

First published, in slightly abridged form without footnotes, in the April-June 2014 issue of *Strategic Review* at pages 108-117. The full text appears below.



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## Peering into Thailand's future

### *Jeffrey Race*

is a Harvard-trained political analyst who has lived in Thailand for 45 years. ([www.jeffreyrace.com](http://www.jeffreyrace.com))

**W**hat does it take to peer into Thailand's future? First, you need to start with a sense of history and some scientific knowledge of routine human behavior. The convulsions in Bangkok's streets since the end of 2013 immediately impacted business activity but also prefigured social changes. These changes can evolve toward various outcomes with very different consequences depending partly on chance but mostly on the wisdom of the competitors in the current struggle and their sense of balance between personal and public interests.

Today a great struggle is being played out in the streets of Bangkok: which coalition shall control the fantastic instrument of aggrandizement which is the Thai state?<sup>1</sup> But when that struggle will have been played out, bigger questions will remain. A return to passable economic progress hobbled by unstable coalition politics and an internationally uncompetitive educational system? A return to earlier vigor and innovativeness? A slide into an Argentinian or Marcos-era faux populism ending in economic ruin?

Headlines focus on the turmoil but the latter is what really matters.

We can gain insights by observing the future actions of important Thai figures compared to the present and to the past.

### **Background to Today's Street Drama**

As it moved into the modern world of international trade and then domestic economic development, Thailand's strong advantages formed the social and physical capital on which it now coasts during its present tribulations.

In the 19th Century authority, centralized but not overwhelmingly powerful, could collect revenue and direct investment and programs to acculturate the different regions to a point where cultural, regional and religious divisiveness have not been major hindrances as in many other countries. Relatively low population density reduced population pressures on the land such as existed in Vietnam and in Java.

The 1855 Bowring Treaty opening the nation to foreign trade, and its never becoming a colony, had the unanticipated but happy result of ensuring the international competitiveness of the Thai economy right up to the present day.

The Thai military held top positions of authority in decades up to the early '70s, but this did not impede substantial economic development, in part because they brought in wise technocrats like Dr. Puey Ungphakorn and Dr. Sanoh Unakul to render advice and to manage the economy. They welcomed foreign advisors many of whom, like economist Forrest Cookson, took up long residence in the kingdom.

These military choices were in marked contrast to the attitudes of several nearby countries which chose to drive out educated citizens, deprecate openness to foreign thinking and foreign economic relations and expel or severely disadvantage immigrant Chinese who in Thailand were most responsible for the vigor of its business sector.

Thailand is endowed with multiple natural resources but not to the extent that its society and economy have become distorted by the "resource curse" as has happened to Brunei and Indonesia.

### **The 1970s Challenge: Well Done**

The success of economic development and spread of education and foreign contact brought new groups to influence in the late '60s and early '70s leading to ten-

sions with the dominant military/bureaucratic coalition whose politically neutered silent partners and financiers were the Sino-Thai business community.

At the same time there was rising concern in Bangkok about unrest among some hilltribe peoples in the North of the country and rebel activities in the Northeast, both under strong communist influence, about the impending defeat of the Americans in Vietnam, and about the rising power of Communist China.

The result was great intellectual and political ferment, leading in 1973 to the collapse of the dictatorship of Field Marshals Thanom Kittikachorn and Prapat Charusathien and to their temporary exile. Though still not powerful the rising forces were able to topple the military rulers due to their own genial incompetence aided by internal military divisions at the top.<sup>2</sup>

The fall of the military unleashed an even more vigorous outpouring of ideas and actors, in all parts of the political spectrum and even drawing in (and welcoming to the public debate) voluble foreigners like Peter Fedderson, then head of Continental Grain Corporation's Bangkok branch, who did public battle over the then extant rice export tax with Bajor Israsena, the head of the Internal Trade Department. In the area of internal security Gerry Waller, a British subject with long Asian experience in dealing with communist-supported rural unrest, was similarly active in brain-storming with other foreigners, with Thai civilian

experts like Dr. Somchai Rakwijit and with many among the Thai military.

