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CCAS Statement of Purpose

Critical Asian Studies continues to be inspired by the statement of purpose formulated in 1969 by its parent organization, the Committee of Concerned Asian Scholars (CCAS). CCAS ceased to exist as an organization in 1979, but the BCAS board decided in 1993 that the CCAS Statement of Purpose should be published in our journal at least once a year.

We first came together in opposition to the brutal aggression of the United States in Vietnam and to the complicity or silence of our profession with regard to that policy. Those in the field of Asian studies bear responsibility for the consequences of their research and the political posture of their profession. We are concerned about the present unwillingness of specialists to speak out against the implications of an Asian policy committed to ensuring American domination of much of Asia. We reject the legitimacy of this aim, and attempt to change this policy. We recognize that the present structure of the profession has often perverted scholarship and alienated many people in the field.

The Committee of Concerned Asian Scholars seeks to develop a humane and knowledgeable understanding of Asian societies and their efforts to maintain cultural integrity and to confront such problems as poverty, oppression, and imperialism. We realize that to be students of other peoples, we must first understand our relations to them.

CCAS wishes to create alternatives to the prevailing trends in scholarship on Asia, which too often spring from a parochial cultural perspective and serve selfish interests and expansionism. Our organization is designed to function as a catalyst, a communications network for both Asian and Western scholars, a provider of central resources for local chapters, and a community for the development of anti-imperialist research.

*Passed, 28–30 March 1969
Boston, Massachusetts*

Post-Crisis Economic Impasse and Political Recovery in Thailand

The Resurgence of Economic Nationalism

Kasian Tejapira

ABSTRACT: This article presents a critical analysis of an important emergent trend in Thai politics in the aftermath of the 1997 economic crisis, namely, economic nationalism. Focusing on the situation on the eve of the last general election in January 2001, it attributes the rise of economic nationalism to the chronic post-crisis economic stagnation. This is caused in turn by the credit system-paralyzing contradiction between the globalized financial sector and the nonglobalized “Thai-Thai” corporate sector resulting from a halfway globalist/neoliberal reform. The article then describes and analyzes the various socioeconomic and political cultural milieus from which nationalist propagation and movements arose by dividing them roughly into two main groups: the crony capitalist nationalism of oligarchic nonperforming loans (NPL) entrepreneurs and the radical populist nationalism of nongovernmental organizations (NGOs) and people’s organizations. The article concludes by subjecting the two nationalisms to critical comparison and questioning.

The Root Cause of Economic Non-Recovery

In the three years following the severest financial crisis and economic recession in postwar Thai history, with the Democrat Government of Prime Minister Chuan Leekpai and Finance Minister Tarrin Nimmanahaeminda having persistently pursued an IMF-prescribed, market-led, globalizing/neoliberalizing economic reform program since it came to power in November 1997, Professor Dr. Ammar Siamwalla, the finest and most highly respected senior mainstream economist in the country and one of the two Cassandras who had presciently and vocally warned of the impending devaluation of the baht and the resultant



“...people had to tamely believe that all economic problems were technical by nature, that these were best solely entrusted to technocrats to decide on their behalf, that their interests and well-being would be best served and taken care of by letting the technocrats lead them by the nose....” (Thai construction worker, © ILO/Jacques Maillard)

doom of the bubble economy prior to the crisis, published several influential articles in the local English press.¹ Despite his well-known sympathy for the general thrust of the Chuan-Farrin Government’s economic reform policies, his post-crisis articles had some bad economic news to tell.

On the surface, his later articles were a critique of a policy proposal, similarly put forward at that time by both the Thai Rak Thai (TRT) Party — the foremost contender for governmental office in the general election on 6 January 2001² — and the former figurehead of the ruling Democrat Party’s economic team,³ to nationalize and remove the debilitating bad debts from the banking sector by setting up a national or “public” asset management company (AMC) to buy up its remaining intractable nonperforming loans (NPLs), thereby allowing banks to capitalize faster and resume lending. This would revive the country’s crippled and dysfunctional credit system and stimulate its stalled economic recovery.⁴ Macroeconomically speaking, Ammar’s proposal rests on an assumed “virtuous circle” of a long chain of logic derived from the South Korean economic recovery experience, i.e., expectations of high economic growth → higher borrowers’ income prospects → increase in loan valuations → less bank capitalization → more bank lending → higher economic growth → higher borrowers’ income → greater increase in loan valuations, and so on, ad infinitum, hip, hip, hooray!⁵ According to the national AMC advocates, this macroeconomic miracle could be easily and simply triggered by the government’s purchase of bad loans from the banks at a generous price.

However, the trouble is that the whole magic scenario is based on a crucial but faulty presumption that, in Ammar's rendering: "bank lending is currently constrained only by their lack of capital, and that shortfall is due to the large amount of NPLs for which they have to find adequate reserves."⁶ Actually, Ammar argues, banks are now sitting on a huge pile of money.⁷ That they are unwilling to lend has little to do with the question of insufficient money supply but everything to do with the lack of effective demand.

Thai entrepreneurs in the real sector of the economy *do* have a demand for loans but their demand is not effective because the equity base of most of their companies is not adequate to meet the banks' now much more rigorous globalized (read Westernized or Americanized) standard, which has resulted from the IMF-Tarrin's reform of the financial sector. The average debt/equity ratio of Thai companies in the nonfinancial sector was once between 2:1 to 3:1 (in 2002 it is 1.5:1) as against the norm of less than 1:1 in the Anglo and Latin American West.⁸ Now, in considering corporate loan applications, the post-crisis Thai banks are trying to adapt to the 1:1 ratio as the new requisite, globalized/ neoliberalized standard.⁹ And yet, since many Thai nonfinancial companies (particularly the bigger ones) had borrowed extensively abroad during the good old bubble days, especially through the BIBFs' (Bangkok International Banking Facilities) out-in financing channels set up in 1993, and consequently had their equity wiped out by the 1997 sharp baht devaluation,¹⁰ the resultant huge forex (foreign exchange) losses,¹¹ the stock market crash,¹² and the three-year-long and still-continuing deep economic recession,¹³ how could they possibly maintain enough of an equity base to qualify for a new bank loan? Hence, Ammar's hard-hitting diagnosis of the Thai economic disease:

The mistake of those believing that an AMC would help lies in the belief that only the banks are under-capitalised. Actually, the banks have gone some ways toward an adequate recapitalisation to meet a much more stringent standard than previously. It is the nonfinancial corporate sector in Thailand as a whole that is under-capitalised. This is not just a post-crisis phenomenon, it has always been so....

It is this decapitalisation of the companies that is the root cause of the problem, far more so than the decapitalisation of the banks.

Thailand is an over-indebted country despite a saving rate that is quite high by international standards.... We thus end up with a savings-rich, but equity-starved economy.¹⁴

The Globalization or Death Impasse

From the above discussion, the following conclusions about the Thai economic malady may be inferred:¹⁵

- The main problem of the current Thai economy is the contradiction between the globalized banking sector and the still "Thai-Thai" nonfinancial corporate sector.¹⁶ It is precisely this contradiction or incompatibility between the two that has been paralyzing the credit system and preventing an economic recovery.¹⁷ Evidently, a partial, halfway reform of the Thai corporate sector won't work. One needs either to complete or undo it,

i.e., go further and also globalize or Westernize the nonfinancial corporate sector, or revoke the too stringent new capital requirements and loan regulations officially imposed on the banks and revert more or less to the former culture of lending practice.¹⁸

- Choosing the former amounts to a daunting and strenuous attempt to transform the Thai capitalist economy from a hitherto localized or corrupted version of a bank-based, high-debt model à la the German, Japanese, and East Asian system¹⁹ to a market-based, prudential model à la the Anglo and Latin American system.²⁰ This choice implies two things: the transformation of family or dynastic businesses into real public companies, and a need to push the latent rich savings of the middle and wealthy classes from the relatively secure safe-deposit boxes of the banks into the risky equities market through fiscal and financial policy adjustments and the building of many new and indispensable institutional mechanisms required for the proper functioning of an equities market-based economy.

However, we must bear in mind that the Thai stock market consists mostly of small investors rather than institutional ones; that the latter are still limited in range and legally exclude potentially important, big players such as pension funds and life insurance companies; that even if they are allowed to invest in the stock market, they will still need to build and/or develop the necessary mechanisms as well as gain and accumulate the experience and skills in watching and checking the performance of the public companies whose shares they hold; that even when these outfits are all in place, the same information, the same rumors, and the same information-processing apparatus (i.e., economic theory) these institutional investors utilize will still lead them to display the same notorious herd instinct that accentuates the already high Thai stock market volatility, etc. Given all the aforementioned, it is highly improbable that Thailand will be able to approximate the self-proclaimed and ideologically useful American market-based model. Or at least it will take it a long time to do so.²¹

Hence the public misgivings about and discontent with the Chuan-Tarrin Government's globalizing/neoliberalizing economic reform strategy, which basically consists of keeping the contradiction between the globalized banking sector and the "Thai-Thai" nonfinancial corporate sector, letting the ensuing suspended economic animation progressively undermine the capital base and will to survive of both the corporate debtors and the bank creditors until either the living-dead entrepreneurs or the zombie bankers whose hands are at each other's throats become exhausted and then drop dead, letting go of their assets and equity as well as the ownership and management of their companies to foreign shareholders or buyers. If and when these "Thai-Thai" nonfinancial companies follow in the footsteps of those formerly Thai-owned banks and fall into foreign hands, then corporate good governance and transparency in the globalized American style will reign over the Thai business community and the Thai economy will fully recover!?!²²

The bankers who were pressured by the Chuan-Tarrin Government into strangling their delinquent debtors along the lines of the above-described "globalization or death" strategy have been hit hard by a boomerang effect of

both new and reentry NPLs in almost equal measure.²³ Thus, for instance, Bantun Lamsam, managing director of Thai Farmers Bank and the most outspoken and articulate among Thailand's top bankers, had become so disillusioned with the Chuan-Tarrin Government's financial reform package, disheartened by the relapsing credit system, and pessimistic about the prospects of a probably necessary new round of his bank's recapitalization that he bitterly professed his inability to see another way out for his bank except "to sell itself out to foreign financial institutions...[or]...let the government take it over," a sentiment with which Kosit Panpiemras, executive chairman of Bangkok Bank, concurred.²⁴

Not only the reformed but some of the reformers themselves have also voiced growing unease and doubts about the effects and prospects of the reform plan. So admitted M. R. Chatumongol Sonakul, a self-proclaimed "laissez-faire capitalist economist," fiercely independent and sardonically blunt former permanent secretary at the Finance Ministry and then governor of the Bank of Thailand before being removed from office by the Thaksin Government in mid-2001 for a disagreement over financial policies: "The economy has yet to see light at the end of the tunnel....I used to think that I knew...but then when I found out that the foreign debt figures which had been supposed to be at a certain level were wrong, that they were actually US\$20 billion higher than previously estimated, which are considered extremely high, I had to come back and attend to them again."²⁵

And yet, when pressed for a way out, Chatumongol could only come up with the same "globalization or death" line, the only question being which institution would act as the local vanguard-cum-enforcer of economic globalization, the state or the central bank. Thus, he suggested,

If one wants to see good governance nationwide, it can be done in either way, that is,

1. Someone takes care of the whole matter by passing a law that serves as the framework of good governance....The state or a strongman wades in to explain and draft a law to enforce it. What is against it is forbidden....

