

PAVING THE WAY

by David Peters
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The public display of support Holds the seeds of a political movement that should be watched closely

In mid-March, ostensibly responding to a criminal charge against Anand Panyarachun, for malfeasance in office, Sumet Jumsai na Ayudhya organized a small circle of friends to offer “moral support” to the embattled former Prime Minister.

As Friends of Anand (FOA) swiftly expanded its base, from 20 or 30 people to about 20,000, (mostly white-collar workers and bureaucrats. The local and international media painted the movement as a spontaneous eruption of popular support for a national hero: a selfless, honest man who, despite his distaste for political life, twice sacrificed himself, by taking on the mantle of leadership, to protect his country’s fragile democracy, in times of crisis.

How wonderfully noble

A close look at FOA’s founding members and their political connections, however, suggests that the organization may have been anything but spontaneous. It may represent no less than an attempt by the social and business elite - with the express cooperation of Mr. Anand – to hijack the country’s political system (see Appendix 1 - Anand’s Liberal Corporatism).

Often, with hindsight, it’s possible to think that there was more organization for something like this, than there really was,” argues MR Sukhumbhand Paribatra, a political scientist at Chulalongkorn University and FOA spokes-person. “We had no intention whatsoever, to organize anything big.”

If that was, indeed, their intention, then they failed miserably. Someone who knew about the group, clearly lacked discretion, because Dr. Sumet’s office was soon flooded with phone calls and faxes from people expressing their support for Mr. Anand. “In the first week, we had three or four thousand people; in two or three weeks, we had ten thousand.” MR Sukhumbhand reveals.

“At that point, we felt that we couldn’t just let it go on without any organization. A group of people met together with Sumet Jumsai as the coordinator, and advisers to FOA were chosen.”

According to FOA office manager, Siriporn Sukosi, the group’s membership stood at 19,075 as of 29 April. With these numbers, the obvious counter-argument to MR Sukhumbhand is that nothing this big happens without

organization – and money. Which, since few people are willing to shell out large sums of cash with no chance of return, begs the question of “why”?

FOA insists that it simply collect the names of people who contact it, and thus has no money. The group does, however, have an office on Ploenchit Road across from Le Meridien President Hotel, a telephone, a fax machine and a staff: Ms Siriporn, another full-time woman and two students.

“Many big businesses and other persons contact us and ask us how much they can contribute, but we tell them to hold off, because we don’t know what to do with the money,” MR Sukhumbhand explains. “We’re not set up legally. As expenses come up, they are paid by members of the group, but no money actually passes to us; we are not a fund-raising group.”

“We have private funding.” confirms Ms. Siriporn. “We don’t request donations from members but, when we have expenses, we receive gift cheques.” Asked who pays the rent, she laughs, and answers that she really does not know.

Among the founding FOA members, there is no shortage of money. A list of supporters released to newspapers in mid-March, includes HH Princess Suthisiri Sobha, HH Princess Vimolchatra, HSH Lt. Gen Prince (MC) Chidchanok Krisdakorn, ML Manich Jumsai, Phairat Benjarit, MR Kasemsamosorn Kasemsri, ML Tor Krisdakorn, Witthaya Vejajiva, MR Sukhumbhand, Duangmanee Visetkul, MR Sarisdiguna Kittiyakara, Mechai Viravaidya, MR Butri Viravaidya, Likit Hongladarom and MR Narisara Chakrabhongse.

These paragons of the Thai elite, comprise one important prong of FOA’s backing. The other comes from a more unlikely source: the Palang Dharma Party. On 25 March, about a week after the aforementioned 15 names appeared in the local dailies, former PDP leader Chamlong Srimuang led a group of 20 party members, including several MPS, on a courtesy call to Mr. Anand’s office at Saha-Union Corporation. Maj Gen Chamlong remarked at the time that FOA would not have to work alone.

In analyzing the significance of this visit, it is important to remember that, just a few months earlier, Maj Gen Chamlong openly wooed Mr. Anand to become PDP leader. Given the Democrats’ resurgence in Bangkok in the last election, many observers at the time reasoned that Mr. Anand was about the only person who could guide the PDP back to supremacy in the capital.

Social critic Sulak Sivaraksa comments that “Chamlong cares very much for Anand, and Anand may end up as head of the PDP. This would help to redeem Chamlong’s image. His party’s reputation for being anti-monarchist and anti-Buddhist would be cleaned up, if it had someone of Anand’s stature as leader.”

Contrary to the popular image created by the media, therefore, FOA can easily be seen as a significant political movement. A group of 20,000 people, led and backed by an elite group of wealthy and influential figures, endorsed by a major

political party – all in support of an enormously popular former Statesman whom the same political party desperately wants as its leader.

In this context, it is noteworthy that Athong Jumsai na Ayudhya, the older brother of FOA coordinator Dr. Sumet, is a PDP MP from Bangkok's Constituency 5. Mr. Anand, for his part, has his own connections with the PDP: for example, he is the chairman of the honorary board of governors of a new health spa being built on land owned by current PDP leader Boonchu Rojanasatien in Hua Hin.

Of course, FOA officially denies that it is involved in politics. MR Sukhumbhand argues, "I think that different members (of FOA) probably have different intentions in joining. We had an agreement from the beginning that there should be no political activities associated with the group. However, if members want to be more politicized then, as individuals, they can do that."

