From Political Reform and Economic Crisis to Coup d’état: The Twists and Turns of Thai Political Economy, 1997-2006

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Abstract

Thailand has embarked on a process of political reform since the early 1990s, following the May 1992 popular uprising against military rule. This paper argues that the 1997 Asian Financial Crisis (AFC) strongly shaped Thai politics in various ways, particularly in terms of its “agency” and “agenda.” First, certain big business groups who survived the economic crisis subsequently came to dominate electoral politics, taking advantage of the new Constitution (1997) and the related election law. According to the new rules, a new category of party-list MPs was created in addition to the pre-existing constituency MPs, to be elected by proportional representation, thus making it much easier for Bangkok-based big businessmen to enter politics. Second, economic revival became the dominant issue in the public agenda, taking priority over political reform. The pre-existing bureaucratic administration was seen as too sluggish and incapable of dealing with economic difficulties. This paved the way for the political ascendency of Thaksin Shinawatra, a telecoms tycoon-turned-politician and policy entrepreneur, who became highly popular with his entrepreneurial image and populist policies. Overall, the AFC shifted Thai political economy in favor of business dominance. However, the new pluto-populist regime of Thaksin Shinawatra overreached itself politically, alienated and antagonized the middle classes and other elite groups, reignited separatist insurgency in the Malay Muslim-majority South of the country, faced a continuing mass protest movement and widespread opposition, and was recently overthrown by the military in a coup d’etat. While political reform (particularly the 1997 Constitution) was a necessary condition, the AFC constituted the sufficient condition for the said political development and eventual crisis. In this sense, the AFC had a profound effect on Thai politics.