2. The Bank of Thailand (BOT) compels the financial institutions that constitute the dominant sector in the business community to observe good governance. When those nonfinancial business companies wish to borrow money from the financial institutions, they too would have to observe good governance otherwise the latter wouldn't lend.²⁶

However, the crux of the matter is that while the economic feasibility of all the Chuan-Tarrin, Chatumongol, Ammar, and other variations on the "globalization or death" line²⁷ was and is still hotly debated, the domestic political feasibility of these variations has dwindled since the beginning of 2000 and has fallen sharply in tandem with the waning popularity of the Democrat Government, the approach of the January 2001 general election, and the chronic economic recession-induced resurgence of populist-nationalist sentiment and movements. So much so that the surviving Thai NPL-capitalists who are still holding on to their assets and equity (be they Sino-Thai or royal) have dug themselves in, in an all-out, last-ditch resistance to being globalized unto bankruptcy.²⁸

The Debtors Strike Back

Siam Cement, for example, the largest and best-connected industrial conglomerate in the country with more than one hundred subsidiaries dealing in over sixty thousand products, and once a shining model of Thai corporate debt restructuring — having worked out clear, neat plans to repay its then US\$5.4 billion debt after the baht devaluation in mid-1997 — has unexpectedly stalled in the restructuring it began in 2000. Hence, the sale of its non-core assets has ground to a halt and the reduction in its remaining US\$4.6 billion debt has been marginal, with its debt/equity ratio worsening from 243 percent in the first quarter to 260 percent in the second quarter of 2000. The reason for not further selling its assets at fire-sale prices, as the company's president Chumpol Nalamlieng explained, was quite simple: "Giving away something at a loss is really a disservice to shareholders," the most prestigious among whom, alas, was the royal family, which held 36 percent of its shares.²⁹

Much more dramatically if rather desperately, Prachai Leophairatana, once the major shareholder and CEO of Thai Petrochemical Industry (TPI), the largest petrochemical conglomerate in Southeast Asia and the then biggest delinquent debtor in the country with a US\$3.7 billion debt (approximately 10 percent of the financial system's total NPLs), allegedly mobilized a 6,000-strong rowdy mob of his lay-off-fearing, nonunionized employees to lay siege to, riotously disrupt, and successfully abort two attempts by TPI's 140 creditors to hold a court-prescribed meeting to vote on a rehabilitation plan. However, the creditors' third attempt to hold a meeting proved successful. Branded "a slave indenture" by Prachai, the plan stipulated a further reduction in TPI oil refinery's capacity utilization from 60-70 percent to 30 percent, the sale of TPI's non-core assets, and the swap of US\$700 million unpaid interest for its equity, which made the creditor banks a major shareholder of TPI at 75 percent while reducing the Leophairatana family's holding in the company from 60 to 20 percent and costing Prachai his control over TPI's management.³⁰

In the same vein, Wirun Techaphaibun, struggling NPL-entrepreneur and owner-cum-chief director of the multibillion-baht World Trade Center (WTC) complex in downtown Bangkok, put the blame squarely on Finance Minister Tarrin's "14 August 1998" bank rehabilitation program for the inflexible stance typically taken by banks, especially government-majority-owned ones such as Bangkok Metropolitan Bank (BMB, actually his family's former flagship and convenient piggy bank),³¹ in the debt restructuring negotiation process under the new and more stringent banking requirements and regulations. Hence BMB's rejection of his proposal for a 30 percent debt forgiveness out of WTC's total NPL of 1.2 billion baht, the breakdown in the negotiations, and the lawsuit brought against the WTC by the BMB. Wirun called on the next, hopefully non-Democrat, government to change the existing financial policy and relax the banking regulations so as to reduce overall NPLs in the financial system, stimulate the flow of credit, and bring about real economic recovery.

For the said purposes, he had turned into an activist-cum-politician, initiating and chairing a so-called Revivifying Businessmen Project, which aimed at

piloting both the NPL-entrepreneurs and Thailand through economic troubled waters by dispensing business clinical advice.³² Meanwhile, the then Senate Committee on Finance and Fiscal Affairs, chaired by Senator Suchon Charli-krau, had intervened in the TPI conflict on behalf of Prachai and company by holding a hearing on the case as well as on the controversial bankruptcy and eleven other related economic laws imposed by the IMF and passed under the Democrat Government. Criticizing these laws for being unfairly negligent of the interests of small creditors, shareholders, and employees, as against those of major creditors, for lacking a mechanism for resolving hostile cases and for providing no protection to new money injected by creditors in the debt-restructuring process, Suchon announced plans for similar public events to push for their eventual review.³³

Wirun also ran as a party-list MP candidate of the opposition New Aspiration Party (NAP) in the 6 January 2001 general election and is slated to become a member of its economic team responsible for international trade.³⁴ Apart from Wirun, other prominent real-sector, NPL-entrepreneurs who had newly found their ways through economic nationalism to various parties' lists of MP candidates included, for example, Sawat Horrungruang (Chat Thai Party), the steel magnate and infamous author of the Thai NPL debtors' "Three Don'ts" battlecry (i.e., don't pay interest, don't negotiate, don't run away), and Chirayuth Wasurat (NAP), businessman and former leading senator who had been a staunch critic of the Democrat Government and IMF from the beginning. Among the political parties, the Chat Thai Party, the Seritham Party, the Chat Phatana Party, NAP, TRT (Thai Rak Thai), and the Thai Motherland Party were, to varying degrees and in ascending order of scope and seriousness, publicly committed to the revision of some or other elements of the IMF-Democrat Government's economic reform package.³⁵ On top of the fact that these anti-Democrat and IMF NPL-entrepreneurs were occupying strategic positions in many parties, pre-election public sentiment was also fed up with the overconfidence and pig-headedness of the Democrat leadership (especially Chuan and Tarrin), while TRT's openhanded, "populist" policies were also a major attraction for other parties' provincial MPs. Finally, in a highly unusual and politically charged move, two of the remaining top Sino-Thai tycoons, namely, the chairman of Bangkok Bank Chatri Sophonpanich and the head of the Charoen Pokphand Group Dhanin Chiravanont, publicly endorsed TRT head Thaksin Shinawatra's bid for premiership, thus throwing the considerable weight of the Bangkok-based business and financial community behind him.³⁶ Therefore, chances were that TRT was "three times" as likely to form and lead the next coalition government as the Democrat Party, in the stated opinion of an influential and experienced political activist-cum-public intellectual.³⁷

All in all, as one foreign correspondent observed, "Most Thai companies have not shown the will to undertake the difficult managerial and operational overhauls that most analysts claim are necessary to return to profitability and stay competitive globally."³⁸ The key reason, as pointed out by Thanong Khanthong, a well-versed and well-informed Thai economic reporter and columnist, is that Thai corporation owners refused to "reduce their debt load *by letting go of part*

of their assets and equity in exchange for fresh capital and better management.” This little-discussed refusal, in Thanong’s opinion, “lies at the heart of the mother of all problems.”³⁹ Apparently, the financially cornered debtors had found another way out. They decided to strike back politically.

The Long March to Political Recovery

Culturally and politically speaking, Thailand entered the age of “globalization” in the aftermath of the latest and second mass uprising that toppled the military-backed government of Prime Minister General Suchinda Kraprayoon in May 1992. Although the urban poor and slum dwellers made up a large part of the demonstrators, along with the middle class, and bore the brunt of the violent suppression by the police and military, the political import and public meaning of the May 1992 uprising was almost exclusively hegemonized by the middle class and the incident itself is often cited as evidence of, as well as becoming synonymous with, the political rise of the Thai middle class from under state-authoritarian rule.⁴⁰

Being fairly well educated and affluent, earning their livings as small- and medium-sized entrepreneurs, investors, and professionals in such modern economic sectors as print and electronic media, advertising and education, hotels and tourism, finance and securities, stock market and real estate development, retail trade and marketing, and import and export,⁴¹ the Thai middle class lead a typical globalized/Westernized urban consumer lifestyle. The plurality of them being ethnic Chinese, they are, so to speak, the ungrateful offspring of past military dictators as well as the beneficiaries of three decades of state-promoted, continuous, unbalanced, unequal, inequitable and unsustainable socioeconomic development under dictators who had raised, nurtured, and force-fed them economically while restricting them culturally and emasculating them politically on the Thai official nationalist pretext of keeping the un-Thai settlers at bay. Hence two salient political and cultural characteristics of the Thai middle class: their nonnationalist or antinationalist tendency and their liberal authoritarian as against democratic populist inclination. Having proven themselves time and again to be an opportunistic and unreliable ally of both dictatorship (in the 1973 and 1992 popular risings against military rule) and democracy (in the 1976 and 1991 military coups), they yearn for a clean and kind, effective and efficient, accessible and liberal, enlightened and benevolent government, though it need not be a democracy, especially of the mass-participatory type. Their respective attitudes toward different politically significant groups tell it all. They are nervous about military dictators, look down upon elected politicians from the provinces, and distrust and don’t really understand people’s protest movements and NGOs (nongovernmental organizations). But they trust high-ranking and seemingly respectable bureaucrats, and look up to superrich and successful professional managers or business CEOs.⁴²

The post-May 1992 spellbinding mantra of this culturally hegemonic and most loudly and blatantly globalized class in Thai society was of course “Globalization.” Its first Thai avatar, “Lokanuwat,” which literally means “to turn with the globe,” was coined by Professor Chai-anan Samudavanija, a maverick,

colorful, and versatile royalist political scientist-cum-public intellectual, and then widely and successfully propagated by the *Phoojadkan Raiwan* (Manager Daily), a leading and very popular business newspaper in the period from the May 1992 uprising until the July 1997 economic crisis, together with its various sister periodicals. For a long while Lokanuwat was the talk of the town, making its incessant, ubiquitous appearance, oftentimes uncalled-for or not obviously pertinent, in press headlines, columns, and news reports, radio phone-ins, TV talk shows, TV advertisements for all sorts of products, including a soybean sauce, and even a birthday speech by King Bhumibol. With its seemingly progressive, outward, and forward-looking connotations, the Lokanuwat discourse was adroitly used by Chai-anan, *Phoojadkan*, and the globalizers among Thai public intellectuals to culturally and politically push the military back to their barracks and challenge the legitimacy of the rising elected politicians by branding their respective rule “counterclockwise,” “against the trend of the globe,” and “falling behind the trend of the globe.” More ominously, it was also used to signify an aggressive and overconfident new national project of Thai capitalism with an expansionist implication for its neighbors. Symptomatic of this Thai bourgeois expansionist trend was the decision of the Royal Institute to adopt a new coinage as the official Thai equivalent of “Globalization” in place of the preexisting Lokanuwat, namely “Lokaphiwat,” which literally means “to turn the globe.”⁴³

One psychocultural impact of the 1997 economic debacle on the Thai middle class was the transformation of their collective imaginings of “globalization” from rosy to thorny. Now they have a divided mind about it. On the one hand, they know they owed their rise and prosperity to a free market and an open economy. On the other hand, they have learned the costly and painful lesson that if the national economy and market is thrown limitlessly open and fully free to outside competitors, they could be badly beaten and they might not survive. It is precisely in the middle class’s newfound hesitancy and ambivalence toward “globalization,” now hanging over their heads like a sword, that a newly opened cultural opportunity structure is allowing for critical skepticism about “globalization” and a new turn toward economic nationalism.

Thus, in the aftermath of the 1997 crisis, Thai politics was mired in a triple impasse:

1. The Thai electocratic political system by itself was incapable of coping with the financial crisis and salvaging Thai capitalist economy in the age of globalization; it needed the help of the IMF’s credibility and directives in order to do so.⁴⁴ At the same time, the economically dominant Thai capitalist class and the middle class on their own were also incapable of mounting a protest movement strong and effective enough to push for political reform or a change of national leadership; they needed the extraordinarily volatile and critical conditions of the economic crisis, plus the informal support of such extraparliamentary forces as the military, the IMF, people’s organizations, and the monarchy to achieve both.