The next morning, newspapers reported MR Sukhumbhand's announcement of his willingness to run for the PDP in the 11 July by-election. He later changed his mind, and decided not to run.

The by-election will fill the seat in Bangkok's Constituency. I vacated by hotel tycoon Akorn Hoontrakun, who resigned in late April, to avert a possible share-manipulation scandal. Although the party denies it, Mr. Akorn is thought by some to be one of the PDP's biggest fund-raisers.

After the May crack-down, Mr. Akorn and his associates at Business Management Services Company (BMS) created a brief media stir, by announcing their intention to give financial support to 'quality' candidates, those with strong ethics and reputations for honesty. Mr. Akorn ran for his seat on such a platform, which fit well with the PDP's reputation - a reputation that Mr. Anand also enjoys.

If it is ultimately discovered that Mr. Akorn broke the law to raise funds for the PDP, he - and the party itself - will be shown to be no different than the 'old-style' politicians that he criticized so harshly for their bad characters.

Although Mr. Anand's reputation would not be affected by such a scandal, the Opposition has begun to raise its own questions about the former premier's connections that – if the media and the people could look beyond their rosy views of him – would similarly show him to be not much different, from any other successful business-person or politician in this country.

Mr. Anand, in an exclusive interview with Manager, claims. "I refused (the PDP's) offer, like I would refuse any offer to become the head of any political party. I'm not interested in politics or, I should say instead, I'm not interested in being a player. There may be people who would like to see me become one for their own reasons, but I cannot help that."

All along, in response to an almost daily stream of media questions on this subject, Mr. Anand has denied that he is interested in returning to lead the

country. "I have no taste for public life." He explains. "I think that, for a person to perform effectively, he should enjoy the position he holds.

"Harry Truman said, 'If you can't "stand the heat", get out of the kitchen.' Personally, I think I can "stand the heat", but the point is that, even if I could "stand the heat", why should I place myself in the kitchen?"

If this is his deep-seeded feeling, then why did he accept the position offered to him by the National Peacekeeping Council (NPKC)? "It must have been a lapse of sanity". he quips.

"My liberal views are quite well known in this country ...However, when he (Gen Suchinda Kraprayoon, who had been an assistant military attache in Washington when Mr. Anand was the ambassador) came to me and pleaded that he wanted a civilian Cabinet, I believed in his sincerity.

"I was concerned that, for ten years, there hadn't been an upheaval like the one that had just happened. There had been two coup attempts, but they had failed. I deeply regretted that the military had seized power, irrespective of the corruption charges against the Chatichai government. I did not play a part in the planning of the action, and I did not approve.

"Nonetheless, I thought that, if there's anything that I could do to bring Thailand back to a State of normalcy and stability, and to get the economy going again, I should do it....they (the NPKC) knew that I was an independent thinker, that I was not a stooge or a "front".

"In all my dealings with them, they were always fair to me. I tried to explain to them and rationalize to them some of my programmes. In return, we had a relationship of mutual trust and mutual understanding...They understood that my decisions were not for personal gain or personal interest."

Whatever scruples might have stood in the way of Mr. Anand taking the premiership the first time, they were not evident after the bloodshed last May. "The second decision was easier than the first one," he admits. "The first time that I accepted, the offer came from the military, after a coup d'etat. I knew that this could be seen as betraying my principles that I might look like I was seeking the job.

"There was also a question of legitimacy: a person of my standing and reputation, by accepting the premiership, could be seen as conferring legitimacy to that illegal act. Nonetheless, it was a decision that I made consciously and conscientiously, weighing both the positive and negative factors.

"The second time, it was a technically-correct procedure. The term was also much shorter, and the agenda had been drawn up for me."

He was offered the premiership twice, and he accepted on both occasions. It has been said that, the first time, both Ukrit Mongkolnavin and Arsa Sarasin

refused similar offers. If Mr. Anand felt strongly about staying out of public life, he probably could have said “no”.

However, when ‘called on by his country,’ he has never missed an opportunity to take a larger role. Even if his stated aversion is sincere, it has clearly not been strong enough for him to resist the roles, that some people offer him ‘for their own reasons’.

There is no evidence that he would resist a future call by a group representing the people – as FOA purports to do. In response to the out-pouring of support on his behalf over the past three months, Mr. Anand has consistently portrayed himself as a surprised and overwhelmed private citizen, who takes no part in the organization of events in his honour, but who is nonetheless a willing participant, because of the gratitude he feels toward his well-wishers.

“I am personally gratified by the show of support given to me,” he explains. “I think that these are well-meaning people who have trust and faith in my integrity, and who perhaps feel that I was given a raw deal.”

From the middle of March until the end of April, an astonishing array of events were held to honour Mr. Anand, and he managed to fit each and every one of them into his busy schedule. Every day, newspapers carried pictures of obscure business groups bringing him flowers; a group of Royal Polo Club members organized a “Run for Anand”; a relatively mysterious group called Red Flowers for Anand began posting notices around the city.

Over Songkran, a water-pouring ceremony was held for Mr. Anand at Chatuchak Park; he was the guest of honour at fund-raising dinners; the Australian ambassador hosted a party for him, that was attended by the ambassadors from the U.S., the U.K., Canada, Germany, Italy, Japan and New Zealand.