Journals of informed thought published articles arguing for new approaches to public issues, like the Thai *Social Science Review*, then edited by out-of-box thinker and intellectual gadfly Pansak Vinyarat, later imprisoned by the military as a threat to national security after their 1976 return to power. Even the English language newspapers published unusually lengthy analytical pieces on the kingdom's problems and prospects.<sup>3</sup> It was like Paris in 1848.

Three years of intellectual and political ferment and civilian rule brought about lasting and substantial changes in Thailand's foreign relations and in the relationship between the Thai countryside and its primate city Bangkok.

Central to these changes was the entry onto the public stage of new faces from the middle class like Dr. Krasae Chanawong who founded the New Force Party, and Sino-Thai banker Boonchu Rojanasathien and M.R. Kukrit Pramoj who together founded the Social Action Party modelled on Singapore's People's Action Party. Thailand's version of a Renaissance Man, Kukrit was a minor princeling under Thailand's system of declining descent as shown by his title abbreviated to M.R. He is best known abroad from his portrayal of the Sarkhanese prime minister in the 1963 Marlon Brando film *The Ugly American*.

In creating the SAP Kukrit split off from

the Democrats, who remained honorable civilian opponents of military rule but devoid of reform ideas. Kukrit on the other hand continued the tradition of royal involvement in rural uplift, like 1967 Magsaysay Award winner Prince Sittiporn Kridakara who is known affectionately as the “father of Thai agriculture.”

In the perspective of 2014 several elements of this period remain very important. First is the involvement of wide sectors of the public (including foreign residents) in the moves for reform of economic policy toward the countryside and toward the structures of public participation. Second is that these active and vocal reformists included high-status persons like Boonchu<sup>4</sup> and Kukrit. Third is that the king aligned himself with these reforming trends, encouraging students before the military’s 1973 overthrow and easing the transition in the final hours of the dictatorship by encouraging Thanom and Prapat to choose exile.<sup>5</sup>

The status and power changes during the 1973-1976 period were too much for many to accept who had been disadvantaged in those years, and they launched thuggish movements to restore military rule, centering on a massacre of students at Thammasat University in October of 1976. Twenty years of indecisive contention between civilian politicians and the military now followed.

Apparently the king had second thoughts about his support of reform during the 73-76 years, leading Kukrit himself to

write forcefully and publicly (in a 1977 editorial in his *Siam Rath* newspaper) of his disappointment with the king, signalling the beginning of an erosion of royal legitimacy as seen even by a staunch royalist. Kukrit began his column by remarking that people ask him frequently how he knows about so many things and answers with a long discussion about introspection, which is the method of attaining knowledge taught by the Buddha 2,500 years ago. Kukrit then writes:

“From looking within myself, I feel that our country these days has drastically changed. Those of you who are reading this column may also look within yourselves. Some value which we used to consider so august, is it still thus? My answer is one of indifference. I cannot care less whether it is august or not.

There formerly were some things which were such an inspiration, arousing noble feelings in our hearts and bringing tears to our eyes. Is it still thus? My answer is also indifference. No such feelings exist anymore.<sup>6</sup>

Though cloaked in vagueness and abstraction, the “value” to which he refers can be only the monarchy, because his words in Thai can be used only for the king or for the Buddha himself—but Kukrit has just remarked favorably on the wisdom of the Buddha.

Other groups in the military and in those

surrounding the palace continued and increased efforts to reverse political reforms, leading many more among the public, not just a princeling intensely loyal to the throne, to express disappointment with the course of events running counter to widely felt needs for reform.

Succeeding years saw a complex interplay between military and civilian forces, several constitutions and coups d'état and even, surprisingly, substantial further economic and political liberalization under a military-installed but respected civilian leader, Anand Panyarachun.<sup>7</sup>

This period ended with the adoption in 1997 of the country's most progressive constitution, sometimes called the People's Constitution due to the unprecedented public participation in its drafting.

