

# Challenges to Democratic Governance in Thailand\*

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'I would like to emphasize that even with specialized laws and institutions and even with the support from groups like non-government organizations ... the fight against corruption will never be easy unless society also takes a hard look at its values'.

Mr. Abhisit Vejjajiva, former Minister of the Prime Minister's Office, Thailand (Paper presented at the *International Conference on Corruption, Democracy and Development*, September 18-19, 2000, Bangkok).

This article, incorporating relevant data from the Gallup Millennium Survey conducted in Thailand, will look at some of the more significant issues concerning participation and good governance in relation to cultural values and enduring political practices, contextualised by critical local-global debates.

## **An Overview of Democratization in Thailand**

It is clear that stable, consolidated democracy has long evaded Thailand. The

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first attempt was in June 1932 when a group of junior military officers and public servants overthrew the absolute monarchy and proclaimed the first democratic regime in Thailand. Although this was more symbolic than factual, leading to a long period of paternalistic and authoritarian military dictatorships, it at least created new ways of thinking about political democracy and participation. In the period since 1932 there have been nine successful coups and seven failed coups. These frequent transitions and lack of political continuity have thwarted the development of a stable multi-party system. Typically, a political party in Thailand “lacks a mass base, a well-articulated organization, and, indeed, any identifiable ideology” (King & LoGerfo, 1996: 103). Instead, as discussed later, the usual political practices are oriented around personal ties and a well structured though fluid patronage system based on patron-client relations.

A major watershed for democratization following the establishment of the 1978 Constitution came in 1991. At this time the military, playing on urban middle class discontent of the money politics and vote buying of the previous government of Prime Minister Chatichai Choonhavan (1988-1991), launched a successful coup (LoGerfo, 2000: 226). This was Thailand's eighth (or ninth according to King & LoGerfo 1996, p. 103) successful coup since 1932 and was led by the National Peacekeeping Council (NPC), headed by strongman General Suchinda Krapayoon. A number of political parties took a stand against the NPC's dictatorship in a campaign leading to the March 1992 elections. The coalition government formed after these elections invited Suchinda to take over the leadership. This led to massive protests around the country (see LoGerfo, 2000: 234 ff.) over the following two months and a deadly three-day crackdown in Bangkok that claimed at least 52 lives and a number of missing persons. Finally, on May 20, King Bhumibol summoned the contesting leaders, the pro-democracy activist Major-General Chamlong Srimuang and General Suchinda, together to resolve the conflict.

After the subsequent collapse of the Suchinda government, Anand Panyarachun was asked to form an interim government. He dissolved parlia-

ment and scheduled elections for September 1992. Parties were divided into two camps. Those who were allied with Suchinda's NPC (which the print media called "devil parties"), and the more democratic parties (the "angel parties") led by Chuan Leekpai's Democrats, the oldest political party in Thailand. Chuan took over as Thailand's twentieth prime minister and the first premier in some twenty years without a military background (King & LoGerfo, 1996: 105). He returned to form a second government in 1997, after the start of the Asian economic crisis, losing the recent elections in January 2001 to the Thai Rak Thai ("Thai Love Thai") Party, led by entrepreneur and communications tycoon Thaksin Shinawatra.

The root causes of Thailand's political problems arose from the connections between money politics (vote buying and the enduring patronage system), personal struggles for wealth, power and prestige (and endemic corruption), and weaknesses in the party system (factional conflicts). These factors lead to inherently unstable governing coalitions (see Suchit, 1999: 57).

The period leading up to the last elections in January 2001 saw Thailand attempt a serious effort at political reform. There was an increasing shift from old style politics as described in the previous paragraph to improved democratic governance. The reform process is embodied in the progressive 1997 Constitution (see below) and a corresponding "growing awareness" in civil society of the need for change (Abhinya, 2001: 10).

There have been changes in a number of areas — such as civil and political rights, participation in the free selection of leaders and policies, and contestation in terms of positions of government power and elected offices — that indicate Thailand is headed in the direction of democratisation (LoGerfo, 1996: 906). The transition from old style money politics to a democratic political system is still in process and it is too early, post-1997 Constitution and the implementation of new government reforms, to make any firm conclusions. Yet using existing scholarly work on Thailand, supplemented by the results of the Gallup Millennium Survey during 1999,<sup>1)</sup> it is possible to make some provision-

al judgments of how Thai politics have changed over time and what the future holds for democratization.

## **Thailand and Calls for Good Governance**

Kim De Jung and James Wolfensohn (1999) note that apart from right policies and social investments, development requires good governance, which implies transparent and accountable institutions able to carry out these tasks. In recent World Bank research Kaufmann et al., (1999) likewise found that there was a strong causal connection between good governance and better development outcomes (see also Ghosh et al., 1999). According to Kim De Jung and James Wolfensohn, governments must continue to reform alongside business. The market will ensure that the private sector reforms, while the people will ensure the governments will continue the fundamental tasks of institutional reform (hopefully not ignoring the need for social safety nets). "Financial crises are really human crisis. Politicians can no longer ignore the manifest urgency of building economic development in parallel with an environment of social and human justice (De Jung and Wolfensohn, 1999). Meanwhile, Amartya Sen (1999) emphasizes that development needs to be conjoined with the real freedoms that people enjoy, inherent in basic human rights. Focusing on growth alone, though growth is one way to expand freedoms, is only a part of the total picture. Freedoms depend on other factors, not least social, economic, political and civic rights.