Although he repeatedly denied any involvement in organizing this carnival side-show in his honour, he also never disguised his appreciation. His condonation of the various activities, and his willingness to bask in the media spotlight in the process, was clear indication that he encouraged FOA’s cause.

The ‘spontaneous’ display of support for Mr. Anand came to a head on the date of his first court appearance, 21 April. He was mobbed outside the court-house by supporters, whom he greeted with triumphant waves, looking more like a campaigning politician, than an arraigned defendant in a criminal case.

One of the most controversial, events that Mr. Anand attended over the past few months, was the Australian ambassador’s dinner. There are few countries in the world where foreign dignitaries could rally behind a former Prime Minister, indicted in criminal court for malfeasance, without any serious diplomatic repercussions.

Sources at the American embassy report that MR Sukhumbhand was instrumental in organizing the dinner, that he even accompanied the Australian

ambassador, when he went to distribute invitations. He denies this allegation, but acknowledges that the dinner “undoubtedly sends a diplomatic message of some sort, although exactly what message is, for you to figure out.”

In response to charges that the foreign ambassadors were interfering in domestic affairs or the Thai judicial process, he argues, “The thing that you have to remember, is that the government is not the plaintiff in this case. The public prosecutor is actually working on Anand’s defense...Anand is not an opponent of this government, so where is the interference?”

MR Sukhumbhand evidently forgets, as, perhaps, did Mr. Anand, that interfering with the government and interfering with the judicial process are two different things --- assuming, of course, that the executive allows the judiciary its independence.

Western governments undoubtedly supported the two Anand governments. Mr. Anand seemed like the right man at the right time to liberalize the economy, in ways that helped foreign companies’ local concerns. This support has somehow created an image of Mr. Anand as a champion of democracy, even though his two terms -- and, indeed, his whole career in government service -- were anything but democratic.

To serve a dictator, or not to serve a dictator: that is the question that has confronted many gifted Thais in the 61 years since the advent of constitutional monarchy in Thailand. Mr. Anand, like many of his educational and social background, chose the former.

Mr. Anand received his university degree from Cambridge in 1955, after which he immediately joined the Foreign Ministry. In 1959, he became secretary to Thanat Khoman, who served as the Foreign Minister from 1959-1973.

“He came to the Ministry soon after Cambridge.” Dr. Thanat recalls. “He was recommended by Pote Sarasin (Prime Minister immediately after Sarit Thanarat’s coup). When he recommended Anand, I accepted. I found him to be a very candid and straight-forward man...He learned fast and, in a short time, he became a good diplomat.”

Pote Sarasin, of course, is the father of Pow and Arsa Sarasin, who were both members of Mr. Anand’s Cabinets, and also of Pandit Bunyapana, permanent secretary of the Finance Ministry. Mr. Anand’s mother, Khunying Preuk Panyarachun, was the aunt of Thanphuying Siri Sarasin, Mr. Pote’s wife; and Mr. Anand’s father, Phraya Prichanusart, looked after the Sarasin boys when he was the superintendent of Thai students in England after the Second World War. Thus the Sarasin family, which has sometimes been tagged ‘Thailand’s Kennedys’, is very closely tied to the Panyarachun family.

Under Dr. Thanat, Mr. Anand got on the “fast track” at the Foreign Ministry, vigorously implementing the foreign policy of two of Thailand’s most notorious dictators: Field Marshal Sarit and Thanom Kittikachorn. Dr. Sulak comments

that, "if there's one thing that Anand does not seem to know, it is that it is wrong to serve dictators."

In 1972, after holding various diplomatic posts in North America for eight years, he landed the plum job: ambassador to the U.S. He was only 40 years old. In 1975, he was called back home to become permanent secretary of the Foreign Ministry under the Kukrit government. Then dictatorship caught up with him.

The morning after the bloody coup of 6 October 1976, Mr. Anand was asked to calm down the foreign representatives in Bangkok and explain the reasons for the previous day's events. Shortly thereafter, he was dismissed from the Ministry, charged with harbouring communist sympathies and releasing State secrets. He chose to fight.

"The way he was treated, was absolutely disgusting," remarks Dr. Thanat. "The charge against him was a kind of treason charge. It was ludicrous to think that he would do something like that.... I asked Thanin (Kraivichien, Prime Minister after the coup) to be fair with him."

Mr. Anand was ultimately cleared of the charges against him and re-instated, but the course of his career had been shattered irreparably, and the post that he was ultimately offered -- the ambassadorship to West Germany -- was a definite step down from what he had enjoyed before. In 1978, he resigned from the Ministry and went to the private sector.

"I'm not a person who would look back with bitterness. I always try to look forward and outward," Mr. Anand claims. "The events (in 1976) were traumatic, and I was saddened. Nonetheless, however unfair, however unjustifiable, however ... evil -- I was looking for a softer word -- these events were, they don't bother me now. They don't govern nor have an influence on my present thinking. I know what I was, I know what I am; I have a clear conscience."

Perhaps Mr. Anand would not be so generous, if he had not been able to walk out of the Ministry and straight into the executive offices of Saha-Union as vice chairman. The chairman at the time was Amnuay Viravan, who sympathized with Mr. Anand, as he himself had been driven to resign from his post as permanent secretary of the Finance Ministry by the 1976 coup and its ensuing communist "witch hunts". Unlike Mr. Anand, Dr. Amnuay quit, before anyone had a chance to accuse him of anything.