### **The Rise of the Shinawatra Clan**

Many expected Thaksin Shinawatra to become a forward-thinking and public-spirited Sino-Thai in the tradition of Boonchu Rojanasathien. His political launch was certainly auspicious, from the Palang Dharma ("Power of Righteousness") Party. But his commercial intensity degraded that party's good image and finally destroyed it, so in 1998 he founded his own party, the Thai Rak Thai. Thaksin surrounded himself with clever thinkers like Pansak and for the first time brought to Thailand systematized political organization and campaigning coordinated with programmatic appeals, which led to genuine rural uplift and inevitably to a succession of electoral victories.

But while he and his advisers were conceiving and executing popular programs of inexpensive health care and "One Tambon One Product" rural development, they were also plotting big changes at the top. During the 2001-2006 period of solid electoral power, the Thai Rak Thai machine began to dominate every sector of the economy and state on behalf of Thaksin's family and friends: banking, communications, media, foreign affairs, the courts, the police. At the end they were moving on the military and the last bastion of resistance, the royal palace. While they did not reach the depths of present-day Argentina, the direction was clear.

In the Asian context, this was the same model as the Marcos crime family used in taking over the Philippines with the 1972 declaration of martial law,<sup>8</sup> except the Shinawatras used the opening provided by the 1997 People's Constitution.<sup>9</sup> But the result was the same: their massive enrichment, growing public unease at corruption, abuse of power and the family's impunity due to its domination of the legal system, and final collapse due to a provocative incident. In the case of Marcos, it was the assassination of Benigno Aquino; in Thaksin's case the sale using controversial financial manipulations to sell shares of his telecom firm AIS to Singapore's Temasek Holdings.

Just as Imelda Marcos continues to deny her family's involvement in corruption (even though the Philippine government has managed to claw back from Switzerland over US\$600 mn of stolen funds),

so Thaksin's sister Yingluck continues to deny any motivation of corruption in her proxy government's promotion of a rice price support scheme.<sup>10</sup> Her disregard of extensive official documentation of the corruption in pressing ahead with the program is one among the bill of particulars in the accusation against her of negligence in office.<sup>11</sup>

### **The 21st Century Challenge: Not Well Done**

Like the Marcos crime family, the Shinawatras began as champions of the common man but ended as looters. However they dominate the reformist political space with a faux populism responding to serious domestic stresses.

*What is dramatically different now, compared to the 1970s, is the stance of the kind of high-status persons who are the natural opponents of the Shinawatra clan.* The Democrat Party has remained true to its patrician opposition model relying mainly for support on Bangkok and its traditional popular base in the South but with no effectual appeal to those at the bottom of the system in other regions. The party's leadership is content with this status and with relying on rabbits to be pulled out of a hat by the military, the courts, the independent agencies, or street demonstrations. This is the kind of attitude that inspired M.R. Kukrit to split off to form the SAP in the '70s, but that has not happened now. Instead high-status or economically powerful figures have come together in a backward-looking and emotional movement centered on the symbolism of the

monarchy. That royal link was useful in the '70s but alone insufficient. It took real programs and policies then and the same will be true this time. In addition the banked moral capital of the monarchy is depleting as noted below.

A National Reform Committee, established in 2011 to develop proposals and headed by Anand and famous Dr. Prawet Wasi, has rendered a final report<sup>11</sup> with one serious proposal (decentralization) and numerous other anodyne recommendations. But even for that it risks remaining a bureaucratic exercise rather than the property of hard-charging political reformers high in status or at least highly empowered. (Think Bismarck in Prussia or Magsaysay in the Philippines.)

This writer queried 17 high-status Thai friends, the kind who would have been leading the charge had they lived in the mid-70s, why the Democrat Party is so febrile and why none among their set has stepped off the verandah at the Royal Bangkok Sports Club onto the political battlefield. Only two provided substantive replies while most offered recusals, suggesting some (perhaps fatal) combination of unease with the subject and absence of insight.