Thus, the growing interest in "good governance" in the public sector is hard-

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1) The Gallup Millennium Survey is a survey of attitudes of the global population concerning a series of broad topics (the environment, democracy, religion, women's rights, crime, what matters most in life, the United Nations, human rights, and the year 2000 problem). It covered over 60 countries.

ly limited to Thailand. Pierre and Peters identify various factors that have spurred international interest in governance. These include:

- fiscal problems with growing expenditures and less leeway in finding new sources of revenue
- ideological shift towards a belief in markets
- the rise of international bodies and agreements like the World Trade Organization and the North American Free Trade Agreement; and increasing awareness that problems such as climate change and the illicit drug trade are not limited to individual countries
- disappointment among people about what the government was supposed to do and what it actually accomplished
- the rise of the “new public management” in scholarly and policy literature
- a broad global shift in attitudes concerning a variety of areas such as gender relations, the importance of the natural environment, and declining tolerance of large bureaucratic organizations.<sup>2)</sup>

All of these factors have contributed to the growth in calls for improved governance in Thailand, particularly since the late 1980s when Thailand's economy grew at one of the world's fastest rates. Thus in 1999, the Office of the Prime Minister in Thailand identified six elements of good governance (see Office of the Civil Service Commission):

### **1. The rule of law**

To enact laws, regulations, rules and directives that are fair, up to date and that are accepted and followed by citizens.

### **2. The rule of integrity**

To encourage ethical and exemplary behavior by government officials and to

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2) This shift is often dubbed “post-modernization,” a term most strongly associated with work by Ronald Inglehart.

inculcate the values of integrity, fairness, hard work and discipline among the people as national characteristics.

### **3. The rule of transparency**

To create a climate of mutual trust through a change in all sectors to ensure transparency and enable public scrutiny, to guarantee access to accurate information throughout the system, and to provide information in a straightforward manner in language that is clear and easy to understand.

### **4. The rule of participation**

To welcome input from the general public and to encourage their participation in significant decisions of the country through public hearings, referenda and public investigations.

### **5. The rule of accountability**

To raise public awareness of the rights of individuals, as well as the duties and responsibilities of citizens towards society, and to encourage the general public to be mindful of social problems and difficulties and active in seeking solutions. At the same time other opinions should be respected and a willingness to accept the consequences of actions.

### **6. The rule value for money**

To encourage all sectors to utilize and manage limited resources efficiently and effectively; to conserve natural resources; to promote thrift and economy to maximize the benefits from limited resources for the national good; and to support the production of quality products and services so as to be competitive in the global marketplace.

These, as expected, coincide with the aims of multi-lateral agencies; such as

the Asian Development Bank's elements of good governance: accountability, participation, predictability, and transparency (see Asian Development Bank, 1999).

The Office of the Prime Minister noted that in general, there has been a growing awareness, especially in the wake of the 1997 Asian economic crisis, among Thai leaders and the general public that good governance is essential to the creation of a peaceful, stable and well-ordered society, public and private, individuals and communities. A system of good governance in Thailand needs to be based on transparency, fairness, and public participation in accordance with democratic principles and a constitutional monarchy. This should be a system of governance that adheres to human dignity as well as Thai cultural norms and values and that is both local and global in vision.

Most scholarly observers and Thai citizens view Thailand's public sector as lacking many elements of good governance. The information in the Gallup Millennium Survey reflects these beliefs, based on responses to the question, "Which of the following words describes your perception of the government of this country?" The high percentage of people who perceive the government as corrupt and the low percentage of people who believe the government is just particularly stand out (Table 1).

Moreover, a recent poll on corruption in Asia noted that, while Thailand was

**Table 1. Perceptions of the Thai Government**

| Response                           | Percentage of Respondents |
|------------------------------------|---------------------------|
| Efficient                          | 22.4                      |
| Bureaucratic                       | 35.7                      |
| Corrupt                            | 71.2                      |
| Just                               | 6.3                       |
| Responds to the will of the people | 15.1                      |
| No response                        | 0.4                       |

Note: total sample size for Thailand is 510

not ranked in the highest category, corruption is growing and still seen as a normal way of life, and that the new government leadership is rather complacent about solving this problem (*Bangkok Post*, 24 March 2001). This is despite the fact that, in a nationwide survey conducted in late 2000, voters consider corruption (and vote buying) as the most serious persisting problem in the political arena (*The Nation*, December 9, 2000).

Much of the blame for the lack of good governance is associated with the government itself: endemic corruption in government contracts, a legislature that seems to represent a very limited set of business and political interests, a party system focused on personalized political goals instead of broad national policy objectives, and a judiciary subject to political influence and bribes. Yet good governance requires contributions from members of society as well and Thais need to be made aware of their rights and become more active in assuming social responsibilities. The emphasis (or rhetoric) at present, encouraged by the new 1997 Constitution, is on increasing civic participation at all levels. As discussed below, judging from a number of mass public protests over issues of accountability, transparency, poverty and participation, many of the ideas in the Constitution are taking hold.