Then, on 23 February 1991, another coup brought Mr. Anand full circle. Once again, he chose to serve the dictators and, once again, his public image was improved by this association. In the absence of an elected Parliament to debate issues, the two Anand governments managed to push through reams of legislation, most of which had actually been "on the drawing board" since the Prem or Chatchai administrations. For this, he is generally considered to have been a particularly effective Prime Minister.

Asked to assess his own performance, he replies, I don't bother. What's done is done. What we could not do, it's too bad, but when the term is up, the party's over. It's time to leave the affairs of State to those responsible."

Mr. Anand's troubles in 1976 and his straight-talking style, quite easily lead to the mistaken notion that he represents the common people. Nothing could be further from the truth -- it is important to remember to what extent he is a product of his background.

Mr. Anand comes from a very elite segment of society. Born to a rich Chinese family, he was given the best education available, in the best schools in England, and was then ushered into a prestigious job with a recommendation from the Prime Minister. He spent 12 years circulating in the hallowed diplomatic corridors of Washington and New York. Regardless of the strife he endured, he had a comfortable job waiting for him in the private sector, at the end of his ordeal.

The kind of privileges that he has enjoyed -- and the sheltered existence that this generally entails -- encourages contempt for the people, rather than empathy. He and his peers tend to have a theoretical understanding of democracy through their Western educations, but a poor idea of what it means on a practical level.

Dr. Sulak, a contemporary of Mr. Anand, comments, "Most of my generation have a low opinion of the people. Anand worked under Sarit so long that democracy for him only means the forms -- having elections, having a House of Representatives -- and not the substance. If he needs to get elected, he can do it.

"The bottom line is that he thinks that the country needs someone like him, to talk to foreign companies, or the Japanese. He thinks that his Cabinet was the best in the world, with the brightest minds available in the country, so how could it have done anything stupid?"

Because of this mind-set, elitist aristocratic Chinese have tended to rally behind Thai dictators. Since the power of the people is suspect, the only alternative is to rely on the power that comes from the barrel of a gun. Thai generals have usually recognized their own weaknesses in actually administering the country, and have brought in the elite to do their patriotic duty.

Despite all of Mr. Anand's liberal posturings, his apprenticeship with Dr. Thanat under Sarit and Thanom involved the suppression, rather than the expression, of democracy. He also clearly maintains a high regard for the NPKC, describing it with words such as 'sincerity', 'trust' and 'understanding'.

As for Thai democracy, on the other hand, he comments, "We are politically immature, partly because of habit: Thais like to listen to rumours -- perhaps we are more gullible than other people".

Members of his social class have often used such generalizations, to justify a form of 'guided democracy' -- with the elite in the driver's seat -- which is not actually democracy at all. If Mr. Anand's life and works can be taken as a body of evidence, he undoubtedly supports a form of benevolent dictatorship, run by people like him, which nonetheless retain the outward trappings of democracy.

Ideology notwithstanding, would it be so bad to have Mr. Anand back as Prime Minister? After all, he is thought to have a sterling character, and his two governments are considered to have been particularly transparent -- so much so, in fact, that people scoff at Opposition accusations that not everything was as above-board as it seemed.

"The Opposition leaders who are making these charges are children whose own records are certainly not beyond question," snaps MR Sukhumbhand, "Even their records out of office are not beyond question. The Opposition leaders who are more decent and grown up -- such as Dr. Arthit Urairat and Gen Chatichai -- refuse to get involved."

Mr. Anand himself is somewhat more circumspect (see Appendix 2 - In His Own Defense). "Those who dislike me, I don't know if they're engaged in some sort of character assassination. I have always been willing to discuss what I did as Prime Minister but, when charges are not based on fact, there is only so much I can do."

For some reason, people find it inconceivable that Mr. Anand could ever allow himself to be swayed by personal connections, or to cut deals "under the table". When someone has moved in the circles that he has, however, it is understood that he or she will have acquired influence. It is not necessary for him or her to go around proclaiming the fact -- everybody knows. Perhaps the opposite question would thus be more helpful: given Mr. Anand's connections, how could he have entirely avoided using them?

Remember who Mr. Anand is: he is related by blood or by marriage to some of the richest and most influential Chinese families in Thailand. His wife was born MR Sodsee Chakrabandh; her aunt was HSH Princess Javalit Obhas Rabibadhana, the wife of HSH Prince Amara Samarnlaksana Kittiyakara who, in turn, is the uncle of Her Majesty the Queen. Of the 15 founding members of FOA listed above, ten carry some sort of royal title.

Moreover, during his 13 years in the private sector, Mr. Anand held an impressive string of corporate posts: director of five Saha-Union subsidiaries, IBM (Thailand), Sime Darby Berhad (Malaysia) and Siam Commercial Bank; and chairman of seven other Saha-Union subsidiaries, Sports Ace Company, Star Block Company, Thai PTA, Eastern Star Real Estate Company and, just before the coup, Saha-Union itself.

In the line of work, he has made contacts with people like Suthep Bulakul, with whom he sits on the board of Star Block Company, and who has shown his loyalty by becoming a member of FOA. In fact, it is difficult to think of many people in this country who are better connected than Mr. Anand.