2. Both the political system and the political leadership had a legitimacy deficit whereas the revival of the Thai capitalist economy under the IMF program

required a high degree of political legitimacy since its loan conditionality caused devastating socioeconomic dislocation. Therefore, the IMF loan rescue and economic restructuring program needed a technocratic consensus-based mass political passivity as a sine qua non for its success, i.e., people had to tamely believe that all economic problems were technical by nature, that these were best solely entrusted to technocrats to decide on their behalf, that their interests and well-being would be best served and taken care of by letting the technocrats lead them by the nose in following the IMF's directives.

3. Thailand saw no alternative to the IMF line in solving its economic problems. Hence the utter meaninglessness and inconsequentiality of political reform, the new constitution, or the new general election in terms of economic policy alternatives, for these amounted to the mere selection of one group of people from among many others to carry out a predetermined plan devised by the IMF. That wasn't much different from having a bunch of kids compete with one another to do an exercise consisting of questions posed by Teacher IMF. Some kids might come up with better answers than others but basically that was all they could do. Nothing went far beyond the framework already laid down.

After languishing in the above-described impasse for three years, and despite the continuing economic nonrecovery, Thai politics has staged a nascent recovery. Mass protest movements have re-emerged in force all over the country, the Washington consensus-derived Thai technocratic consensus is being seriously challenged and rejected, and alternative strategic visions other than the globalist/neoliberal one are being actively and collectively constructed, publicly presented, and widely publicized and debated.



"One psychocultural impact of the 1997 economic debacle on the Thai middle class was the transformation of their collective imaginings of 'globalization' from rosy to thorny."
(McDonalds fast-food restaurant in Bangkok. AP Wide World Photo/Sakchai Lalit)

People who have been involved in this political recovery can be roughly divided into three groups:

1. The so-called “Octobrists” (“Khon deuan tula” in Thai). These are mostly well-known and established writers, thinkers, academics, public intellectuals, and activists who took part in the historic radical student and popular movements of the 1970s and later joined the communist-led armed struggle in the countryside or carried on their cultural political activities nonviolently in the city.

2. The small but influential group of so-called “Senior Citizens” and “socially outstanding good people.” Members of this group are respectable and honest retired or active senior government officials. Ideologically a hybrid of royalism and communitarianism, they work mostly through development and grassroots NGOs to build up local community bases for socioeconomic and political reform against the centralized state bureaucracy, corrupt elected politicians, capitalist economic globalization, and consumerist culture.

3. Thai entrepreneurs in various trades and at all levels whose businesses are facing stiff competition from foreign business interests or whose assets are being sold off and equity taken over by foreign creditors. Also included in this group are some outspoken and prominent independent nationalist academics, especially social scientists and economists.

The above-mentioned groups and their individual members have since mid-1997 mingled together and formed a variety of ad hoc loose nationalist groupings, including

- the National Salvation Community (“Prachakhom kob ban koo meuang,” an early grouping of activists, academics, and intellectuals who were concerned with the economic crisis);
- the Bangchak-lovers Club (“Chomrom khon rak bangchak,” which is opposed to the sale of the state-owned Bangchak oil refinery to foreign investors);
- the United Thai for National Liberation Club (“Chomrom ruam jai thai koo chat,” whose main aim is to prevent the sale of the nationalized Bangkok Metropolitan Bank and Siam City Bank to foreign banking interests);
- the Free Thai Movement (“Khabuankan seri thai,” a group of prominent academics and intellectuals whose namesake was the underground resistance movement against Japanese occupation during World War II);
- the *Witbitbas* Project (a publication project that has published a long series of radical leftist antiglobalization semi-academic pocketbooks since 1997);
- the Thai Graduates’ Group (“Klum bandit thai,” a staunchly anti-imperialist group of engineering lecturers at Chulalongkorn University whose leader, Sawai Danchaiwijit, was an Octobrist and ex-guerrilla);
- the Patriotic People Club (“Chomrom prachachon phoo rak chat,” consisting of many thousands of followers of a hugely popular and highly revered senior monk in northeastern Thailand, Luang Ta Maha Bua, who was resolutely opposed to the IMF-prescribed consolidation of accounts from the BOT’s banking and issuing departments for fear that his follow-

ers' multimillion-baht foreign currency and gold donations to the national reserves might be squandered by the government to compensate for the losses incurred in bailing out the bankrupt financial institutions); and

- the Democracy for the People Group ("Klum prachathipatai pheua prachachon," a group of ex-guerrillas and former radical student activists under the leadership of the charismatic ex-student leader and guerrilla fighter Seksan Prasertkul of Thammasat University, whose aim is to function as a nationwide coordinating, political umbrella organization for local people's groups all over the country).

People's organizations, NGOs, and academic groups have also adopted a populist-nationalist stance against the IMF-Democrat Government's economic policies. These groups include the militant long-standing and well-organized Assembly of the Poor (AOP), the Friends of the People Group (ex-student activists and intellectuals who serve as the general staff and secretariat of AOP), and the Political Economy Center of Chulalongkorn University (an established group of progressive, left-leaning economists).

The intellectual activities and publicity campaigns of these groups have been carried out through a continuing flow of books, periodicals, newspapers, and radio programs with increasingly militant contents and rhetoric. The more important among them are *Assembly of the Poor's Black-Covered Book: People's Handbook under IMF* (1998), the *Withitbas* Project's pocketbook series, edited by Thianchai Wongchaisuan (aka "Yuk Sri-ariya," a Marxist intellectual) and Phitthaya Wongkul (a communitarian devotee), the re-published and renewed populist-nationalist *Journal of Political Economy* of Chulalongkorn University, the radical Buddhist *Pacharayasarn* magazine of the Sulak Sivaraksa group, the *Prachathas* newsletter of a coalition of NGOs, the *Bandit Thai* newsletter of the Thai Graduates' Group, the *Manager Daily*, and the weekend *Khleun Khwambhid* (Waves of Thought) radio program by Chatcharin Chaiyawat.

These have separately and/or collectively engaged in many forms of public activism from academic seminars, panel discussions, and collections for national economic crisis relief to demonstrations and signature campaigns. The more prominent among these actions were the AOP's demonstration against IMF loan conditionality in 1997, the campaign against the sale of the state-owned Bangchak oil refinery to foreign business interests in 1998-99, the campaign against the IMF-imposed eleven financial bills, which gave greater advantage to foreign creditors in 1999, the antiglobalization/neoliberalism demonstrations of NGOs and people's organizations during the UNCTAD 10 meeting in Bangkok and the annual Asian Development Bank (ADB) meeting in Chiang Mai in 2000, the publicized opposition to the sale of nationalized banks with disadvantageous loss-sharing and yield-maintenance guarantees to foreign financial interests in 2000, and Luang Ta Maha Bua's popular *Pba pa chuai chat* (donation to help the nation) project, which turned unexpectedly into a massive signature campaign to oppose a major financial reform policy of the Democrat Government as well as to impeach Finance Minister Tarrin in 2000.⁴⁵

Two factors played a key role in igniting, inspiring, and boosting the foregoing process of political recovery through economic nationalism, namely, King

Bhumibol's 4 December 1997 speech on "Setthakij pho-phiang" or "self-sufficient economy," which has been interpreted in such a way as to open public space for discourse on systemic alternatives to "trade economy" or capitalist globalization,⁴⁶ and the world-famous resurgent antiglobalization mass protest in Seattle in late 1999, which managed to shut down the millennium round of the WTO (World Trade Organization) meeting, as well as the series of similar protests that have since been staged in many places around the world.⁴⁷ Together, they constituted both an inspiration and a living example that pointed to new, emerging possibilities in resisting capitalist globalization in Thailand, the East Asian region, and throughout the world.

From the said varied and diverse sources, an economic populist-nationalist trend that is anti-neoliberal globalization has emerged *from* the political margins *to* reach the political center, *from* the masses *to* meet up with the elite, *from* academia, the print, and electronic media, and Buddhist laymen's groups *to* coalesce into mass political movements, changing in the process from abstract theoretical discourse to concrete strategic and policy proposals and demands, an elaborate and path-breaking series that was successively presented to the public in late 2000 by such high-profile public figures as Virabhongse Ramangkura,⁴⁸ Rangsun Thanapornpun (Faculty of Economics, Thammasat University),⁴⁹ Seksan Prasertkul,⁵⁰ Phijit Rattakul (head of the Thai Motherland Party and former popularly elected governor of Bangkok),⁵¹ Princess Bajra Kitiyabha (eldest daughter of the crown prince and a law graduate of Thammasat University),⁵² a group of six prominent public intellectuals, a senator and a businessman,⁵³ and a self-proclaimed "neonationalist" group of Chulalongkorn academics and assorted businessmen and politicians.⁵⁴ These burgeoning political groups constitute a significant extraparliamentary force under the new, more flexible, and responsive, TRT-led government of Prime Minister Thaksin Shinawatra, checking and pressuring the latter as well as the electoral parliamentary regime.

Conclusion: Whose Nation Is It? And Whither the Nation?

The domestic economic story of the latest and severest crisis of Thai capitalism is quite straightforward and familiar, but which practical lesson and reform policy implication to draw from it is a rather complicated and highly contentious question. It is a story of "mismatched investment on a grand scale," in which the big Thai capitalists, taking advantage of cheaper foreign loans made easily accessible to them through the opening of the country's capital account and the liberalization of the financial market under the BIBFs since September 1993, overborrowed from abroad,⁵⁵ and, in the name of business diversification, misinvested massively in nontraded and hence nonforeign currency-earning areas such as real estate, hospitals, and construction materials, due to their rather low-tech know-how and limited entrepreneurial skills.⁵⁶ That massive misinvestment created inflated prices of nontraded goods that in turn caused cost-pushed inflation in the Thai economy in general and among Thai exports in particular.⁵⁷ Given the then fixed exchange rate regime, the overvalued baht made it impossible for overpriced Thai exports to compete with their cheaper

counterparts from other countries in the global market, which led to a drastic fall in export growth, a trade deficit, and a rising current account deficit in 1996/97.⁵⁸ The inevitable devaluation of the baht in July 1997 pricked the over-inflated bubble. The Thai capitalist economy then fell thundering down to earth and Thai companies lay in ruins.⁵⁹

But, apart from the dithering and blundering Thai electocrats and the incapacitated Thai financial technocrats,⁶⁰ who were the main culprits to blame for this economic mess, the big Thai capitalists or their foreign creditors? Here mainstream opinions diverge along two lines: (1) Neoliberal globalizers blame it squarely on the Thai “crony capitalists” and other domestic actors and factors, and they call for further opening of the Thai economy to foreign investment in order to gain new infusions of capital to increase competitiveness. (2) The Thai NPL-entrepreneurs blame the crash emphatically on foreign loan sharks and international financial institutions, and they call for a nationalist fencing of their monopolistic economic turf from imperialist takeover. And yet, how could the big Thai capitalists make that gigantic 7-trillion-baht mismatched investment in 1996 without the help of the US\$100 billion loans provided by the trusting and approving, soliciting and cheering crowd of foreign creditors? The two were thus more like Siamese twins, intimately and deeply complicit in and jointly responsible for the same bungled economic-bubble project.