Recent Bangkok press articles describe the emergence of a group of "Men of State" (*rathbukkhol*), former high officials, to discuss the current conflict. The published images of their lunches, consisting mostly of septuagenarians, octogenarians and nonagenarians at Bangkok's Polo Club, almost comically highlight the ab-

sence of people in their 30s and 40s to carry out the reform job that might be done.<sup>13</sup>

In short, no rising, energetic, charismatic, powerful champions with vision, drive and genuine programs have emerged to do battle with the declining Shinawatra clan as did in fact emerge to do battle with the declining military/bureaucratic coalition in the '70s.

### Other Very Big Issues

Thailand's strong heritage of skilled management, vision and conservative finance are easing the country's path through the present turmoil. But four issues, movement on which can serve as leading indicators, are immensely important to the direction which the kingdom will take.

*The moral center of the kingdom* The immense personal prestige of King Phumiphon is easily attributed to his character: he has compassion from his mother (a commoner) and the common sense, informality and approachability of one raised abroad among ordinary people with the intention to be completely functional among them. It was never expected that he would succeed to the throne and indeed his mother hoped to protect him from that fate.

Equally true is that the king's *barami* (Thai from the Sanskrit term for perfection) rests upon centuries of investment in moral and social capital in the form of Theravada Buddhism. Imbibing the values of this faith has allowed the Thai to

live in relative peace compared to their neighbors and it is this which builds an appreciation for the *barami* of a supreme symbol of national unity.

The importance which the Chakri Dynasty has in the past assigned to this aspect of rule can be seen in the founding of the strict Thammayut order of monks by King Phumiphon's ancestor King Mongkut (styled Rama IV), who ruled from 1851 to 1868 and was concerned with a decline in the purity of the dominant Mahanikaya order.<sup>14</sup>

The Thai Sangha has been allowed to decline to a presently catastrophic state of lassitude, careerism, financial corruption, sale of merit and internal conflict in which some monks excoriate others as "threats to national security" while still others become famous from fortune-telling and the sale of amulets. Campaigning and lobbying bring high liturgical offices. This writer has been up close to many incidents of funding of Buddhist programs in which "leakage" has figured, or what would be called corruption in a profane context. Tremendous sums pass through sanctified hands without effective financial accountability. These facts are not secret, evoking frequent and pointed condemnation in the press.<sup>15</sup>

Foreigners raised in a secular tradition may find this subject ineffable and abstract but like air it is central to the survival of the Thai throne, the peaceability of the Thai state and the welfare of the Thai people. And of course to foreign-

ers who aspire to deal with them.

*The public presentation of the Crown Property Bureau* Forbes Magazine controversially lists King Phumiphon as among the world's wealthiest monarchs<sup>16</sup> by including both his personal property and the Crown Property, the latter being the assets (mainly land) seized from Rama VII in the transition from absolute to constitutional monarchy in 1932. The Crown Property Bureau which administers these assets, immune to external audit and legal accountability, is answerable solely to the king himself. While no one questions the king's personal integrity, it is well known that Thai kings (like kings everywhere) have struggled for centuries against irregularities in the management of their property. There is no reason to think the present generation of managers differs.

Many who are devoted to the king as a person of great merit waver in their allegiance to those managing the throne on his behalf, precisely because of the lack of transparency in the management of these enormous assets. One famous critic, Professor Somsak Jeamteerasakul, researching CPB asset management, has spoken of the contemptuous treatment he received. From an initial phone call to the CPB he was shunted from person to person, finally and unexpectedly ending up with a high personage on the other end of the line who casually dismissed his enquiry with words to the effect "Why would you want to know that?" Some even draw from this situation an equivalency between Thaksin and

the king: both controlling enormous and non-transparent fortunes above the law.

Allowing this kind of situation to exist has gravely damaged the standing of the throne both in Thailand and abroad, sapping the enthusiasm of the public for the central unifying institution of the Thai state.