That he was once mis-treated by a Thai dictator, is no reason to paint him as an outsider in Thai society. It is true that he is considered to be some-what of a loner in his personal life but, in business and in government, he has always worked with people -- and worked well.

When Mr. Anand got his first job at Saha-Union, he had no track record of business management expertise; all he had, was a personal connection with the chairman. When he was offered the premiership for the first time, again it was because he had a personal relationship with Gen Suchinda.

He has undoubtedly made deals with, and decisions in favour of, people with whom he has strong connections, whether through business or family: he simply has relationships with too many people, for him to get much done in this country, without working with some of them.

In this sense, Mr. Anand is not essentially different from the scores of other business leaders and politicians who, for some reason, have so much dirtier reputations. Given who his friends, are and what corporate positions he holds, there is no doubt that he has a great many vested interests to protect and, even if he expresses it in a subtle manner, everyone who deals with him knows exactly what those interest are, at the outset.

Contrary to his media-enhanced image, Mr. Anand is not a self-sacrificing, ambition-less individual, and he is certainly not a champion of democracy. Whether he wanted to be a player or not, he is one, with financial and political backing from the PDP and the upper class, and the support of a 20,000-strong 'grass-roots' organization.

The movement's aim is un-ambiguous: to orchestrate a public demand for Mr. Anand's return to the political arena; to a certain extent, this has already happened. Judging from his past, this will mean more of the same style of government served up by his two previous administrations -- not the achievements, but the process.

For a blueprint of Mr. Anand's tactics, think of how he pushed legislation through an appointed legislature, or how he decisively crushed public-sector unions. These kinds of actions achieve immediate results, but they have very little to do with democracy.

Appendix of Paving the Way

1. ANAND'S LIBERAL CORPORATISM : Thailand's Political Future? *by Mark Wrangel*

The one thing that I decidedly like about Anand Panyarachun is that he reputedly hates the game of golf. Given his background, his profession and the social circles in which he travels, this definitely shows a significant degree of

personal independence and immunity to peer group pressure – key unconventional leadership characteristics.

The rest of the man's views and actions as a Foreign Ministry bureaucrat, a business leader and political figure – before, during and after his two 'accidental' terms as Prime Minister – and the reputation and political following that he enjoys, are not so much matters of like or dislike, but subjects for analysis.

The surprisingly rapid growth of the Friends of Anand (FOA) political support group to a size – by Thai standards – verging on a mass movement begs for an explanation.

He naturally disavows political ambition – of political party leadership, at any rate – and turned down an offer to head Chamlong Srimuang's Palang Dhamma Party (PDP). If anything, that endeared him all the more to his followers; it is all part of the image – or image-building process, if conspiratorially inclined. An Anand does not seek political office, he is asked, implored even, to make the sacrifice to serve.

(This is actually quite Chinese. Check *Romance of the Three kingdoms* to see how often aspiring Chinese emperors had to be asked, begged and cajoled before finally accepting the position. Suchinda Kraprayoon tried the same ploy, but rather less convincingly. Since Mr. Anand was educated at Cambridge, Shakespeare's *Julius Caesar* may be another interesting reference for such shenanigans.)

In many analysts' judgement, therefore, an Anand III government looms as a distinct possibility in Thailand's future. A large and growing number of well-connected and influential individuals, and of apparently well-funded groups, 'like' Mr. Anand, and are disaffected with 'politics as usual' and 'ordinary (corrupt) politicians'. The movement's support base includes a substantial portion of PDP voters but, characteristically, cuts across political party lines.

Were national elections to be held in the near future, the Anand movement (with PDP complications), would certainly have a chance to emerge with the largest number of seats in Parliament. Maj Gen Chamlong must have understood when he offered Mr. Anand the PDP helm that, with its current leadership personnel and continuing links to unorthodox, fundamentalist religious influence, the party probably reached the limits of its political potential in last September's polls.

In the event of a successful Anand movement/PDP electoral performance, Mr. Anand could hardly remain on the sidelines, despite his stated lack of political ambition (if did not prevent him from becoming PM twice under rather more dubious circumstances).

Even if he did, however, the train has left the station: the political movement that he helped to create – or, at any rate, to catalyze – exists, and will become an increasingly important element of the Thai polity in years to come. A first test of

its strength will come with the 11 July Bangkok by-election to fill the seat vacated by 'angelic' suspected stock manipulator Akorn Hoontrakul.

What type of political movement has been inspired by Mr. Anand's political views and actions, with or without his instigation? Borrowing a term from a recent study of the "new political economy of Thailand" by Thammasat University political scientist Anek Laothamtas (*Business Associations and the New Political Economy of Thailand*, Westview Press, Boulder, Colorado, 1992), and drawing on the policies he pursued as Prime Minister, Mr. Anand's political philosophy could be described as a form of liberal corporatism'.

In his study, Dr Anek uses the term in value-neutral fashion to characterize developments in Thai society that contrast with both the earlier Thai (military) bureaucratic polity and pluralist models of government-interest group interaction in a liberal constitutional democracy.

Pluralism, he writes, is marked by a minimal role of a government "in the formation of societal groups, or in structuring the relations between itself and the groups, or among the groups themselves. Groups work more as independent policy advocates than as the policy instruments of the government."