## **Thailand's 1997 Constitution**

The current Constitution, promulgated in 1997, is Thailand's sixteenth since the overthrow of the absolute monarchy in 1932. Sometimes referred to as "people's constitution," it has broken some new ground from past practices and 'promised to transform Thai politics by spurring the introduction of new democratic principles, better politicians, and political stability' (Bidhya, 2000: 93). The drafters incorporated many of the six elements of good governance outlined above.<sup>3)</sup>

First, it is the first constitution where the drafting process involved wide-rang-

ing and significant public participation. Much of the debate about the provisions of the Constitution took place in the popularly elected Constitutional Drafting Assembly, a body with representatives from many sectors of Thai society and all of Thailand's 76 provinces. Second, it explicitly provided for decentralization of power from the central government to local government bodies in the provinces. Third, it created a set of independent organizations to monitor and sanction the government; e.g., the Election Commission and the National Counter Corruption Commission. These organizations aim largely to remove some major the constraints to democracy in Thailand: money politics and political corruption. Popular perceptions of Thai politics have been, and continue to be, that politicians are of low quality and are mainly concerned with enriching themselves and supporters while money politics remains at the root of these problems (Laird, 2000: 210). Fourth, it significantly reformed the electoral system and composition of the National Assembly (Thailand's parliament). Elections for the House of Representatives (the lower house) moved from a multi-member district system to a combination of single-member districts and proportional representation based on national party lists of candidates. The Senate (upper house), previously appointed, is now fully elected by popular vote. Lastly, the Constitution changed the structure of the judiciary, particularly by creating an entirely new Constitutional Court to review the constitutionality of laws and government regulations.

In addition, the new constitution states that the people have the right to receive basic social services and that the government should provide these. This also reflects a rising expectation that such services are a state responsibility. As more people become aware of their rights, the pressure on the government to provide an effective "social safety net" (see below) will increase. Since the constitution encourages decentralization and more participation from other

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3) For an overview of the constitutional drafting process and the Constitution's main provisions, see Klein.

civic organizations, the role of the government as provider of basic social services is also expected to change accordingly. Under Chapter 3 of the 1997 Constitution, which states the rights and liberties of the Thai people, three basic social services are considered as rights, namely: education, quality of health services, and support to achieve a reasonable livelihood.

In general, the new constitutional arrangements are supposed to strengthen the power of parliament over the bureaucracy. Section 182 of the Constitution states that: "The House of Representatives and the Senate are, by virtue of this Constitution, vested with the power to control the administration of the State affairs." Though relations between the legislative and executive branches of government have taken various forms since the 1932 overthrow of the absolute monarchy, the legislature has typically held less power over the policy-making and budget processes. Furthermore, Thai government ministries have not exemplified any of the six elements of good governance noted above.

The Constitution raised high hopes among some people about the future of democratization in Thailand. However, how the Constitution's provisions are interpreted and implemented remains to be seen. A key period in modern Thai political history will occur in late 2002 when the five-year moratorium on amending the Constitution expires. Though most people believe the National Assembly will vote to amend some provisions of the Constitution, the possible extent of these amendments is entirely unclear.

## **Good Governance and the New Electoral System**

It is clear that the constitution was supposed to ensure different roles for members of the House of Representatives vs. the Senate. House members elected directly from constituencies would be legislators responsible for bringing the voice of the people into policy formulation and to monitor the implementation of government policies. The House would also provide 35 (formerly 45) mem-

bers selected from the party lists to perform in the executive branch as ministers in the cabinet.<sup>4)</sup> To strengthen the fractious party system, various constitutional provisions and laws limit the extent to which House members can change party membership. This brought about some confusion in the run up to the last elections when many former MPs were “pulled” into various parties, especially the present ruling Thai Rak Thai Party (Abhinya, 2001: 2).

The new constitution introduced a popularly-elected Senate under a multi-member provincial constituencies system. Senators are not allowed to be members of political parties. Constitutional drafters conceived the Senate’s role as a watchdog over the highly political House and a body whose members would bring more representatives of civil society groups into the legislature.

The first Senate elections were held in May 2000 with a high voter turnout (around 72% higher than in any previous election; see Thawilwadee, 2001). The first House elections under the new rules were held in January 2001. The Election Commission conducted elections over several rounds as electoral fraud was reported in many constituencies. However, in many cases, politicians who were suspected of vote buying in the first round of polling were returned in later rounds, except in the last round of Senate elections, held in late April 2001, which saw eight of ten senators accused of electoral graft lose their seats.

One main objective of the new electoral arrangements was to reduce the role of money in politics. This was not only a way to thin the ranks of those politicians who buy their way to power, but also as a means of stopping successfully-elected politicians from using government power to cover the costs of getting elected.<sup>5)</sup> At first glance, it seems that there was little improvement during first elections held under the new election laws. By most accounts, direct cash payments to voters were no less rampant at constituencies than in the past,

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4) However, a House member must resign his House seat to become a cabinet minister.