Be that as it may, it is the big Thai capitalist class and not their foreign creditors who have gone bankrupt since the July 1997 baht devaluation. Their wealth, accumulated over many decades, was all lost simply because they had borrowed many times more than their companies’ equity value. Thus, their national capitalist project, which attempted to follow, overtake, and then ride on the crest of the economic globalization wave, was unexpectedly aborted and utterly collapsed. They are not unlike some fisher folk on the Moon River who, upon the completion of the Pak Moon dam at the mouth of the river, had no choice but to change their job from fishing to garbage dump picking in Bangkok, i.e., they have to switch from forming, accumulating, and expanding their capital base in a bank-based, high-debt economy to doing the same things but in a completely new and different way in a supposedly market-based, prudential one. They have to relearn almost everything anew and that is extremely difficult if not well nigh impossible.

A capitalist economic crisis of overproduction and overcapacity can be solved only through the disposal of excess capacity or productive forces. The more quickly the destruction is done, the more rapid the recovery will be. This is precisely the act of creative destruction that capitalism occasionally demands of its practitioners. And part of the productive forces that needs to be destroyed is the big Thai capitalist class themselves in their role as losing owners and entrepreneurs of inefficient, uncompetitive, and unprofitable capitalist private enterprises. The delay in economic recovery is actually caused by the slowness in their destruction. They die too slowly and are still stubbornly hanging on and clinging to their assets and company equity, struggling to survive. Until they all drop dead, not as a rich individual consumer with still ample personal savings but as a collectively impoverished and failed productive class, the Thai

economic paralysis will go on and on and the dawn of a new cycle of productive activity will never arrive.

In that sense, the end result of neoliberal globalization is a cosmopolitan economic utopia devoid of any and all particular national characteristics and hence national capitalists.⁶¹ Global capital is thus taking over the material infrastructure of Thai capitalism with its residual unfair, monopolistic and exploitative character, as well as exerting greater and greater influence over the preexisting autocolonial centralized state structure that has since time immemorial been the main agent in transferring natural resources from the have-nots to the haves and commodifying everything in the process. One has thus no future-proof reason to assume that a further destruction of inefficient Thai capital and replacement by new waves of foreign investment would in and of itself solve the deepest problems of the Thai economy.

Members of the big Thai capitalist class are, alas, trying to defend themselves by invoking the Nation and putting the lives and well-being of poor common people at risk as its fences to ward off and dispel the unremitting universal logic of capital.

Historically speaking, at its origin, the particular configuration of the Thai nation was officially imagined by the Thai absolutist and later military-bureaucratic state as an uncommunity, consisting of people of unequal status and incompatible plural ethnicities, with the Chinese entrepreneurs, coolies, and triads being the Other.⁶² Other groups and classes of Thai people besides the royalty, the military, and the state bureaucracy have found precious little of their own history, culture, and community in this imagined uncommunity. Hence its rather hollowness and blurriness, irrelevance and worthlessness in the people's eyes, as well as its repeated opportunistic abuses by the old royal or military-bureaucratic and new crony capitalist elites for their own particular group interests.⁶³ Prachai, Wirun, Sawat, and their ilk are simply the latest comers in the long line of born-again nationalists who, out of a background of total disregard for the plight of their poor and pollution-suffering compatriots, suddenly feel and find an insatiable urge to make use of the imagined (un)community to indulge their urgent, unrequited desire for new recapitalization.⁶⁴

However, under the same nationalist banner, another agenda is at work — one that belongs to a separate political force, namely, the nongovernmental and people's organizations that, through people's politics and direct participatory democracy, are pushing for a radical populist reformist agenda consisting of these three major components:

1. ***The economic sovereignty component:*** These activists want to restore the partially if increasingly lost sovereignty over financial and fiscal macroeconomic policies so that they can redeploy them as an indispensable instrument to manage economic openness, mediate the risks and opportunities associated with economic globalization, and mitigate the negative effects of economic liberalization on the people at large. More concretely, they want to push back trade and services liberalization to the pre-crisis level and keep it there in the standstill condition it was on 2 July 1997. They also want to retreat from financial liberalization and reinstate control of the capital account. In short, insofar as

economic liberalization is concerned, they want to turn the clock back to 2 July 1997 and stay there so as to restore, reform, and strengthen the domestic economy before opening it up again.

2. The resource management component: These activists want to decentralize power over natural resource management from the state to local communities, to stop any further commodification of naturally endowed productive resources (be they water, land, or forests, as called for by some international and regional financial institutions-cum-creditors such as the ADB), and to radically redistribute these productive resources from the speculative capitalist class to the resourceless but potentially productive producers.

3. The state reform component: To achieve the foregoing objectives, it is essential that the Thai state be reformed from a centralized, bureaucratic, authoritarian, corrupted-to-the-core, and actually autocolonial structure into a popularly controlled, socially responsive, and responsible partner of civil society. Otherwise, the Thai state as it is and has been couldn't possibly serve as an instrument of the people's agenda. For that purpose, they insist that a nation-serving and protecting state needs not, nay, must not be a dictatorship.

As we can see, even though there are certain coincidences, overlap, and similarities between the crony-capitalist agenda's call for the reversal of globalist/neoliberalist reform and the radical populist reformist agenda's call for restoration of economic sovereignty, the two agendas are basically different. They are imagining two different Thai nations and two disparate destinies for them.

It is thus incumbent upon the new advocates of economic nationalism to think hard about whose nation this is? And whither the nation? Thus, for example, to Finance Minister Tarrin's quip about his critics wishing to return to the past bubble years when growth came from asset-price inflation rather than genuine productivity gains,⁶⁵ Seksan Prasertkul answers that he has no wish whatsoever to bring back pre-crisis social conditions, which had been far from ideal and in which "those who worked hard earned little income while those who earned a lot hardly worked.... Truthful people were trampled on while deceitful people were rewarded," and that his attempt at salvaging the Thai nation was "by no means to pull up by a pulley the fallen heaven of the minority from the bottom of the ocean and leave the majority of people to go on languishing in poverty."⁶⁶ And while the neonationalist Narong Petprasert insisted in an interview that Thai monopolistic or oligopolistic capitalists were indeed better than their Western counterparts,⁶⁷ Nidhi Aeusrivongse thought the exact opposite. Having redefined the Thai nation as consisting of "the people, freedom and justice," he concluded in a recent article that

the rejection of globalized capital doesn't mean the acceptance of crony capital. Be it which one of the two, both oppress and exploit the majority of people, deprive them of their freedom, and buy up justice for themselves alone alike. The difference between domestic capitalists and foreign ones in reference to the people's welfare, freedom and justice amounts to naught, i.e., there is no difference.⁶⁸

If we do not give meaning to these three factors (the people, freedom, and justice), the nation is not worth preserving.⁶⁹

Postscript: One Year under Thaksin

What has happened so far under the new Thai Rak Thai Government of PM Thaksin Shinawatra, which came to office on 9 February 2001? Rising to power on the crest of nationalist public sentiments and popular as well as oligarchic support, the Thaksin Government understandably represents an unstable amalgam of the different and at times conflicting demands, interests, and concerns of both political forces as refracted through the prism of the prime minister's own background and experience as a self-made Sino-Thai entrepreneur, a resourceful crony capitalist, a masterful bubble-economy speculator, and a successful telecommunications tycoon who has gone from rags to riches. Through him, the crony capitalists, especially the telecommunications, media, auto manufacturing and agribusiness oligarchic interests, who are strongly represented in his cabinet and party, have won back their state. And through the state, globalization and the financial ruins in its wake (i.e., economic liberalization, privatization of public enterprises, the remaining mountain of bad debts) have been re-managed in their favor at the expense of their domestic and foreign competitors, the Thai consumers, and the public coffers. Under Thaksin, despite the continued stagnant economy doubly depressed by the new global recession and the impact of the 11 September 2001 terrorist attacks on the United States, the surviving remnants of Thai crony capitalism, now restructured and consolidated, with fewer local competitors and with him as their political CEO, are re-emerging stronger and even more dominant than before.⁷⁰

A holy if informal alliance of liberal intellectuals, mainstream economists, global corporate media, and some of the local press arose and started to hit back monotonously and reverberatingly at the Thaksin Government early on with a simplistic, economic antipopulist discourse.⁷¹ Vulgarized at times as simply "a platform that indulges the people's every whim or bribes them," their Specter of Populism has its origin in the World Bank's early 1990s neoliberal critique of the economic redistribution policy of certain Latin American governments and can be reduced essentially to income redistribution without fiscal discipline.⁷² Being an economist-discursively engineered mutant from the classical pedigree populist as commonly understood by sociologists and political scientists, this nouveau populist has as its prototype not an antimarket Maoist revolutionary but a mere market-intervening and correcting Keynesian reformer.⁷³ In this narrowly blinkered sense, most democratically elected governments could easily be pigeonholed as "populist" since they naturally need to market a platform that is attractive to voters for vote-gains maximization in the next election.⁷⁴ Hence the neoliberal critique of "populism" in effect reflects a discontent with democracy that implies a technocratic rejection of the people's will. Besides, in a polity long used to indulging the elite's every whim, bribing and receiving policy edicts from them while excluding and giving short shrift to the masses on the margins, Thaksin's "populism" is indeed a breath of fresh air.⁷⁵

Although Thaksin's "populism" was actually begotten by a bunch of ex-communist guerrillas and former student activists among his close aides who put to good use the art and method of mass line from their Maoist past,⁷⁶ the other,



"Members of the big Thai capitalist class are...trying to defend themselves by invoking the Nation and putting the lives and well-being of poor common people at risk as its fences to ward off and dispel the unrelenting universal logic of capital." (Workers in a fish-processing plant, Bangkok. © ILO/Jacques Maillard)

noneconomic radical populists, many of them also former comrades and ex-Maoists, aren't satisfied with mere income redistribution. If one defines "populism" in a broader political sociological sense as "cross-class coalitional politics for redistribution," the radical populists would like to redistribute not just income but predominantly access to key productive natural resources and power over their management to local communities.⁷⁷ They therefore have found Thaksin's "populism" wanting and his government's nationalism mostly verbal and flip-flopping. In the name of "national interests," sovereignty has been invoked to protect his cronies rather than the people; on the other hand, public pressure has to be vigilantly and continually applied to prevent his government from yielding too readily to big powers' demands and interests. Land reform remains a mere proposal; a people-initiated Community Forest Bill is stalled in the Senate; the management of water resources is still state-centralized and geared to serve the nonagricultural sectors of the economy. While responsible government ministers have been too busy to meet with representatives of the people's organizations, the problems of poor people are frozen and left to rot in the bureaucratic labyrinth with government officials intransigently insisting on following standing bureaucratic rules and regulations rather than implementing the relevant cabinet resolutions to help the poor. Meanwhile, several new megaprojects for infrastructure development are being pushed ahead around the country with no regard for local people's concerns or opposition.⁷⁸

So, after having made peace with the Thaksin Government in exchange for short-term concessions for a year, the NGOs and people's organizations are unlikely to continue their unconsummated honeymoon period with the government much longer. A showdown between the two populisms is looming.

Appendix

In Search of Alternatives to Neoliberal Globalization: A Synopsis of Some Proposals to Salvage the Thai Economy⁷⁹

Virabhongse Ramangkura
Rangsun Thanapornpun
Seksan Prasertkul
Phijit Rattakul
Princess Bajra Kittiyabha

Virabhongse Ramangkura,⁸⁰ former deputy premier and finance minister

Keywords:

“Let's beat a retreat to gather our strength first.”

Regarding globalization:

To go against the principles and trends of globalization, there needs to be regional cooperation and closer consultation among China, Japan, and Asean.

There needs to be a leading country in the region to host a forum. Japan is ready to do that but South Korea and China have to cooperate, and the United States has to approve.

We need to protect ourselves from disaster associated with capital movement and reduce the wild fluctuations of international currency flow by changing from a single currency-denominated payment system (i.e., U.S. dollars) to a multicurrency one (yen and ECU included), so as to lessen the weight of U.S. dollar flows.