On February 12 Professor Somsak's Bangkok home was fired upon by two gunmen while he was inside.<sup>17</sup>

*Education* The decreasing competitiveness of the Thai educational system will become a serious economic and then political issue with the coming closer integration of the ASEAN countries and in particular the transferability of professional certifications. In most countries the educational establishment is a massive immovable object and this is certainly true in Thailand. Its last significant enhancement was the general permission for Thai students to enrol in local international-curriculum schools, first permitted in the 1990s. This has become a safety valve for those at the top but the rest of the population remains stuck in a system whose marginal performance will become an increasing drag as the economy opens further.

It takes great resources of money and of authority to reform educational bureaucracies. Now Thailand has neither.

*Succession* Just as he is responsible for building the moral capital of the nation, a Buddhist monarch is obliged to prepare a

successor exhibiting the Ten Kingly Virtues;<sup>18</sup> otherwise his people are at risk of turmoil. This is his final and most important task in the face of the inevitability of personal passing but continuity of the state.

The Thai look easy to rule but are not: it takes great wisdom to succeed.

Many wonder whether a sealed envelope contains instructions superseding the current designation of heir apparent, as happened for example in the accession of the present Aga Khan.<sup>19</sup>

### **The Current Turmoil and the End Game**

Thaksin's appeal to his pragmatic supporters is not fixed and eternal. For example his rural supporters cheered him as long as the cash was coming in from his ill-conceived rice price support program, which was destined to crash eventually. But the political accident of the February 2014 House dissolution prevented borrowing to maintain the public illusion of soundness. As soon as the cash stopped, demonstrations against him promptly started in the streets.

As frequent commentator Professor Thitinan Pongsudhirak pointed out in a widely circulated article in February, "[T]he election on Sunday [February 2] was the first time a political party under the control of former prime minister Thaksin Shinawatra failed to win outright."<sup>20</sup> The Shinawatra clan are also being pressed by the National Anti-

Corruption Commission, by the courts, and, gingerly, by the military. They have been weakened by their repeated poor judgment not just in the rice price support scheme which many economists warned was fatally flawed, but also in a botched amnesty program, in election strategy, and in repeated well-documented pro-corruption programs like public bus procurements.

Enormous restorative opportunities with high practical and symbolic impact exist and it is not inconceivable that some group of high-status figures will join together to build a forward-looking rather than backward-looking movement. It has happened before: rebranding after genuine rejuvenation. That would be an important indicator.

### **Thailand No Longer a Special Country? Some Indicators to Watch for**

Economic change and expanding communications are pushing Thailand to lose the enchantment (the term used by the German sociologist Max Weber) which made it such a special place and its politics comparatively peaceful compared to its neighbors'. But it's not an unstoppable decline, provided that those on the way out in the royal family and among the commercial and traditional political elites wake in time from their slumbers. Otherwise Thailand's special charm will melt away and life there will become like life elsewhere, empty of meaning and purpose: one is born, stifles boredom with sex, drugs, TV and trips to the shop-

ping mall, then dies. At the same time politics becomes a vicious fight to the death (literally in places like Syria, figuratively in places like Australia and America). And where life is empty of

meaning, elections become nothing more than (in Ambrose Bierce's pellucid words and in Thaksin's now collapsed rice price support program) "an advance auction in stolen goods."

#### Footnotes

- 1 Jeffrey Race, "The Wheel of Life Turns at Rajprasong," *Bangkok Post* May 23, 2007, downloadable at <<http://mادتomsalmanac.blogspot.com/2010/05/trying-to-untangle-mess-that-is.html>>
- 2 Jeffrey Race, "Thailand 1973: 'We Certainly Have Been Ravaged by Something,'" *Asian Survey* XIV:2, February 1974, pp. 192-203, downloadable at <[http://www.jeffreyrace.com/document/as02\\_74.pdf](http://www.jeffreyrace.com/document/as02_74.pdf)>.
- 3 Jonathan Swift [pseud.], "What Now, Thailand?," *Bangkok Post*, a series of five feature articles published from March 30 through April 3, 1976.
- 4 In July of 1973, with Thailand still under a military dictatorship, Boonchu dared to state publicly in an address to Ministry of Finance officials  
  
"We all know what the result of [Thailand's] developmental efforts have been: the wealthy have been developed to greater wealth, while the poor are as poor as ever . . . ." He added "It is well known that many of those who are responsible for the administration of the nation's business are lacking in personal rectitude."  
  