5) For example, it is common practice for ministers to use government contracts for supplies and public works projects to direct funds into their personal coffers to offset the high costs of election campaigns.

although every attempt was made to disguise it out of fear of the Election Commission watchdogs. It would appear that the “process of reducing the role of money is at best painfully slow” (IHT, January 10, 2001), as it clearly takes time to clean up the political process. This is unlikely to be achieved overnight. Gallup Millennium Survey results indicate the lack of faith most Thai citizens have in elections, based on responses to the question: “Do you feel that elections in this country are free and fair?”: 66.3% responded “no,” 31% responded “yes,” and 2.7% responded “don’t know.”

## **Good Governance and Government Administrative Structures**

Thailand is divided into 76 provinces, some 800 districts, around 7,000 sub-districts, and about 70,000 villages. In addition there is a municipal system of administration for urban areas. There are special administrative structures in place for the municipalities of Bangkok and Pattaya. This system was set up around one hundred years ago to make Thailand a modern nation-state. Although these systems were set up to allow for greater public participation in government policy-making, the history of administration has been one of centralization, hierarchy and inflexibility. Regional and local diversity was seen as undermining the national consensus, threatening unity and order. These lower levels of administration were under the responsibility of the powerful Ministry of Interior, responsible for the appointment of the most senior representatives from the province down to the village. Although each level of government has had elected assemblies added to the administrative structures, these local assemblies were generally weak and dominated by higher level officials.

At the sub-national levels the assemblies have had little effect to date, though the decentralization plan mandated by the Constitution promises a gradual shift in the balance of power to elected bodies. The Tambon Administration Act of

1999, an organic law required by the Constitution, establishes the legal framework of the decentralization plan. In the context of the new constitution this was an attempt to give each community the opportunity of participating directly in its own development process. This was also an attempt to persuade ministries to transfer budgets, labor and decision-making powers out of Bangkok to local governments (*The Nation*, February 23, 2001). In fact, central government is required under the new constitution to allocate as much as 35 per cent of its overall budget to local government in 2006. Therefore, greater emphasis will be placed on the sub-district (*tambon*) levels of administration. It is here that much of the new community-centered development is focused (for example through the Community Development Department, Ministry of Interior, and Department of Agricultural Extension, Ministry of Agriculture).

If a sub-district has an income of less than 150,000 baht/year, it will have a sub-district council made up of appointed local-level representatives. As village heads are supposed to be elected every four years, it would appear that the sub-district councils are the most basic democratic assembly in the country. If the sub-district has in excess of 150,000 baht/year, it will have a "sub-district administrative organization." This will be made up of appointed representatives (key local people, such as appointed heads of sub-district, village heads, the sub-district and medical practitioner/health officer) and two elected representatives from each village in the sub-district, elected for four years. This gives the balance of power to elected representatives, who also elect the president of the organization. This represents real grassroots attempt to limit power of unelected officials in local administration. It is a recent and continually evolving system and one that is expected to drive decentralization.

## **Non-Governmental Organizations**

One of the most interesting recent developments in the area of good gover-

nance is the increasing role of non-governmental organizations (NGOs) in governance (Abhinya, 2001: 5-6). In Thailand, welfare was traditionally centered at the monasteries through religious philanthropy, reinforced by missionary activities and Chinese welfare organizations since the mid-nineteenth century. After 1950, welfare and development NGOs appeared and started to expand their activities, especially since the 1980s. By 1989, there were some 12,000 foundations and associations, of which more than 44% were in the broad welfare category (Pongsapich and Kataleeradabhan, 1997: 79).

Much of the early history of Thai NGOs since the 1960s was connected with the activities of Puey Unkpakorn (Suthy, 1995: 99; Callahan, 1998: 97). Dr. Puey was an eminent Thai intellectual, the former Rector of Thammasat University and Governor of the Bank of Thailand. In 1969 he established the Thailand Rural Reconstruction Movement, the first NGO in the country concerned with issues such as livelihood, education, health, autonomous government, and a social ethics of non-violence.

More recently, NGO involvement in politics and democracy was fuelled by the military coup of 1991 led by the Campaign for Popular Democracy (CPD) (Suthy, 1995: 123). NGOs have formed new relationships with the government and become involved more in policy issues, including participation in the Pollwatch Commission (PWC, mentioned also below). The CPD launched the Forum for Democracy (FFD) in 1992 to promote greater public participation in the democratization process in the period leading up to the election. NGO involvement in the PWC's and the FFD's media campaigns (especially television) and its provincial forum had considerable impact on political consciousness-raising among the public (Suthy, 1995: 126-130).

In terms of rural development, perhaps the greatest achievement of the Thai NGOs, there was a popular sentiment that the government had not reached the rural poor. Although NGO activities were limited in scope, they did gain some recognition, and being in line with international development best practice, began to be supported by international agencies, donors and, eventually, state

agencies. The Eighth National Economic and Social Development Plan (1997-2001) reflects these changes and the input of NGOs.