Corporatism, on the other hand, "conceives of the government as a largely autonomous actor with issues and ideas of its own ... [It] may structure its formal relations with society as well as the intra-societal relations ... Interest groups are organized hierarchically and then linked to the government group competition is thus expected to be limited since major conflicts will be solved by higher [authority]. Finally, groups ... work not only as policy advocates; they are often in charge of....public duties..."

Dr Anek largely neglects to mention that corporatism, historically, has been associated mostly with authoritarian regimes; in fact, it was a hallmark of 1920s-1940s Italian and German fascism. Liberal corporatism, for its part, is essentially fascism with a more human face.

Mr. Anand presumably objects to having his political views described as corporatist. He has referred to himself as "a bit of a free-thinker" who "wishes for [a] democratic Thai society." A man's political attitudes and actions, however, are often a more reliable indicator of his true philosophy than his words, and the track record of Mr. Anand's two governments certainly hints at corporatism.

Although he insists that he has "not discerned to this day why [he] accepted the offer of Prime Ministership two years and a half ago, "Mr. Anand clearly savored the opportunity of "getting things done" with virtually complete impunity from and disregard for political constituency or specific interest-group demands.

What was in the best interest of Thai people and society was sovereignly discerned and resolutely implemented by the Prime Minister and his hand-picked Cabinet of technocrats. The Anand administration's overriding attitude, the *Bangkok Post* commented accurately in March 1992, "seems to be that any policy reformed deemed to be beneficial for the aggregate system should be

implemented even if it might be unpopular among some quarters of the populace.”

Mr. Anand may have picked up this attitude, typical of arrogant social engineers, through his association with IBM, a company famous for such mannerisms in its corporate culture. It is decidedly not the sentiment of a democrat entrusted with the restoration of the constitutional democracy. Lacking political legitimacy and even the semblance of a popular mandate, Mr. Anand – even at the expense of being criticized for a lack of concrete achievements by his government *other than restoring democracy* – might have done better to defer major controversial policy measures, rather than pushing them through with undue haste.

As it turned out, however, what a committed democrat should have seen as his main political task – laying the groundwork for a return to stable constitutional democracy – was the one thing definitively *not* achieved by Mr. Anand’s first government. For him to say, as he did in a late April 1993 interview, that “the strength and the weaknesses of the interim constitution *did not concern my government*,” (emphasis added) is a truly extraordinary excuse and evasion of responsibility for what followed.

Equally extraordinary is his characterization of last year’s May tragedy – in a 1 July 1992 speech to the Foreign Correspondents Club – as resulting from a “*failure of management* [emphasis added], which allowed a specific political challenge to an individual government to be transformed into a crisis of legitimacy, affecting all institutions.” If only we have more efficient political management.

In addition to their style of governance and attitude toward the governed (sheep), the two Anand governments implemented a variety of substantive policy measures along corporatist lines of restructuring society (“We tried to improve the structure, improve the social fabric,” explains Mr. Anand).

The most ambitious and relevant such undertaking was the restructuring of state enterprises, combined with the process of increasing degrees of privatization. Some well and some less well-considered privatization programs had, of course, already been underway during the Chatichai administration. Two additional key elements under Mr. Anand, in term of liberal corporatist realignment, were the dissolution of state enterprise unions, with the desired side effect of a general weakening of all trade union organizations, and the weeding out of military appointees on enterprise boards and their replacement by technocrats and private sector corporate managers.

The effect of the first measure, naturally, is to undermine any independent political and economic clout that the trade unions might develop, and transform them from potential political and economic antagonists into docile advisory organizations and instrumentalities in the implementation of social policies dictated from above – just what corporatism describes.

The weeding out of military appointees from enterprise boards was surely justified in part by their lack of professional competence and as a counter-measure to graft and corruption. Politically, it was also eminently popular with the May 1992 anti-Suchinda, and anti-military protestors.

But to see it only in such terms – i.e, as officially presented – is short-sighted and misses more fundamental points: the attendant political weakening of the military institution (“getting the military out of business and politics so they can concentrate on their basic professional function”) not only weakens the military, but also the political say of the lower classes in urban and rural areas.

Cynics, or people without a proper and somewhat longer-term sense of Thai historical development, may dispute this and claim that the army’s claim to represent the interest of ‘the people’ was always merely a pretext for blatant interference in the affairs of state. Indeed, for parts of the officer corps, it frequently was just that.

Nonetheless, both the instrumental historical role of the armed forces in ushering in Thailand’s modern political era and broadened popular franchise and the economic patron-client relationships that developed between military officers and the rural poor in upcountry military districts were of great significance. Furthermore, it would be foolish to say that *no* military men ever took their acclaimed social and political-representational role seriously.

Depriving the military of its commercial role and board seats will of necessity break up traditional patron-client relationships, without any immediate replacement in sight.

It will now be the corporatist alliance between government bureaucrats/technocrats and private-sector business that dominates policy directions, notoriously unconcerned with in-depth rural economic development.

Asked why his governments’ legislation seemed to be almost exclusively concerned with and favoring the business community, Mr. Anand responded that he “could not possibly solve [in seventeen months] what the past eight to ten governments over period of six decades failed to solve.” “That may be true, but it was not the question.”