Regarding domestic affairs:

Asia including Thailand needs at least ten more years of development to catch up with the West. (But he has no idea how to achieve that.)

Rangsun Thanapornpun,⁸¹ leading economist and columnist, Faculty of Economics, Thammasat University

Keywords:

“Ask leave of WTO until 2007.”

Regarding globalization:

Review the development strategy so as to choose among (a) a globalization-development strategy according to the neoliberal economic line à la the Washington consensus or (b) a local community-development strategy according to the self-sufficient economic line à la the Bangkok consensus or (c) a

combination of the two. In the case of choice (c), what optimal level of economic openness should we aim to achieve?

To heal our wounds from the malady of economic liberalism, we should halt our advance on its path and turn the clock back to July 1997.

Stand still on the path of free trade at the point we were at on 2 July 1997. Liberalize our trade at that level and no more. Reject the Multilateral Agreement on Investment (MAI). Reject the introduction of social clauses into the new international economic arrangement. Ask for time off (until 2007) to review the WTO, AFTA (Asean Free Trade Area), and APEC (Asia-Pacific Economic Cooperation) obligations related to economic liberalization.

Beat a retreat on the path of financial liberalization. Strictly control and regulate the movement of short-term capital. We will review our advance on the path of financial liberalization only when we can efficiently deal with the footlooseness of international capital.

The tactics of asking leave of WTO is to unite with other Third World countries that also suffer hardships from economic liberalization so as to bargain with the advanced capitalist countries, beginning with the Asean and East Asian countries.

Build up relationships with the network of international people's organizations and NGOs so as to pressure the Great Power countries to cease pushing for economic liberalization before the Third World is ready.

Regarding domestic affairs:

Reform the system of macroeconomic management so as to delineate clearly the duty, responsibility, and authority over the use of each policy instrument. Coordinate harmoniously the making and implementation of fiscal, financial, and public debt policies.

Reform the Bank of Thailand so that it has clear duties, responsibility, and authority, and is optimally independent. Enhance its academic potential and its capacity to regulate and inspect financial institutions, as well as to manage international capital flow.

Restructure the industrial sector so as to eliminate monopoly and promote competition. Stop open and hidden state subsidies for industry as well as tax benefits.

Reform the state bureaucracy to cut down on resource waste. Create accountability and transparency mechanisms to prevent and crack down on corruption and abuse of power.

Reform the legislative process. Pass legislation to promote efficient public administration, and provide benefits for the poor and disadvantaged. Change the existing legislative convention to reduce the discretionary power of the executive branch of government.

Reform education so as to promote among the young creative thinking, care, and concerns for the lower classes and disadvantaged, historical and political awareness, as well as gratitude to the motherland.

Reform politics to achieve perfect competition in the political market and increase people's participation.

Seksan Prasertkul,⁸² head of the Democracy for the People Group, lecturer at the Faculty of Political Science, Thammasat University

Keywords:

“Let’s retreat for a while to review and correct the mistakes and remedy the weaknesses of our country.”

“Let’s beat a retreat to gather our strength and clean and repair our own house.”

“Retreat from neoliberalism.”

“Withdraw from the obligations, rules, and regulations set by big global capital.”

“Ask leave of the rules and obligations of multinational capital.”

Regarding globalization:

Retreat from or ask leave of globalization for a while, but not permanently.

Open our country selectively. Accept socially constructive things. Make valuable and meaningful contributions to the world community to which we deem ourselves as belonging.

Oppose domination by multinational corporations, but hold no grudge against people in the West.

Oppose short-term profit-seeking by foreign capital and the permanent takeover of entrepreneurial space by big global capital, but not long-term investment whose benefits are fairly shared between Thai people and outside investors. Reject monopoly under the guise of free competition, but not “free and fair” liberalization.

Retreat from WTO obligations.

Retreat from IMF obligations.

Abrogate the eleven laws that cost Thailand her economic independence.

Abrogate all unequal treaties with foreign countries.

Declare a moratorium on foreign debt payment for no less than ten years.

Regarding domestic affairs:

We harbor no wish to bring back the pre-crisis social situation in which “those who worked hard earned little income while those who earned a lot hardly worked.... Truthful people were trampled on while deceitful people were rewarded.”

There is no ideal society. What we wish to see is Thai society as we know it, minus a few evils and wrongs. Then we should be able to live together.

We must make the political power-holders change their minds, agree with the platform for economic independence, and withdraw our country from disadvantageous obligations. We must pressure the political parties to accept the mandate of national salvation by clearly and concertedly voicing our demands everywhere.

We, the people, have to adapt ourselves and reconnect with one another into a new nation. It has to be composed of the concrete, tangible interests of people of all classes and provide everyone with a space for livelihood. Put an end to closed politics and government, restrictive economic development, and elitist education. A powerful society needs to be just. Everyone has a right to

membership with honor and dignity. People must be equal in their humanity. Deal with one another with mutual respect and fairness. Everyone has to adapt, especially those who used to be the advantaged groups.

We need to reconstruct the rural economy in tandem with salvaging the urban economy, strengthen it so that it will become the foundation of our use value and exchange value production, trade, and urban processing industry, which grows on our own knowledge base. A national economic salvation platform must serve Thai people in both the rural and urban areas.

A state that serves the nation needs not be a dictatorship.

Rectify, purify, and increase the efficiency of the governance system. It is the state's duty to protect Thai society from the domination of outside influences.

Allow the people every opportunity to check and take part in the exercise of power on a continual and systematic basis.

Expand the democratic system to accommodate civic politics in its decision-making and policy-making processes.

Liberalize the domestic economy so that every side has an equal opportunity. Reduce state power over society. Enhance people's power so that they can take care of themselves. However, state enterprises must not be replaced by the monopoly of big capital. The Thai state should not be bound by any rules or regulations that passively allow or even facilitate the domination of Thai economy and society by multinational corporations.

Transform the educational system both in and out of school into a genuine and continual learning process. Use education as an instrument to lessen inequality of learning and opportunity among the majority of the population rather than a system that divides people in the nation. Thai people should gain occupational skills, a work ethic, national consciousness, and humanity from the educational system.

Oppose an extreme consumer-oriented culture. Uphold a well-balanced material life, intellectual and spiritual happiness, harmony with nature, socially constructive cooperation, and a diverse but well-connected culture.

Call on the "Octobrists," in particular, to gather their courage, bear again the burden of this historic task, form an intellectual vanguard, use their maturity and lessons from past struggles, unite with the people, and lead the country out of darkness.

Call on the Thai people all over the country to turn toward one another, and give each other mutual honor and justice so that we may proceed to ask for the same from the outside world.

Phijit Rattakul,⁸⁵ head of Thai Motherland Party and former popularly elected governor of Bangkok

Keywords:

"Liberate the motherland."

"Economic independence [from the] ~~IMF-IMF-IMF~~" [*sic*]

"No recovery after three years of believing the white foreigners. Stop borrowing foreign debt...rely on ourselves."

“Salvage the nation back to freedom.”

Regarding globalization:

Aim at economic independence. Issue government bonds. Rely on domestic savings. No consolidation of accounts (from the BOT’s banking and issuing departments). No sale of national assets to foreigners. Decentralize economic power to local communities.

Review and revise various rules and regulations including the eleven economic bills. Relax NPL-related regulations that prevent banks from lending to Thai businesses. Build economic independence through Thai wisdom and Thai-ism.

Negotiate a debt moratorium with the IMF so that over one hundred billion baht in tax revenue can be made available for national development.

Find liquidity through issuing two hundred billion baht bonds for small investors at a 5 percent interest rate. Use state banks to solve bad debts and revive the Thai people’s economy.

Control inflow and outflow of foreign currencies to stabilize the value of the baht and prevent foreign exchange speculation.

Promote the establishment of local banks by amending existing laws. Elevate the status of cooperatives. Support and develop community businesses and local industry.

No sale of state banks to foreigners on disadvantageous conditions. Keep good state enterprises rather than selling them dirt cheap to foreigners.

Regarding domestic affairs:

Carry through with political reforms. Strengthen local communities.

Create space and open channels for the people sector to take part in political decision-making and influence political movement. Lead the nation in the direction that the people can survive rather than perish.

Princess Bajra Kitiyabha,⁸⁴ the eldest daughter of the crown prince and a law graduate of Thammasat University

Keywords:

“Slow down so as to seek opportunity...Stop to reconsider and review ourselves.”

Regarding globalization:

Find an opportunity to consider the external context.

Avoid certain trends that emphasize the negative effects.

Learn to adapt oneself better.

Seriously reconsider and review ourselves to find out weaknesses that need to be redressed and strengths that may be a way out...through internal economic, social, and political reform. Use internal strength as a pillar to create flexibility so as to transform international relations both at the regional and global levels.

Regarding domestic affairs:

Thailand is too dependent on the outside world.

The extended fixation on growth throughout the age of accelerated development may last just fifteen seconds in the scale of the long history of the Thai community.

Learn to use wisdom and caution in considering consumerism, which is the source of profligacy and brings out clearly the negative tendency of globalization.

People at all economic levels should follow the philosophy of a sufficiency economy in their living and practice.

Accept and accord local wisdom, which was once regarded as marginal, a dignified standing in society.

Villagers are no aliens or Others that should be reconditioned and turned into people who admire and conform to the Center so as to diminish diversity.

Strengthen communities to accord with political reform through the decentralization of power. Start from community power to achieve good governance. Make national politics an extension of local politics at the community level.

Notes

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1. The most recent of Ammar Siamwalla's post-crisis articles, prior to the January 2001 general election, is entitled "AMC: An Idea Whose Time Has Gone," *The Nation* (Bangkok; all references below to *The Nation* are to the Bangkok-based publication), 3 October 2000, A5, A8. The other Thai Cassandra was Virabhongse Ramangkura, a veteran academic-turned-technocrat who served as finance minister in the General Prem Tinsulanonda Government in the mid-1980s. After the onset of the crisis in July 1997, he was again drafted by some well-acquainted top military figures into the government of General Chavalit Yongchaiyudh as deputy premier for economic affairs and finance minister.
2. Roger Mitton, "Down, and Likely Out," *Asiaweek* 26, no. 37 (22 September 2000). The Thai Rak Thai (literally meaning "Thais Love Thais") Party is a newly set up political machine devoted primarily to the prime ministerial ambition of its founder and head, the billionaire telecommunications tycoon, Thaksin Shinawatra (see his brief profile in William Barnes, "Wealth Comes to the Party for Ambitious Tycoon," *South China Morning Post*, 25 September 2000). At the time of the house dissolution on 9 November 2000, the party's war chest was reportedly stuffed with 179 million baht (or about US\$4 million, the current exchange rate being around 44 baht per U.S. dollar), the biggest chunk of which (75 million baht) was donated by Thaksin's own wife, Khunying Pojarn, making it, even by official count, the best-financed among Thai political parties ("Bunnak pojarn khwak 75 lan borijak to.ro.to" [Loaded Pojarn donates 75 millions to TRT], *Thai Post*, 8 November 2000). Unofficially, though, TRT allegedly bid the most outrageous price for any defecting MP from other parties at 50 million baht each, to be paid in six rising-scale installments of 2-3-5-15-15 + 10, based upon steps taken by the sellout MP from defection to

re-election. This made TRT the prime target for resentment and envy by other outbid and outraged parties that altogether had lost hundreds of MPs to TRT and hence branded it as “Phak Dood” or “the sucking party” (Suthichai Yoon, “Anyone for 2-3-5-15-15 Plus 10? Bingo!,” *The Nation*, 19 July 2000). The total sum of money said to be spent legally or otherwise by all parties on the campaign trail in the January 2001 general election was estimated at more than 20 billion baht.