The theoretical and practical connections between good governance and human rights are quite strong and Thai NGOs have pushed for increased emphasis on human rights for many years. According to the Gallup Millennium Survey, only 10% of the respondents felt that human rights were being fully respected, though most people (85%) conceded that human rights were at least partially respected. Thailand ranked the highest among the Asian sample in terms of freedom of speech. There is no doubt that since the 1980s the print media, and to a less extent the electronic media, have been able to write freely on politics, religion, extra-judicial matters, crime, etc., except on issues concerning the monarchy.<sup>6)</sup>

The establishment of a recognized agency concerned with human rights in Thailand was started when a group of NGOs led by practicing lawyers and legal academics lobbied to have a clear code of rights instituted into the 1997 Constitution; the establishment of the National Human Rights Commission (NHRC). This was undertaken not without some considerable resistance from traditional power interests. Indeed, the Council of State tried to emasculate and water down the original proposal. However, following a media blitz, the then Prime Minister Chuan Leekpai eventually supported the original bill with a few modifications (*The Nation*, March 19, 2001; also see sections 199-200 of the Constitution).

There is no doubt that the NHRC has proven to be the most publicly contentious agencies under the constitution with debates focussed around its inde-

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6) Many people now feel this freedom of speech has come under attack from the current government of Prime Minister Thaksin Shinawatr. They cite pressure put on the news media to show government policies in a favorable light, the withdrawal of advertisements from companies connected with the Prime Minister from certain newspapers (particularly *The Nation*), and the purchase of the ITV television channel (and subsequent management shakeup) by a company connected with the Prime Minister.

pendence, constituency, tasks and powers. The effectiveness of the NHRC will depend on general public perception that the commission is capable of protecting citizens against the abuse of power and the impunity of government officials, politicians and the state (see Klein, 1999).

## **Background to Rural Development in Thailand**

Inequalities among rural-urban constituencies remain and these continue to destabilize efforts to improve governance. There are many problems presently confronting the rural community in Thailand, not least the degradation of natural resources and the environment, decline of social capital, persisting impoverishment and the implications of the recent economic crisis on alternative income sources.

With regard to the environment, the Gallup survey indicated a fairly even balance between those who felt that the overall state of the environment was satisfactory, and those who felt that it was unsatisfactory. However, when pressed, most people (70%) felt that the government was not doing enough to address environmental issues. Interestingly, at least 61% saw the environment as more important than economic growth (37%). To most respondents (30%), traffic pollution was considered the biggest threat to future generations, followed by loss of rainforests/species and wildlife (23%).

Rural development emerged as a concern in Thailand as a consequence of the uneven development of the national economy after the start of the First National Economic and Social Development Plan (1961-1966). From the Fourth Plan (1977-1981) onwards, there has been an emphasis on the need for rural development, including the management and development of natural resources and the expansion of agricultural productivity. The Fifth Plan (1982-1986) mentioned specifically the need to eradicate rural poverty through integrated area development in targeted areas. This was also a period of excessive forest

destruction and the depletion of natural resources. The Sixth Plan (1987-1991) recognised these problems and aimed at the optimal use of natural resources, considering social justice and equity, and the beginnings of a self-reliance strategy. The Seventh Plan (1992-1996) was concerned with stable growth and equitable income distribution, the development of human resources, quality of life and environmental and natural resources.

The Eighth Plan (1997-2001) elaborates further on its predecessor. There is no doubt that civil society has grown stronger in recent years (see Suchit, 1999: 65). Now, for the first time in many years there is a national consensus among government officials, the private sector, and civil society organisations that a new rural development vision and strategy is needed. This new approach is an attempt to move Thailand away from the immediate crisis and provides the foundation for more balanced and equitable growth, increased employment and income for the rural poor and improved natural resource management in the future.

Nevertheless, some problems persist. For instance, in terms of human resource development, the National Economic and Social Development Board (NESDB) estimated that only 46.8% of children go to high school and 19.3% to university, much lower than in most neighbouring countries. On top of this, the gap between the rich and poor is one of the widest in the region and increasing. A number of commentators have suggested that the failure of the current plan to address many of these persisting problems stems from developing an unsustainable and fragile economy.

The focus of many current debates on reform and development in Thailand is how to improve the Ninth Plan (2002-2006) by balancing the perceived need for greater self-reliance while simultaneously recognising Thailand's position in a global economy. The Ninth Plan will target employment creation and human resource development. To develop the nation, many agree that stress must be placed on both agriculture (rural needs) and industry (urban needs) while ensuring greater participation in the policy-making process at all levels.

## Local Responses to Global Events

The recent response to the Asian economic crisis in Thailand was a genuine attempt by some national leaders (led by the Thai King) to reassert the local over the global (or perhaps rather a compromise between local and global) through the concept of 'self-reliance' (*pbeung-ton-eng*) or 'self-sufficiency' (*set-thakit phor-phiang*). Although long promoted from the bottom by NGOs in Thailand, since the King's birthday addresses to the nation in 1997 and 1998, self-sufficiency has now become normalized and known as 'the King's New Theory' (*thrisadii mai*). Even the bastion of conservatism, the Ministry of Interior has (under top-down direction) now declared a strategy for self-reliance "in order to solve Thailand's economic crisis by working cooperatively with various sectors" (see Community Development Department).

Similar to Schumacher's philosophy, the concept of self-sufficiency in Buddhist ethics radically diverges from the economics of modern Western materialism and instead "sees the essence of civilisation not in a multiplication of wants but in the purification of human character" (Schumacher, 1973: 50). It focuses on the satisfaction of basic human needs, privileging place-based (local) markets, vernacular tradition (= autonomy), and the familiar over the converse: globalisation (= dependence), internationalisation, and the unfamiliar such as the transnational capitalist markets. But of course "opting out" is not, and never was, an option, as self-sufficiency was to be a complementary rather than an oppositional ideology.