Corporatist social restructuring also requires tighter government control over the judiciary: an independent judiciary is anathema. It is thus poetic justice that Mr. Anand is now in trouble with the law – at least over one of his attempts at social engineering.

Finally, with regard to Mr. Anand’s ‘legislative’ record, some attention should be given to the Criminal Code amendments calling for tough new penalties on defamation that were rushed through three readings by the rubber-stamp NLA in one sitting. So much for the former premier’s highly touted ‘transparency’ and his respect for freedom of expression.

In style and substance, the two Anand administrations exercised governance and left a legislative legacy quite contrary to basic requirements of liberal

constitutional and pluralist democracy. It is a mystery why, considering his governments' record, to Mr. Anand should now be seen as a defender of democracy.

It is nonetheless coherent that, on the basis of this same record, he has become the symbol and potential standard bearer for the urban middle- and upper-class elite's political aspirations. Whether it be Business Management Services Company (BMS) members, well-to-do PDP supporters or other joiners of the FOA movement, what unites them at this point in time is shared political and business interests that they perceive would be best served by Anand-style liberal corporatism.

2. IN HIS OWN DEFENSE

In an exclusive interview with *Manager*, former Prime Minister Anand Panyarachun addresses two much-publicized charges of wrongdoing brought against him by Opposition politicians: that his government broke up the Charoen Pokphand (CP) Group's three-million-line telephone monopoly and awarded one million lines to Loxley because he had a vendetta against the former and connections with the latter, and that he sold off two state-owned oil refineries to Thai Oil at a bargain price.

"It was our government's policy not to encourage monopolies", Mr. Anand contends. "We didn't tackle other infrastructure projects because, when we came into our jobs, the contracts were already signed; we couldn't touch them. But the contract with CP had not yet been signed.

"The insinuations about my problems with CP involve a PVC [polyvinyl chloride, a downstream petrochemical product] joint venture with a Belgian firm called Solvay. Solvay initially contacted us [Saha-Union Corporation, in 1988], and I went to Brussels and had a day-long meeting with Baron [Daniel] Janssen. We concluded the talks by shaking hands and agreeing that Solvay and Saha-Union would be joint-venture partners.

"I returned and, a few days later, a Solvay director was supposed to fly in and announce the joint-venture agreement with me. I remember that I came back on a Sunday night, the Director arrived on a Tuesday, and we were supposed to make the announcement on Wednesday. However, the director came to me on the Tuesday and informed me that there had been new developments, that a politician here had convinced Solvay that it should join with a new group.

"I professed my disappointment, because I thought that there was a gentlemen's agreement when we shook hands in Brussels, but it is not Saha-Union's style to chase after a joint venture when we're not wanted. I did, however, express my disappointment and my bewilderment in a letter to Baron Janssen.

"The official excuse that he gave for backing out of the joint venture was that we were already working on a PTA [purified terephthalic acid] project with an English

company, ICI. He said that the NPC2 [National Petrochemical complex II] project were supposed to be spread among Thai companies, and that we were thus not a suitable partner because we already had one. At the time, however, there were at least two other groups – that were working on more than one project, so we don't believe that our involvement with ICI would have been a problem.

“Solvay eventually joined with CP, and I respected its decision. Khun Dhanin [Jiarawanon] is a personal friend of mine, and this was purely a business matter. I certainly hold no personal vendetta toward CP. Furthermore, Saha-Union's business and CP's business do not compete. The innuendo that I took on CP over the telephone project is completely groundless.

“And as for the insinuations that the contract was given to a company related to me, I never allow relations – be the blood relations or personal relations – to interfere with my business judgement or my political judgement.

“The Cabinet had nothing to do with the bidding process. Everything took place in full view of the press and the public. When the bidding documents were opened, it was there for all to see. The decision was based on the percentage of return for the government. Loxley offered 43.1 percent, higher than other three – and much higher than CP.

“The other companies involved – and they were major companies: Shinnawatra, B. Grimm – never made any complaints. Those who made these charges against me just didn't bother to look at the documents. During my two terms, we put everything in writing, and there was no hanky-panky.

“If I had not been done fairly and squarely, you would think that the others would file complaints, or that they would have requested this government to review the decision, but no such request has been made. This bidding was carried out in completely open and transparent manner. “

As for Mr. Anand's alleged connections with Loxley, the telecommunications company is a subsidiary of General Engineering (GEL), the chairperson of which is Khunying Chadchane Chatikavanij who is the daughter of late Thai Farmers Bank president Bancha Lamsum. Krit Panyarachun, Mr. Anand's nephew (through his older brother, Kusa), is married to another of Bancha's daughters, Suphawan.

Banacha's brother, Banyong Lamsum, and his son, current TFB president Banthoon Lamsum, are director and managing director, respectively, of Sukhumvit Vechakit Company, of which Mr. Anand is also a director, as is Chinda Suwanraks, the husband of one of Mr. Anand's nieces.

Of course, these relationships do not necessarily mean that Mr. Anand is guilty of misuse of office. TFB is a major shareholder of many companies listed on the bourse, and it is certainly difficult to find two successful Sino-Thai families in Bangkok that have not married into each other at some point.

Nonetheless, the closeness of Mr. Anand's relationship with the Lamsum family makes it possible to perceive an *opportunity for misuse of office* – and this is all that is usually necessary to demonstrate a conflict of interest. In such a situation, a truly transparent Prime Minister would acknowledge the possibility of conflict and disqualify himself from the decision-making process.