Full text at *Bangkok Bank Monthly Review*, 14:9 (September 1973) pp. 544-548.
- 5 The king's statement appears in the *Bangkok World* issue of September 21, 1973. Details of the overthrow of the military are recounted in the *Asian Survey* article above.
- 6 Kukrit Pramoj, "Rice Far from the Ricefield" (in Thai) *Siam Rath*, August 13, 1977.
- 7 In a 2014 public statement Dr. Arthit Urairat gave some insight into the financial motivation to be prime minister of Thailand. He stated that when he was House Speaker in 1992 with the duty to propose a prime minister for the king's approval, he was offered 200 million baht (about US\$8,000,000 at the time), as well as the Ministry of the Interior (an extremely lucrative cabinet position), in exchange for

nominating “a certain person.” He instead nominated Anand, now considered to have been among the kingdom’s greatest prime ministers. See  
<[http://www.youtube.com/watch?v=L\\_9tjYYbIZU](http://www.youtube.com/watch?v=L_9tjYYbIZU)> (in Thai) starting at minute 6.

8 Jeffrey Race, “Whither the Philippines,” Institute of Current World Affairs, downloadable at <<http://pws.prserve.net/studies/icwa/jef-23.pdf>>.

9 Thanong Khanthong in his political analysis article “Thaksin Gambled and Lost His Shirt” published in *The Nation* on October 2, 2006, asserts that Thaksin was planning to declare martial law “to get rid of all his political opponents” in an eerie echo of what Marcos actually did in the Philippines in 1972.

10 As reported in the Bangkok press on February 23, 2014.  
<<http://bangkokpost.com/opinion/opinion/396498/rice-politics-threatens-to-sink-the-economy>>.

11 “Corruption and Agricultural Market Intervention,” presented by Dr. Sirilaksana Khoman at the Ethics and Executive Leadership Course, Sasin Graduate Institute of Business Administration, Chulalongkorn University, October 30, 2013, downloadable at <[http://www.jeffreyrace.com/document/mors\\_d68.pptx](http://www.jeffreyrace.com/document/mors_d68.pptx)>.

12 <<http://en.nationalhealth.or.th/node/177>> for an English summary. Full texts in Thai appear at <<http://v-reform.org/v-report/complete-documents-of-national-assembly/>>

13 <<http://www.siamintelligence.com/man-of-state-member/>>

14 <[http://en.wikipedia.org/wiki/Dhammayutika\\_Nikaya](http://en.wikipedia.org/wiki/Dhammayutika_Nikaya)>

15 Sanitsuda Ekachai (Editorial Pages Editor), “Sangha Feudal Hierarchy Has to Go for Good,” *Bangkok Post*, October 30, 2013.

16 <<http://www.forbes.com/sites/investopedia/2011/04/29/the-worlds-richest-royals/>>

17 In Thai at  
<<http://www.komchadluek.net/detail/20140212/178795.html#.UxQlqeOSwqM>>

18 William J. Klausner, “Law and Society,” Thailand Law Forum, downloadable at <<http://www.thailawforum.com/articles/lawwilliam5.html>>.

19 “[T]he family gathered in the drawing room to hear the reading of the will, which had been brought in a locked case from Lloyds Bank in London” from “The Aga Khan’s Earthly Kingdom,” *Vanity Fair*, February 2013  
<<http://www.vanityfair.com/society/2013/02/aga-khan-spiritual-leader-multi-billionaire>>

20 Thitinan Pongsudhirak, “Electoral Democracy Can Still Succeed”  
<<http://www.bangkokpost.com/opinion/opinion/393433/electoral-democracy-can-still-succeed>>