The notion of a "Buddhist economics" is an interesting semantic shift from the amoral and disembodied apparatus of international capitalism. This notion was first proposed by the leading modern Buddhist scholar-monk Phra Prayut Payutto and likewise emerges out of this imagining and reconstruction of national identity and consciousness. Buddhist economics, like similar micro-based ideas and practices, provides an alternative to the domination and con-

trol by Western discourse. In terms of resistances, as Sen (1999) notes, “the voice of rebellion against the unrestrained market economy ... seems to get louder every day.”<sup>7)</sup>

As Prime Minister Thaksin Shinawatra recently said, the government’s attitude towards encouraging greater self-reliance and competitive local forces does not imply turning away from the world or a rejection of macro-concerns and interests, but rather a form of “globalisation based on localisation” (*The Nation*, April 25, 2001). In Thaksin’s view, essentially Thailand must “think globally, but act locally” to cope with the negative effects of global capitalism. However, he insisted that Thailand would continue to keep an open-door policy and would not turn its back on globalisation. In his May 9, 2001 keynote address at the Global Forum in Hong Kong, he was explicit about the merits of his government’s rural economic programs: “to revise and resuscitate the farmers and the village economy to generate domestic demand impetus at the grass roots.” Thaksin plans to reallocate the budget in order to channel the funds to the grass roots through a revolving fund initiative. This revolving fund will be established in all 70,000 villages throughout the country as development capital to support local initiatives. Thaksin said that this new development paradigm requires a change in the mind-set of Thai people and foreigners (*The Nation*, May 10, 2001)

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7) The Gallup Millennium Survey does not offer any direct measures of people’s attitudes about globalization and the value of self-sufficiency. The closest it comes is the asking respondents if they agree or disagree with the statement: “Women in advanced countries must insist more for the rights of women in the developing world?” Though 83.9% of respondents agreed, this is hardly a clear indicator.

## **Political Economy after the 1997 Crisis: Reforms and Economic Governance**

Thailand's 1997 financial crisis, caused by plummeting creditor confidence following a long period of exuberant but increasingly fragile growth (see Radelet and Sachs, 1998), tested not only Thailand's economic policy but also its political system. Thailand's frequent changes of government, which since 1932 include sixteen military coups (nine successful), left the country with a fragile political system. In addition, money politics, with widespread vote buying and the sale and purchase of government concessions, tax, and regulatory assistance typified Thai democracy (Department of Foreign Affairs and Trade, Canberra, 2000).

A high-level technocracy in key ministries and agencies had preserved some economic stability through careful macroeconomic management. Yet the crisis to some extent signalled the technocratic macroeconomic management regime had failed, mainly because politicians had interfered in these key economic policy institutions.

The government of Chavalit Yongchaiyut (November 1996 - November 1997) failed to deal with or prevent the crisis and was under strong public pressure to resign in early November 1997. A few days later Chuan Leekpai's Democrat Party formed a coalition with a small parliamentary majority. This peaceful and legitimate change of government, at a time of great political and economic stress, was almost unprecedented in Thai history. A number of lessons were seemingly learned from events in May 1992, especially in terms of broadening the base of democratization, though it remains to be seen how long these can be recalled in memory.

One of the first tasks of the Chuan government was to endorse the program agreed with the International Monetary Fund (IMF). The main components of this program were to strengthen economic governance, including committing

to administrative reform and accelerating plans to privatise state enterprises. *However, the government needs to learn how to increase participation in policy and decision making processes.* It has to learn how to listen to people and all relevant stakeholders. The recent cases of the Thai-Malaysian gas pipeline in the south and the Pak Moon Dam in the northeast are cases in point.<sup>8)</sup> The Constitution (sections 58-62) ensures that people have access to information on proposed development projects and mandates the convening of public hearing so that individuals may participate in government decision-making.

As the crisis unfolded after 1997, the government and IMF identified other needed reforms related to developing governance capabilities, improving the competitiveness of Thai industries, developing safety-nets, and reforming and rehabilitating the financial sector. The ongoing tasks of corporate restructuring and market opening also necessitated increased foreign involvement in financial and to a lesser extent, corporate sectors. It is hoped that this will improve corporate culture and governance, modernise business practices, and streamline operations. Sectors, so we are told, most open to competition, such as banking and retailing, will gain the most benefits.

However, unlike the Republic of Korea, which since 1997 has used foreign direct investment to increase local industry efficiency, Thailand's post crisis foreign investment regime remains relatively restrictive. *There are enduring tensions here between local interests and even national identity, and global, transnational market-based interests as a national development strategy emerges.* The new government of Thaksin Shinawatra, may have to make some hard decisions if it wishes to pursue the World Bank/IMF recommendations. However, Thaksin insists that Thailand remains committed to all its international obligations and will continue its reform efforts to overcome the economic crisis. It would seem that the Thai leader is attempting a delicate balancing act

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8) These are major government infrastructure projects which met with an unusual amount of well-organized local and international resistance.

between the forces of globalisation and localisation. There are still many opponents of globalisation within the country with the view that “the more Thailand opens up to the outside world, the more the poor majority of Thai will suffer” (*The Nation*, May 11, 2001).