3. Nominally headed by the deputy prime minister for economic affairs, Minister of Commerce and the designated Director-General-to-Be of the WTO Supachai Panitchpakdi, the so-called economic “real team” of the Chuan Government (so named against the nightmarishly blundering economic “dream team” of the former General Chavalit Government) was actually a one-man band run by Finance Minister Tarrin, whose typically methodical but pigheaded and solo working style is legendary. Answering directly only to the prime minister, he often clashed with and prevailed over dissenting “real team” members and advisers such as Supachai, Minister for the Prime Minister’s Office Abhisit Vejjajiva, and the prime minister’s economic adviser Boonchu Rojanastien. Prime Minister Chuan’s absolute trust in, complete reliance on, and full and consistent support for Tarrin on all matters concerning economic policy against the caution, dissension, objections, and opposition raised by these dissidents had incurred rising political costs that weighed heavily on the Democrat Party’s prospects in the general election of January 2001. So much so that Supachai had refused to run again. Yet the party leadership dared not give pride of place to the increasingly unpopular Tarrin as head of the economic team, leaving the election campaign in disarray. See “Chuan Eyes New Finance Minister,” *Far Eastern Economic Review*, 16 November 2000; Julian Gearing, “Taking the Heart,” *Asiaweek* 26, no. 46 (24 November 2000).
4. “Interview: Thaksin Shinawatra — How to Save Thailand,” *Far Eastern Economic Review*, 16 November 2000. Kitii Limsakul, an economics professor at Chulalongkorn University and founding member and economic adviser of TRT, called the national AMC proposal “our most important policy in that it will make the most difference.” (Wichit Chaitrong, “Thai Rak Thai to Reverse Fiscal Policy,” *The Nation*, 15 August 2000, B1). Supachai’s slightly different “public” AMC proposal sought to transform and widen the function of the already existing but rather underutilized state-owned Asset Management Corporation by injecting 300 billion baht of the government money that remained from Finance Minister Tarrin’s rather unsuccessful “14 August 1998” bank rehabilitation program. He cautioned against the government holding a majority stake in the public AMC as too much of a financial burden and advised it to wait and see the performance of the recently launched AMC unit of the government’s Krung Thai Bank before taking any decision. See Tom Holland, “Debt Debate,” *Far Eastern Economic Review*, 28 September 2000; and “Tho.po.tho. fai khieu kho.po.no. luanglook amc” (Bank of Thailand gives the green light to the Corporate Debt Restructuring Advisory Committee to oversee AMCs), *Thai Rath*, 21 November 2000, 8. Having peaked at 2.7 trillion baht or 47.7 percent of total outstanding debts in May 1999, the banking system’s NPLs have since declined partly through the government-mediated debt restructuring program and mainly through the fire sale or transfer of some bad debts by certain banks to their own asset management units. According to the latest available figures, the NPLs stood at around 800 billion baht or 17.6 percent of total credit as of mid-2001 (“Khleng tho.po.tho. tham jeng 2.7 lan lan nayobai dokbia-kae bank” [Finance Ministry and BOT lost 2.7 trillion through interest and bank restructuring policies], *Phoojadhan Raiwan*, 8 November 2000; and Nareerat Wiriyapong, “Industry Calls for National AMC,” *The Nation*, 3 November 2000, B1,

B4; the figures therein have been updated). The seemingly substantial overall reduction in NPLs notwithstanding, Federation of Thai Industries' vice chairman Praphad Bhodhivorakhun pointed out that NPLs in the industrial sector remain high. Small and medium enterprises, in particular, made up as much as 60 to 70 percent of total NPLs as the government had focused on solving big companies' problem loans. In the same vein, Kosit Panpiemras, executive chairman of Bangkok Bank, warned that the reduced NPL figures didn't signify a successful solution to the NPL problem since most of them resulted from the mere transfer of NPLs to the banks' own AMCs, whereas the problem loans themselves remained unsolved ("World trade yua srinakhorn ud mattrakan 14 so.kho. lom lew" [World Trade Center fumes at Bangkok Metropolitan Bank, attacks the 14 August Measure as a failure], *Thai Post*, 8 November 2000; "Bad Loans Still Plague Thai Banks," *The Straits Times*, 20 October 2000). If the written-off debts and the private AMCs-held NPLs were also taken into account, then the figure of problem loans would stand at 1.5 trillion baht.

5. Yoshihiro Iwasaki, "The Fifth Column: Asia's Recovery on Track," *Far Eastern Economic Review*, 14 December 2000, 38.
6. Ammar, "AMC: An Idea Whose Time Has Gone."
7. As pointed out in an SCB Research Institute report, the abundant baht liquidity was reflected in the fact that, despite six U.S. interbank overnight loan interest-rate hikes from June 1999 to May 2000, Thailand's domestic interest rates had indeed declined ("A Second Crisis Is Not Likely, Says Institute," *The Nation*, 25 November 2000, B8).
8. Robert Wade and Frank Veneroso, "The Asian Crisis: The High Debt Model versus the Wall Street-Treasury-IMF Complex," *New Left Review*, 228 (March/April 1998), 3-23; and Supat Tansathitorn, "Defining Economic Self-sufficiency," *The Nation*, 26 November 1999, B3.
9. A well-informed colleague, an economist and business researcher, explains that the adaptation process among Thai banks is uneven, still in its early stage, and has a very long way to go. The process has proceeded farther in banks that are majority-owned by foreign capital (Pichit Likitkijomboon, personal e-mail correspondence, 20 October 2000).
10. At its worst, the value of the baht plummeted precipitously from 25 to over 50 baht per U.S. dollar in late 1997 to early 1998 ("Thai Danu Bank Paints Scenario for Bt48 Slide," *The Nation*, 23 November 2000, B12). Currently, it hovers around 44 baht per U.S. dollar.
11. The total foreign debt of Thailand's nonfinancial private sector stood at US\$85 billion at yearend 1997 ("Tua lek ni nok mai phung ik 2 meun lan dol" [New foreign debt figures up 20 billion US\$], *Maticchon Daily*, 1 July 2000, 8) and is estimated to be about US\$33.6 billion in 2000 and US\$29.4 billion at yearend 2001 (Bank Of Thailand, "Key Economic Indicators: Table 9 External Debt," at <http://www.bot.or.th/bothomepage/databank/EconData/KeyEcon/tab09e.asp>). One can simply multiply these figures by 15 up to 25 baht, depending on the fluctuating exchange rate, to estimate the foreign exchange (forex) losses incurred. However, there were some important improvements in Thailand's external debt structure over the period from 1997 to 2001, e.g., the ratio of short-term debt to long-term debt, which was 42:58, has changed to 13:54, and the ratio of private debt to public debt, which was 85:15, has become 39:28 ("A Second Crisis Is Not Likely," *The Nation*, 25 November 2000, B8; and Bank of Thailand, "Key Economic Indicators: Table 9. External Debt," at <http://www.bot.or.th/bothomepage/databank/EconData/KeyEcon/tab09e.asp>). This has made public debt a matter of growing concern while the restructuring of big private

companies' operations seems to have slid down their Thai owners' list of priorities, as will be discussed later.

12. The benchmark Stock Exchange of Thailand composite index plummeted from the pre-crisis height of 1,700 to around 300 in 2001 (The Stock Exchange of Thailand, "Statistical Highlights of the Stock Exchange of Thailand," at http://www.set.or.th/static/market/market_u13.html). In the year 2000 alone, it was down more than 40 percent ("Shadow of Bank NPLs Continue to Darken," *The Nation*, 22 November 2000, B14).
13. The Bank of Thailand records the country's annual GDP change of -1.4 percent in 1997, -10.8 percent in 1998, 4.2 percent in 1999, and 4.4 percent in 2000 (Bank of Thailand, "Thailand's Macro Economic Indicators," at http://www.bot.or.th/bothomepage/databank/EconData/Thai_Key/Thai_KeyE.asp). The World Bank predicts that Thailand's GDP will grow annually at 3.7 percent in the 2000-04 period (World Bank, "Thailand at a Glance," at <http://Inweb18.worldbank.org/eap/eap.nsf/7a4109e5442319dc852567c9007162e0/dfc257dce375d674852567c900719142?OpenDocument>). Meanwhile, the Federation of Thai Industries reported the average capacity utilization of the industrial sector as of November 2000 to be as low as 50 to 60 percent (Nareerat, "Industry Calls for National AMC"). Actually, industrial capacity utilization has been stalled at that level since 1997 while the rate of unemployment has shot up to over 4 percent, as 1 million more workers lost their jobs during the same period (The Economic Team, "Sam pi bon samoraphoom leuad, wad pholngan setthakij tua to tua rathabal chuan 2, doen na klab soo wikrit ik rob, thing raboed fak wai doo tang na" [Three years on the bloody battlefield, measuring the second Chuan Government's economic performance, heading back towards another crisis, leaving behind a remembrance bomb], *Thai Rath*, 6 November 2000, 8; and "To.ro.to. yeoi dreamteam po.cho.po., nae chuan um tarrin to" (TRT insults the Democrat Party's dream team, advising Chuan to go on supporting Tarrin), *Matichon Daily*, 12 November 2000, 2).
14. Ammar, "AMC: An Idea Whose Time Has Gone."
15. This inference is entirely my own and by no means implies Ammar's prior concurrence.
16. By "Thai-Thai" here I mean the normal credit practice of pre-1997 bank-based Thai "crony capitalism," which Ammar Siamwalla, in his personal email correspondence to me (4 October 2000), succinctly elucidates as follows: "What took place in the good old days went something like this. The banker's cronies would have an investment project, which required financing. The normal debt/equity ratio in Thailand would be 3:1. Now in a normal low-growth economy, setting such a high ratio would imply that the bank is taking a quasi-equity in the venture, even though officially it is lending a fixed amount of money for a fixed interest. Other devices were used to bolster the idea that this is a bank loan, e.g., extensive use of collateral. The banks in the days before the capital market liberalization in about 1990 were willing to lend for what is essentially a long-term risky investment at the (cheap) price of a fixed interest loan because the bankers (not the banks) were able to get various "fringe benefits," in the form of shares in various companies, or a share in the money that was siphoned off the companies. Hence the power of the banking families. All this began to be seriously threatened by the liberalization of the 1990s. But as usual the high growth rates saved the day, and everyone coasted merrily along. You cannot imagine the power of an 8 percent growth rate in hiding all kinds of sloppiness. It is not completely flippant to say that the old system has some of the character of a Mae Chamoy system [i.e., a disreputable pyramid share-selling scheme in