The sale of old refineries to Thai Oil, Mr. Anand argues, was a different case altogether. "It was neither I nor the government who arrived at the selling price," he explains. "We retained four good consulting firms – including Goldman Sachs and Chase – which were chosen by the Finance Ministry, the Industry Ministry and one or two other government agencies..."

"The median price had to be no less than the present value: the revenue that the government is entitled to receive from the lessee, accounting for fifteen-percent annual revenue growth over the remainder of the ten-year lease agreement, plus the actual value of the assets – Unit 1 and Unit 2 – at the end of the term.

"We took care that we would get a fair price. If someone were to put up a higher figure, I don't know what basis he or she would use. If you buy a Mercedes Benz – no matter how good these car might be – its value will depreciate after twenty-five years.

"And there was no economic rent in this case. If the government had said that no more refineries could be built in Thailand, it would be a different story, but the government had a liberal policy: anybody could come in and set a up a refinery.

"We were simply following a policy of previous governments, dating back to the beginning of the Prem administration, of enabling Thai Oil – a Thai company – to become competitive. Back in 1980, the Prem government bought forty-nine percent of Thai Oil, using the Petroleum Authority of Thailand as the shareholder, and the Crown Property Bureau bought another two percent.

"It was known, even back then, in order to mobilize funds, Thai Oil would have to get into the Stock Exchange. The stock exchange said that, before Thai Oil could be considered for listing, it would have to fulfill two conditions. First, it had insufficient assets, because two of its refining units were used on a rental basis. Secondly, that rental contract only had about nine or ten years to go.

"My government decided that the contract should be extended for another fifteen or twenty years – I forget the exact term – to make the land rental more permanent. We also decided that the assets on the land should be sold to Thai Oil, so that it could qualify for listing. These refineries have been operating for twenty-five years and, with other companies – Esso, Shell, Caltex – putting in state-of-the-art technology, Thai Oil would need to mobilize funds to pay for modernization.

"This privatization process was initiated by Prem, and that's why there was no open bidding for refineries. The purpose was to enable Thai Oil – a Thai

company fifty-one percent owned by government agencies – to secure listing and to mobilize funds for future programs. We were following an already-existing resolution of the Council of Ministers.”

It is interesting to note in all of this that Thai Oil’s managing director is Kasame Chatikavani. If the family name sounds familiar, it is because he is married to GEL chairperson Khunying Chadchanee. Again, family connections give rise to the allegations that dog Mr. Anand.

As with the CP-Loxley case, Mr. Anand’s explanation of the oil refinery sale is logical and credible. What is disturbing, however, is his implication that he should be free to make important state decisions involving close personal friends and quasi-blood relatives, simply because he has a good reputation.

Because he is Mr. Anand, Thai people are supposed to trust that he arrived at his ultimate decisions on the basis of purely objective reasons, without being affected by personal factors.

It is true that he is Mr. Anand, and Mr. Anand is extremely well-connected man (see **Paving the Way**, p16). He has extensive networks of contacts in government, from his 23 years in the Foreign Ministry; in business, from his 13 years at Saha-Union; and in society, from his family background and his public profile over the years.

If someone without his reputation claimed total immunity to subjective considerations, no one would believe him.

2. TALK IS CHEAP

Excerpts from an interview with Friends of Anand spokesperson MR Sukhumbhand Paribatra (with some clarifications by FOA office manager Siriporn Sukosi).

Manager : *How many members does FOA have now?*

MR Sukhumbhand : Thirty thousand.

[**Ms. Siriporn :** As of 29 April, nineteen thousand and seventy-five.]

Manager : *And there’s some sort of office and office manager?*

MR Sukhumbhand : Yes, Khun Siriporn. I don’t remember her phone number. Just a second. You see, I’m spokesman, but I don’t even know the phone number of FOA. Khun Siriporn was seconded from a big company whose director is a supporter of FOA.

[**Ms. Siriporn :** I just came back from the US about six months ago, and I was in between jobs when a friend mentioned this one to me.]

MR Sukhumbhand : **Manager :** *You have organized fundraising dinners. How is it possible that no money has come to you?*

MR Sukhumbhand : That wasn’t us. The dinners were organized by some NGO.

Manager : *Which NGO?*

MR Sukhumbhand : I can't remember. [He cannot remember the group's phone number or which NGO organized the dinner? Perhaps FOA should have found a spokesperson with a better memory.]

Manager : *So all of the groups supporting Mr. Anand formed and became high-profile at the same time by coincidence?*

MR Sukhumbhand : People thought we were high-profile because we had a press conference but, in fact, we had to become high-profile to explain that we are not high-profile.

[Of course, the high profile had nothing to do with the fact that they sent an open letter, signed by several prominent and influential figures, to the daily newspapers, and then proceeded to collect almost 20,000 names in a month and a half to support their cause.]

Manager : *I understand that you were involved in organizing the ambassadorial dinner ...*

MR Sukhumbhand : Me? No. That was the Australian Ambassador.

Manager : *So you had no role in this?*

MR Sukhumbhand : Absolutely not.

[Sources at the American embassy claim that he was instrumental in organizing the dinner.]