At the present, emphasis seems to be on economic governance with massive inputs from multilateral programs as a consequence of the crisis (see APEC Economic Governance Capacity Building Survey 1998 chapter six). The overall emphasis from World Bank, IMF, and Asian Development Bank (ADB) is on improving economic governance, strengthening government finances and public policy formulation, public sector administration, and corporate governance.

## **The Role of International Organisations and Foreign Assistance**

At this point it may be useful to turn to a brief history of foreign assistance to Thailand. Bilateral and international support for welfare and development programs in Thailand emerged from the government’s counterinsurgency policies in the 1950s. Since the 1960s, nearly all assistance has been disbursed through the Department of Technical and Economic Cooperation (DTEC). Volunteer programs, such as the Peace Corps, began in the 1960s (Pongsapich and Kataleeradabhan, 1997: 53). Multilateral international assistance has come from United Nations agencies and international financial institutions. Most of these have been active since the 1950s. The IMF, World Bank and ADB have a long history of involvement, with the World Bank having a main role in establishing the national development strategy since 1957. As Thailand’s economy developed in the 1990s a number of countries’ development assistance programs were wound down (e.g., US, Canada, and Australia). Events since 1997 have caused a rethink on the nature of development assistance and funding priorities away from multi-sectoral, integrated development strategies to institutional

strengthening and capacity building within selected line agencies; for instance in areas such as governance and democratisation, education, fiscal and administrative reform, etc. These are in tune with multilateral financial funding priorities and loans.

The ADB recently noted that while Thailand had made significant strides in decentralization, it was still found to be wanting in the areas of accountability, participation, predictability and transparency (*The Nation*, May 10, 2001). The ADB report also said that while decentralization was a sound idea, if the capacity at the local level is not adequate it may lead to greater problems in terms of corruption and waste of resources. Thailand borrowed around US\$1 billion from the ADB during 1998-2000.

A new focus since 1997 has been on "social safety nets," protecting those people who have the most to lose, or have lost the most, since the crisis. Despite the rhetoric regarding social safety nets by the World Bank (World Bank, 1999a and 1999b), the overall emphasis remains on economic management issues. Phongphaichit and Baker (p.103) emphasize that social issues concerned multilateral financial agencies insofar as social safety nets provide a better means of managing the transition to a more liberalized economy. Taking on the interests and concerns of the poor was simply a means of "building a moral and political base from which to override opposition to (the World Bank and IMF) reforms."

## **Thai Values and Attitudes towards Governance**

An "Asian values" argument indicates that certain pre-determined patterns of development and politics are prevalent throughout the region and that these condition modes of social and economic organisation (see Takashi and Newman 1997). This culturally deterministic thesis needs to consider the dynamics of cultural variations within the context of changing plural societies.

However, for heuristic purposes, it is possible and reasonable to talk here of a "Thai" as opposed to say a "Korean" value system, and identify certain specific (if changing) features of cultural practice. The Gallup Millennium Survey has shown the variations within Asia in this regard.

Thais have always had positive attitudes towards power, authority and hierarchies, a focus less on individual needs than collective, unity, social harmony, consensus and order. It is generally considered that in the traditional Thai way of life, commitment to work and goal achievement is weak, compared to East Asian and Western nations (Yoshihara, 1999: 77). However, enduring cultural characteristics aside, clearly the period of Thailand's modernization, namely the 1960s onwards, more or less re-centred the individual in an urban milieu and started to hand out rewards for achievement that were inscribed from outside. It also deemphasized the notion of community, kindred and hearth, and relegated these values to a nostalgia of tradition (the rice growing village or country-life), etc.

Perhaps, in the context of modern governance the most important cultural value under threat is the notion of entourages, the patron-client arrangements. Traditionally, the flavour of politics in Thailand has been personal, exemplified by the influence/power of godfathers (*jao-phor*) who have run their areas without fear of punishment. The conception of *jao phor* starts in the emergent period of modernization and the growth of capital. The new money economy started a contestation over available resources. It brought with it a need to open up new territory and the consequent movement of people from one place to another. This took place at a time when land ownership was not clearly defined and there were no established procedures for labor control and recruitment. Therefore in areas largely ignored by the state, local-based entrepreneurs functioned as economic and judicial bosses. These emerged into the modern form of the *jao phor* (Chantornvong in McVey, 2000: 56). At the 1992 elections, certain Bangkok middle-class groups attempted to limit the power of the *jao-phor*, based on concerns about the rise of these interests in alignment with the

military. These efforts included the setting up of the Pollwatch body to monitor electoral fraud (Phongpaichit and Piriyaangsan, 1996: 103).

At present, the pre-existing structure of political economy cannot function as they used to. Localised (often non-transparent) places of power and control, the local patronages and the specific loyalties of “place” are now becoming more redundant as the country is encouraged to democratize and open up its institutions. The traditional system and its apparatuses (including local elites) are now under the gaze of a national politico-judicial “watchdog,” which in turn is under the ever-widening regulatory gaze of global forces. These days, as a consequence of the intensification of globalization, the entire fabric of relations that define contemporary social life needs rethinking. The localized traditional system, especially patron-client relations, may consider that it has a great deal to lose by modernity’s homogenizing project, but neither should we underestimate the diverse power of local powers to reshape global forces.