- the mid-1980s — author], and is addicted to a high growth rate to keep the system going.”
17. Bank loans had contracted by about 10 percent from the onset of the financial crisis in mid-1997 until year-end 2000 (The Economic Team, “Sam pi bon samoraphoom leuad,” *Thai Rath*, 6 November 2000, 8; and “To.ro.to. yeoi dreamteam po.cha.po,” *Matichon Daily*, 12 November 2000, 2).
 18. These post-crisis globalized requirements and the banking industry regulations decreed by the Bank of Thailand under the Chuan-Tarrin Government include, among others, debt reclassification, which shortens the period of default of interest payments before problem debts turn into NPLs from twelve to three months, full provisions against possible loan loss by year-end 2000, and the maintenance of capital-to-risk-asset ratio of 8.5 percent.
 19. Apart from the Wade and Veneroso article referred to above, I owe my conceptualization of this issue to Ammar Siamwalla (personal e-mail correspondence, 4 October 2000). In contrast with the original German or Japanese system, the Thai legal system had been much looser and provided creditors with far weaker protection. Before the 1997 financial crisis, it was precisely high growth rates that had helped shield the economy from the adverse consequences of such a system and thereby partly concealed its weakness. For further details, see Ammar Siamwalla, “Nak setthasat farang mong wikrit asia: bot samruaj khwam-roo” (Western economists’ views of the Asian crisis: A survey of literature) (unpublished paper presented in a panel discussion on “Western Economists’ Views of the Asian Crisis: A Survey of Literature,” organized by the Economic Association of Thailand, the Imperial Queen’s Park Hotel, 26 May 1999; available at <http://www.info.tdri.or.th>). The Thai credit-related legal system was indeed successfully changed in favor of the creditors by the Chuan-Tarrin Government through an American- and Singaporean-derived, IMF-imposed legislative program of eleven bills in 1999. These controversial financial laws have since become a large bone of contention for the noisily protesting big Thai NPL-capitalists (“Kathao pleuak setthakij thai, thammai mai feun ?” (Cracking open the Thai economy: Why no recovery so far?), *Matichon Daily*, 1 October 2000, 2). For a concise account of the contentious passage of the eleven bills, see Pasuk Phongpaichit and Chris Baker, *Thailand’s Crisis* (Chiang Mai: Silkworm Books, 2000), 167-68.
 20. For an extensive review of recent literature that gives a general idea and critical perspective of how the stock market-based American system is supposed to work, see Jeff Madrick, “All Too Human,” *The New York Review of Books*, 10 August 2000.
 21. I owe the information and prognosis in this passage to Ammar, personal e-mail correspondence, 4 October 2000. I use the term “self-proclaimed and ideologically useful” advisedly. The ongoing scandal involving the energy corporate giant Enron belies any facile claims of transparency, good corporate governance, or the free-market-driven efficiency of the American model. Enron’s use of magic accounting tricks and complicated financial products to mislead investors about its value, its use of money to buy elections and political connections so as to shape U.S. energy policy and avoid regulations, and the complete absence of transparency and good corporate governance in its management and organizational culture are stark evidence and irrefutable proof of bad old crony capitalism, American style. Suffice it to point out that Enron contributed US\$623,000 to the political campaigns of George W. Bush, handed over a further US\$200,000 just to give a little pizzazz to his presidential inauguration, and has made contributions to 71 current members of the Senate and 189 members of the House of Representatives of both of the major parties since

- 1989, including, notably, John Ashcroft, the current U.S. attorney general. Far from being an exception, much of what Enron did was not illegal. Its auditors claim that its central practices were within the law; that thousands of American firms do the same! See Joseph Stiglitz, "Crony Capitalism Is Nothing New in US," *The Nation*, 14 February 2002, 5A; Andrew Stephen, "Just Making a Dishonest Buck or Two," *New Statesman*, 21 January 2002; Paul Solman, "Accounting Alchemy," Public Broadcasting Service television news program, 22 January 2002.
22. In more conventional and low-key economic parlance, the Chuan-Tarrin Government's economic reform approach can alternately be contrasted with South Korea's as follows: "Korea implemented a quick-fix solution, throwing money at the problem, bailing out the financial and corporate sectors and pushing through the restructuring of the chaebols. Thailand had a more market-based approach with some banks setting up their own private asset-management companies (AMCs). Corporations were forced to restructure their debt profile on a case-by-case basis while the government focused on creating a legislative structure consistent with a more appropriate relationship between the corporate and financial sectors." ("South Korea's Quick Fix Now Stalling," *The Nation*, 25 November 2000, B8).
 23. "Shadow of Bank NPLs Continue to Darken," *The Nation*, 22 November 2000, B14; Anoma Srisukkasem, "Several Banks See a Rise in NPLs," *The Nation*, 24 November 2000. All in all, about one-third of restructured debts (13 billion out of 40 billion baht) had turned sour again, whereas new-entry NPLs amounted to 18.8 billion baht under the Chuan Government ("Industry Calls for National AMC," *The Nation*, 3 November 2000, B1, B4).
 24. *Nation Weekender* 9, no. 434 (25 September-1 October 2000): 11-13.
 25. "Lai huang khong mom tao, so.ko. thai praobang sangkhom rai thammaphibal" (M.R. Tao's many worries: Thai economy remains fragile, society without good governance), *Matichon Daily*, 9 September 2000, 2; and *The Nation*, 22 December 1999, B1. The hitherto unreported US\$20 billion in foreign debts were uncovered only after a newly improved and expanded survey had been conducted and new data gathered from six thousand additional private companies. See "Tua lek ni nok mai," *Matichon Daily*, 1 July 2000, 8.
 26. "Lai huang khong mom tao," *Matichon Daily*, 9 September 2000, 2.
 27. While cautiously reticent about how to break the current economic impasse in his anti-AMC article, Ammar recently suggested a course of further reform action in a seminar on "Transparent and Corruption-less Society." Similar to Chatumongol's second BOT-led approach, Ammar's course of action included two more elements: enhancing the power of creditors to foreclose on a loan, especially of those that were juristic persons, and making it possible for financial institutions to hold equities in companies (*Matichon Daily*, 19 November 2000, 23).
 28. An insider in Thai tycoon circles estimated shortly after the baht devaluation in July 1997 that 65 percent of them had been wiped out by the resulting financial crisis and he himself had become "a yesterday's tycoon." See an interview with Chatri Sophonpanich, chairman of Bangkok Bank, in *Matichon Weekender* 17, no. 892 (23 September 1997), 24.
 29. That Chumpol could afford to stall his company's debt restructuring process might be partly owing to the fact that much of its remaining debt had already been converted to baht currency and from short-term to long-term. See Shawn W. Crispin, "Losing Momentum," *Far Eastern Economic Review*, 19 October 2000.

30. *Matichon Daily*, 13 November 2000, 9; 15 November 2000, 9; 16 November 2000, 8; 17 November 2000, 16; 18 November 2000, 18; and Somluck Srimalee, "Ten Thousand TPI Workers Set to Rally," *The Sunday Nation*, A1-A2. TPI's major creditors include the World Bank-affiliated International Financial Corporation, U.S. Exim Bank, Citibank, Bank of America, and Bangkok Bank.
31. The Techaphaibuns are a long-established and well-known Sino-Thai tycoon family whose Bangkok Metropolitan Bank (BMB) became insolvent and was taken over by the Democrat Government during the financial crisis in 1998. In the process, the family's multibillion baht holdings in the bank were written down to almost naught. The latest round of negotiations to sell BMB to Hongkong and Shanghai Banking Corporation in late 2000 met with widely publicized, aggressive protests from a group of nationalist businessmen and economists before eventually falling through. See Kasian Tejapira, "Ruang lai mangkorn" (Fallen dragon motif), in *Thin ka khao: setthakij kanmeuang thai tai ngao imf* (The land of the white crows: Thai political economy under the IMF's shadow) (Bangkok: Komol Keemthong Foundation Press, 1999), 32-37; "Tarrin lan mai yokloek khai srinakhorn" (Tarrin declares the sale of BMB won't be scrapped), *Matichon Daily*, 21 November 2000, 9.
32. "World trade yua srinakhorn," *Thai Post*, 8 November 2000; and "Kathao pleuak setthakij thai," *Matichon Daily*, 1 October 2000, 2. One of the more vociferously nationalist panelists at the project's launching at the World Trade Center complex in late September 2000 was none other than the embattled Prachai Leophairatana of TPI.
33. Pichaya Changsorn and Somluck Srimalee, "TPI Protests Set Bad Precedent — Staporn," *The Nation*, 24 November 2000, B1, B4; "So.wo. dan kae ko.mo. setthakij tai imf" (Senators push for revision of economic laws passed under IMF). *Matichon Daily*, 1 September 2000, 27.
34. "Wad keun team setthakij 5 phak yai" (Gauging the competence of the five big parties' economic teams), *Phoojadkan Raiwan*, 16 November 2000.
35. "Poed phoi khunphol setthakij" (Baring the economic commanders), *Thai Rath*, 16 November 2000; Wichit Chaitrong, "Thai Rak Thai wants greater credit flow; Proposal to relax bank laws," *The Nation*, 15 June 2000, B1, B4; Wichit, "Thai Rak Thai to Reverse Fiscal Policy," *The Nation*, 15 August 2000, B1. A quick glance at their policy statements in the election campaign yields the following results: the Chat Thai Party was open to the idea of a foreign debt moratorium and the suspension of some obligations imposed by WTO agreements; the Seritham Party called for a four-year collective IMF and World Bank debt moratorium by debtor countries; the Chat Phattana Party wanted a review of existing financial laws and agreements with foreign countries, a quick solution to the NPLs problem, and adjustment of regulations and requirements governing financial institutions in accordance with current economic conditions; NAP advocated a stop to the sale of state enterprises to foreigners and protectionist measures for Thai companies in all kinds of business and at all levels; TRT planned to reverse all key economic policies formulated by the Democrat Government through setting up a national AMC to buy up NPLs, relaxation of banking regulations, a three-year suspension on debt repayments for indebted farmers, provision of facilities to incubate microsavings at the village level, large-scale support for small- and medium-sized enterprises, and a possible imposition of the Tobin tax, etc.; the Thai Motherland Party's proudly and emphatically nationalist-populist economic platform included most of the main policy ingredients enumerated above.
36. Jiwamol Kanoksilp, "BBL Chief Supports Thaksin," *The Nation*, 28 November 2000, B1. An accompanying news analysis commented that while Finance Min-

- ister Tarrin appeared to have lost the support of the big Thai bankers, Thaksin still had to earn foreign investors' confidence (Thanong Khanthong, "Tycoon Makes Inroads on Democrat Turf," *The Nation*, 28 November 2000, B1, B4).
37. So said Thirayuth Bunmi, a suave and sharp former student leader-turned-revolutionary-turned-academic at Thammasat University, in another of his timely personal press conferences on the 6 January 2001 general election. See Thirayuth Bunmi, "Thirayuth kang khamphi-chi leuaktang, pid chak yuk chuan, thaksin mai chai thang leuak mai" (Thirayuth professorially predicts the elections will end the Chuan era but Thaksin is not really a new alternative), *Matichon Daily*, 27 November 2000, 2.
 38. Crispin, "Losing Momentum." According to Yodchai Choosri, senior director of the BOT's debt-restructuring department, of all the 951 debt-ridden companies that had sought the aid of the Corporate Debt Restructuring Advisory Committee (CDRAC) in mediating debt-restructuring agreements with their creditors since mid-1998, only 51 percent did sign a debtor-credit agreement. Of these, only 57 percent managed to complete debt restructuring while another 20 percent were still in the process. The remaining 23 percent had failed. See Anoma Srisukkasem, "Debt Plans to Help Recovery — BOT," *The Nation*, 21 November 2000.
 39. Thanong Khanthong, "How to Staunch the Bleeding of Capital?" *The Nation*, 13 October 2000, A4. Emphasis added.
 40. For arguments in detail, see Kasian Tejapira, "Imagined Uncommunity: The Lookjin Middle Class and Thai Official Nationalism," in *Essential Outsiders: Chinese and Jews in the Modern Transformation of Southeast Asia and Central Europe*, ed. Daniel Chirot and Anthony Reid (Seattle and London: University of Washington Press, 1997), 75-98.
 41. The economic formation of the Thai middle class during the economic-bubble boom is succinctly and concisely captured in Suvinai Pornavalai, *Tunniyom fong saboo* (Bubble capitalism) (Bangkok: Duang Kamol Miti Mai, 1994), 147.
 42. Kasian Tejapira, *Wiwatba lokanuwat* (Debate on globalization) (Bangkok: Phoojatkan Press, 1995).
 43. Ibid.
 44. By "electocracy" I mean a systematically corrupted representative form of government. The term originated in Thai as "rabob leuaktangthipatai" during the heyday of the substantially unchecked and unbalanced parliamentary democracy in the mid-1990s after the military had returned to their barracks in the aftermath of the May 1992 popular uprising against the military-backed government of Prime Minister General Suchinda Kraprayoon. Khamnoon Sittisaman, a top-notch journalist and the then political editor of *Phoojatkan Raiwan*, a leading business daily of that period, coined the phrase. A comprehensive historical and analytical account of Thai electocracy appears in Kasian Tejapira, "The Political Lesson of the Thai Economic Crisis: A Critical Dissection of Electocracy" (unpublished paper presented at the workshop on "What Lessons We Learn from the Crisis?" organized by Professor Takashi Shiraishi at the International House of Japan, Tokyo, 14 June 1999).
 45. A more detailed general account of these various campaigns and activities is given in Chapter 7, "Selling the Nation, Saving the Elephant," in Phongpaichit and Baker, *Thailand's Crisis*.
 46. Bhumibol's entire speech in his own English translation appears on a CD-ROM entitled "Cycles of Life, Cycles of Development: A Collection of HM King Bhumibol Adulyadej's Speeches Given on the Occasions of His Birthday Anniversaries from 1993-1999" (Bangkok: Princess Maha Chakri Sirindhorn Foundation, 1999). Phongpaichit and Baker, in their latest book, have differently

