Bhumipol's proposals as a guide. He advocated another look at education reform which he said has lost its way. Education reform should gear towards greater participation by the Thai people in the democratic processes instead of accepting the status quo.

As for the problem of drug trafficking existing regional mechanisms are one way of combating the problem. Surasit does not believe the Thai political crisis would hamper the Asean community efforts and lauded the non-interference principle of Asean as a positive element for Thailand and Asean as a whole.

On transparency and governance, Surasit admits that the Thai military has been slow in picking up the idea. Next year's outlook for the economy is not very good compared to that for the rest of the region. Thailand's economic growth is expected to slow down to 1.5 per cent, which could pose a serious challenge for its government.

Apart from traditional conflicts, Thailand is not engaged in any dispute within the region, nor does it wish to be. The armed forces are still seeking to define their role said Surasit. There is the question of where their core function lies in the future: should they concentrate on traditional or conventional security, or should they refocus on a non-traditional security role? Hopefully, said Surasit, security cooperation at the regional level as in the case of the Asean security community,

could provide a direction for the military on its future role in Thailand.

'Ten Questions on the Future of Thailand'

Bunn Negara posed ten questions that he said are pertinent in ascertaining Thailand's future outlook. These are:

1. How different is the Yingluck government compared to Ahbisit's? Bunn pointed out the similarities in the background of both these leaders ranging from family background to inexperience to good looks and ultimately, the perceived lack of competency and capability in both.
2. The future of Thaksin: will there be a pardon or amnesty and how will the Yingluck government go about accomplishing it?
3. How competent is the Yingluck government in dealing with the bigger issues such as the economy, political polarization and so on?
4. The competency of the government in dealing with immediate issues such as floods and other potential crises.
5. The ailing King Bhumipol; Bunn feels that Thailand would be faced with succession issues in the near future.
6. Will the monarchy be able to face the challenges successfully and confidently particularly given the tension that exists between the palace and the government?
7. What form would the succession take or more to the point, would Thailand have its first female monarch given the popularity of the Crown Princess?
8. How would the role of royal advisors evolve? Bunn thinks it would depend on the government and Prime Minister of the time.
9. What role would the military play in the future? The military appear content to stay in the barracks and seem to prefer to remain uninvolved in politics as much as possible.
10. The issues facing Thailand's Southern provinces which include those of security, political settlement and reconciliation.

What are the likely outcomes for Thailand in 2012 and the foreseeable future? In politics Bunn said, it would largely depend on the main actors — the 8 Ps and 1 M. The eight Ps stand for Parliament, Palace, Privy Council, Police, People (or Public opinion), the Phue Thai Party (PPP) of Yingluck, and two individuals, Pracha Promokand (the Justice Minister who will oversee the royal pardon or amnesty for Thaksin) and Noppadon Pattama (Thaksin's lawyer); the single M naturally stands for the Military. In the immediate future, it is economic issues that are important.

The floods have had a devastating effect on the economy. There is a marked decline in tourism, loss in productivity, disruption in production, damages to infrastructure, and other costs. The subsequent effects include the rise in prices of goods such as food and the loss of employment. According to Bunn, the effectiveness of the government's recovery efforts could very well determine the fate of the economy. Bunn believes that the Thai economy will recover but it is a question of how much, how fast and how far the economic recovery can stay ahead of political development, particular negative political development that will have the potential to drag the economy down.

In Bunn's opinion the political situation does not look too promising; there is little movement towards political reconciliation with political polarization still prevalent. The situation in Southern Thailand, despite the pledges from the recent governments, does not seem to be much better. The government is still Bangkok-centric and the floods further diverted attention away from the south. The neglect in the south is compounded by problems of local corruption, drugs, and violence. The southern provinces therefore could remain a problem area for Thailand in the near future.