## **Democratization, Political Corruption and Economic Development**

It may appear that political corruption since the 1980s, particularly rent seeking and clientelism, have had negative implications for future economic development, which may hinder Thailand’s prospects for future economic development. Rents in this context are those characterized as profit opportunities created by government decisions. The notion of clientelism is tied in with the nature of enduring power relationship — so-called patron-client relations. Though not necessarily corrupt, they do extend certain favors and privileges beyond the call of formal duty. In traditional Thai society patronage was formalized, defining the nature and obligations inherent in hierarchical social relationships (Laird, 2000: 246-7).

The National Counter Corruption Commission (NCCC) was established under

the 1997 Constitution to promote government transparency and accountability and given new independent teeth. Attempts to initiate new counter-corruption provisions, combined with increased boldness by the media, made the period 1998-9 a crucial time of political scandals. During this time three ministers were forced to resign due to public pressure. Then, in March 2000, its biggest case to date arose concerning the influential Interior Minister at the time, Sanan Kachornprasart. This was the "first time any senior Thai political figure had been brought down by legal process" (Phongpaichit and Baker, 2000: 131 and 232-233). Yet even though Sanan has lost his formal political power, he continues to use his powerful patronage network to operate behind the scenes. An even bigger case arose in late 2000 when the NCCC ruled that Prime Minister Thaksin had failed to inform the government about the extent of his assets and major transfers of assets to his wife, children, chauffeur, and maid.<sup>9)</sup> Facing the threat of disbarment from politics for five years, he fought an NCCC's indictment in the Constitutional Court. In an atmosphere rife with populist rhetoric and charges of political interference, the Constitutional Court judges ruled eight to seven that Thaksin was not guilty, overturning the NCCC's decision. While hailed by many as a chance for Thaksin's government to press ahead with solutions to Thailand's problems, others bemoaned the return to "old style" political influence over supposedly independent organizations.

Over the past few decades Thailand's political system has become more decentralized, though real power remains with the instrumentalities of state in Bangkok. At the grassroots, most villagers still feel that politics is separate from everyday life, a reflection that the patronage system is still strong, at least in rural Thailand (National Democratic Institute for International Affairs, 2000: 2). But the political system may certainly be regarded as less centralized in the sense that a growing number of social groups have gained access to the politi-

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9) All ministers and their wives must declare their assets upon entering and leaving government. Also see section 209 of the Constitution.

cal process and the levers of state power. This is far cry from Thailand as a “bureaucratic polity” (see Riggs, 1966) in which political struggles occurred within the state hierarchy, rather than outside it. However, since the 1970s and especially since the 1980s, Thailand has witnessed the rise of civic political parties, and the ascent of electoral politics as a means of political contest. The elections of 1988 and 1992 “demonstrated the increasing strength of elected politicians and the further decline of the bureaucratic and military elites” (Suchit, 1996: 190).

In the context of new Thai politics, the role of the *jao phor* needs analysis, especially with the advent of the new Constitution and the most recent House and Senate elections. In the early days of Thailand’s democratization, the various *jao phor* were able to use their traditional prestige and authority in “securing” rural votes. Now personal ties are replaced more with economic transactions determined more by market forces (Ockey, 1993: 62). However, money ensures “only short-term reinforcement (to patron-client ties) and must be renewed periodically within a competitive environment” to maintain electoral support (Ockey, 1996: 358)

## Conclusion

In conclusion, this article started out with the findings from the Gallup Millennium survey that, in the period of emergent democratisation, a little over two-thirds of the Thai population still consider the political system corrupt, while only 6% consider its government ‘just’. This is a system dominated by money-power and one that is basically unrepresentative. Political corruption hinders the democratic process in Thailand by ‘undermining efficient economic practices, replacing formal rule of law with an opaque patronage system, and diminishing the influence of elected representatives’ (NDI, 2000: 1). However, it should be noted that the question of whether democracy helps or hinders eco-

conomic performance in so-called developing countries is rather uncertain (see for instance Ahn Chung-si and Jaung Hoon, 1999: 153). Yet, while democratic forms of government do not necessarily ensure 'good governance', compared to other forms of government, 'democracy is likely to produce responsible government' (IIPS, 1999: 71).

It can be argued that nothing much has really changed, except superficially, despite promises in the new 1997 constitution, and the government's policy of good governance, the increasing role of civil society organisations, and multilateral organisations such as the World Bank, IMF, and ADB. The latter concerned with promoting economic growth and sound democratic governance. These at least laid the foundation for a more transparent, representative, accountable and less corrupt political system, though, as this chapter has shown, there is still some way to go before the word 'participation' becomes more than mere rhetoric (see Klein, 2001 and Phiraphol, 2001). Instead, the word needs to become an institutionalised practice of proper and purposeful inclusion, with a strong and sustainable supporting political system that is seen to be working for all Thais, rural and urban. At least now there is a growing hope that with the increasing involvement of civic groups in domestic politics, institutional corruption will be more constrained and limited in the years to come.

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