translated and extensively quoted and discussed those parts in this particular speech related to his concept of the “self-sufficient economy” in the context of similar ideas that had been laboriously if less noticeably worked on and advanced over the years by other communitarian commoner-public intellectuals (see *Thailand's Crisis*, Chapter 8, “Walking Backwards into a Khlong: Thinking Social Alternatives”). Interestingly enough, the authors’ rendering reads both more fluently and literally than Bhumibol’s own.

47. For a detailed, eyewitness account of the Seattle protest, see Jeffrey St.Clair, “Seattle Diary: It’s a Gas, Gas, Gas,” *New Left Review*, 238 (November/December 1999), 81-96. Some AOP leaders such as Bamrung Kayotha, who had traveled to Seattle and personally taken part in the protest there, talked later in glowing terms about it and admitted he was tremendously inspired by it.
48. “Tong thoi pheua ruk ik khrang: ro.so. do.ro. virabhongse ramangkura” (We must retreat so as to go on the offensive again: Assoc. Prof. Dr. Virabhongse Ramangkura), *Nation Weekender* 9, no. 434 (25 September-1 October 2000), 14.
49. Rangsun Thanapornpun, “Kho wen wak...wto” (Ask leave of...WTO), *Phoo-jadkan Raiwan*, 19 October 2000, 6.
50. Seksan Prasertkul, *Amnaj kanmeuang, wikrit settbakij lae thang ok khong prachabon* (Political power, economic crisis and the people’s way out) (Bangkok: The Democracy for the People Group, 2000).
51. “Roojak nayobai thin thai, phak nong mai style phijit rattakul” (Introducing Thai Motherland Party’s platform, a new party in Phijit Rattakul’s style), *Matichon Daily*, 7 October 2000, 24.
52. Phrachao lan thoe phraong chao bajra kittiyabha, “Prathet thai nai krasae lokaphiwat” (Thailand in the globalization stream), *Matichon Daily*, 25 October 2000, 2. The unusually radical contents of the supposedly “academic” public address plus the status of the deliverer herself carried profound significance.
53. They were Prawase Wasi (retired physician, widely respected and influential royalist-communitarian social critic and political reformer), Chai-anan Samudavanija (royalist political scientist and a former judge of the Constitutional Court), Nidhi Aeusrivongse (foremost historian and academic columnist), Rangsun Thanapornpun (a leading economist-cum-columnist), Seksan Prasertkul, Bowornsak Uwanno (a French-trained royalist expert in public law), Sophon Suphaphong (former reform-minded royalist head of Bangchak oil refinery-turned-senator), and Narong Chokewatthana (a politically outspoken nationalist manufacturer). See Prawase Wasi et al., *Kho sanoe yutthasat kae wikrit chat* (Strategic proposal to solve the national crisis) (Bangkok: Local Community Development Institute, 2000).
54. The group’s spokesman is Narong Petprasert of the Political Economy Center, Faculty of Economics, Chulalongkorn University. Two interviews with Narong were published in Nantiya Tangwisutijit, “Using Nationalism to Defend the Economy,” *The Sunday Nation*, 5 November 2000, A3; and Sineeporn Mareukphithak, “Thang rod thi leuak mai dai: sangkhomniyom + chatniyom = chatniyom mai” (The inevitable way out: Socialism + nationalism = neonationalism), *Nation Weekender* 9, no. 439 (30 October-5 November 2000), 18-19.
55. Thailand’s private borrowing from overseas rose from US\$16 billion in 1989 to US\$100 billion by 1996. In 1995 alone, more money flowed into the country than over the whole decade of the 1980s!
56. Although the country’s national investment skyrocketed from 2 billion baht in 1980 to 7 trillion baht in 1996, its returns had become shockingly diminished. Of the 300 listed companies on the Stock Exchange of Thailand in 1996, 187 or almost 62 percent of them did not even earn enough before tax to pay the interest on their loans.

57. Ammar was quoted as estimating that domestic inflation in Thailand had grown higher than its foreign counterpart at an annual rate of around 1 to 3 percent from 1987/88 to 1996, hence the equivalent loss of its export competitiveness over the same period. See “Dokbia ja lod mai dai tha mai mi kan lod khangoen” (Interest rate can’t be reduced without devaluation), *Corporate Thailand* 1, no. 9 (January 1997): 65-66.
58. Ammar estimated that the baht currency was overvalued at around 10 to 15 percent before devaluation (ibid.). After many successive years of dynamic growth, Thailand’s exports slowed down and stalled in 1996 and grew only 3.7 percent in 1997. In 1997, the country also recorded a trade deficit of -4.6 percent and a current account deficit of -3.1 percent compared to the previous year. See Bank of Thailand, “Thailand’s Macro Economic Indicators,” at http://www.bot.or.th/bothomepage/databank/EconData/Thai_Key/Thai_KeyE.asp.
59. Unless otherwise indicated, data used in this passage and the accompanying notes are from Pana Janviroj, “Business Caught in Time Warp,” and “Policies ‘Off the Track,’” *The Nation*, 3 September 2001, 2A. However, I don’t share the conclusion of Pana’s analysis for I think he casts his critical net too narrowly and catches only Thai big fish while missing the foreign sharks completely.
60. For details, see Tejapira, “The Political Lesson of the Thai Economic Crisis.”
61. See Wolfgang Sachs, Chapter 8, “Globalization and Sustainability,” *Planet Dialectics: Explorations in Environment and Development* (London: Zed Books, 1999), 129-55; and Aijaz Ahmad’s series of hard-hitting essays on twentieth-century world history entitled “A Reflection of Our Times” in the *Frontline* fortnightly magazine (India), especially “Colonialism, Fascism and ‘Uncle Shylock’: A Reflection of Our Times — IV,” *Frontline* 17, no. 17 (19 August-1 September 2000); “Globalisation: A Society of Aliens? A Reflection on Our Times — V,” *Frontline* 17, no. 20 (30 September-13 October 2000).
62. Tejapira, “Imagined Uncommunity”; and Nidhi Aeusrivongse, “Phasa thai matrathan kab kanmeuang” (Standard Thai language and politics), in *Khone, carabao, namnao lae nang thai: waduai phleng, phasa lae nana maborasop* (Khone, carabao, stinking water and Thai movies: On songs, language and various theatrical performances), ed. Supot Chaengrew (Bangkok: Matichon Press, 1995), 136-71.
63. Nidhi Aeusrivongse, “Chat” (Nation), *Matichon Daily*, 24 November 2000, 6.
64. Some skeptical reaction to this born-again NPL-nationalism in the Thai English-language press can be found in Chang Noi (Pasuk Phongpaichit and Chris Baker), “Nationalism in the Noodle Shop,” *The Nation*, 24 October 1997, A5; “Nationalism and the White Peril,” *The Nation*, 13 November 2000, A5; and Thanong Khanthong, “Nationalism Is the Last Refuge of Bankrupts,” *The Nation*, 24 March 2000, A4.
65. Post reporters, “History Will Judge Fairly,” *Bangkok Post*, 13 November 2000, business section, 1.
66. Prasertkul, *Amnaj kanmeuang*, 14.
67. Tangwisutijit, “Using Nationalism,” *The Sunday Nation*, 5 November 2000, A3. To Tangwisutijit’s question about whether Thai capitalists were any better than their Western counterparts, Narong answered: “Yes. In a broader sense, Thai companies may be a monopoly or oligopoly, but the wealth still stays in the country. If we have a good government and legal mechanisms, the wealth can be better distributed....”
68. Aeusrivongse, “Chat,” 6.
69. Quoted in Anjira Assavanonda, “Academics Propose a Way Out of Morass: Eight Strategies to End Economic Crisis,” *Bangkok Post*, 13 November 2000, 2.

70. I owe this perceptive interpretation of Thaksin's political role to Pasuk Phongpaichit and Chris Baker, "Thailand's Thaksin: New Populism or Old Cronyism?" (Unpublished paper written for Johns Hopkins University-SAIS, Washington, D.C., 27 November 2001); and Chang Noi (Pasuk Phongpaichit and Chris Baker), "PM Thaksin's Pluto-Populism," *The Nation*, 18 February 2002, 5A.
71. Kasian Tejapira, "Pisaj populist" (The specter of populism), *Maticchon Daily*, 20 January 2001, 6.
72. Jorge G. Castaneda, *Utopia Unarmed: The Latin American Left after the Cold War* (New York: Alfred A. Knopf, 1993), 40-50.
73. Suvina Pornavalai, *Vision 2002 Parithas* (Review of Vision 2002) (Bangkok: Jedi Publishing House, 2001), 2-3.
74. Rangsun Thanapornpun, "Ammar Siamwalla vs. Thaksin Shinawatra," *Pboojadkan Raiwan*, 21 November 2001.
75. Edward McBride, "Pleasing the Voters," *The Economist*, 1 March 2002.
76. Pornavalai, *Vision 2002 Parithas*, 16.
77. I owe this definition of "populism" to Professor Jomo K. S. of University of Malaya, from a talk he gave at the Economics Department, Thammasat University, Bangkok, on 12 October 2001, entitled "The Political Economy of Populism: Global Experiences and Southeast Asian Perspectives."
78. Vanida Tantiwitthayaphithak, "Siang khon jon" (The voice of the poor), *Maticchon Daily*, 30 November 2001, 6.
79. Originally prepared for a seminar of the Core University Program entitled "Round Table on Contemporary Thai Economy and Politics," organized by the Center for Southeast Asian Studies, Kyoto University, at the said premises on 21 March 2001.
80. "Tong thoi pheua ruk ik khrang: ro.so. do.ro. virabhongse ramangkura," (*Nation Weekender*), 14.
81. Thanapornpun, "Kho wen wak...wto," 6.
82. Prasertkul, *Amnaj kanmeuang*.
83. "Roojak nayobai thin thai, phak nong mai style phijit rattakul" (Introducing Thai Motherland Party's platform: A new party in Phijit Rattakul's style), *Maticchon Daily*, 7 October 2000, 24.
84. Phrachao lan thoe phraong chao bajra kittiyabha, "Prathet thai nai krasae loka-phiwat" (Thailand in the globalization stream), *Maticchon Daily*, 25 October 2000, 2.



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