

## **CHAPTER II**

### **DYNAMICS OF THAKSIN'S POLITICAL POSITION**

Background of Thaksin Shinawatra, we may see that he was born within business family. His family is Shinawatra family. One of the richest families in Thailand. He started his career firstly by entering the Thai police Cadet Academic but then he resigned from the police force in 1987. After resigning from police force he established Shin Corporation and become one of the biggest companies in Thailand. Thaksin started his political career in 1994 he was appointed as foreign minister in December 1994 in 1998 he founded Thai RakThai (TRT) and won the 2001 election TRT became the populist and the win the most in the parliament more than any previous party could get.

#### **A. The Background of Thaksin Shinawatra**

In September 19 the 2006 Thaksin Shinawatra, the Prime Minister of Thailand at that time, was ousted by a military junta coup d'état. Ironically, this coup was done when Thaksin at New York was not in Thailand. He was scheduled to attend the United Nation General Assembly in New York when military junta as the Council for National Security bloodless coup and took Thaksin's position as prime Minister. 10 busses loaded with full armies from Lopburi entered Bangkok to prepare the coup. The military junta also surrounded took in charge the PM office. Although this was not the first coup to a prime Minister within Thailand history but this time the coup was done bloodless unlike several coups.

On 19 September 2006, Thaksin Shinawatra government was overthrown by military junta known as the council for Nation security (CNS) in a bloodless coup while he was attending a UN meeting in New York. Assets Examination Committee (AEC) was established by Thai Government to freeze his entire asset. Thaksin was claimed to become unusually wealthy during his time in government and demanded to return to Thailand of face some charges. Thaksin Shinawatra is Thai businessman, former Thai prime minister and the former leader of populist Thai Rak Thai party. He was then the resident in London and the owner of Manchester City English football club. He was first election as Prime Minister in 2001 and reelected again in 2005.<sup>5</sup>

During his time as prime Minister, Thaksin created toward his government. Some people say that because Thaksin is a businessman his and his give the policy for would benefit of his companies only. He sold state's property to foraging man his policy would benefit his companies only. He sold state's property companies and also during his leadership he was claimed that he often pointed his relatives to shin Corporation the company in important. Of Thaksin Shinawatra and his supporter had won the last three elections, the first one was on 2001, second was on 2005 and the last one was on 2007. The last election was won by the supports from Thaksin through people's power party. Although Thaksin was banned from Thailand politic but the supporters and his cronies could win the 2007 general election. However Thaksin did not involve directly in this election.

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<sup>5</sup> "A Royal Occasion speeches". Worldhop.com Journal. 1996. Retrieved 5 July 2006. Consulted 21 July 2013  
The Secretariate of the House of Representatives (November 2007). "Constitution of the Kingdom of Thailand B.E 2550". The Secretariate of the House of Representatives. Consulted 21 July 2013  
The Chakri Dynasty (Thai: ราชวงศ์จักรี; RTGS: Ratchawong Chakkri, Thai pronunciation, Pronunciation Consulted 23 July 2013 N. Ganesan. (14 9 2008). Contemporary Southeast Asia: A Journal of International and Strategic Affairs. Accessed 13 5 2014, (Area and Ethnic Studies Asian and Pacific Studies)

The victories achieved by Thaksin, directly or indirect, were due to the widespread supports from the poor who benefit from his populist economic policies that take side on that poor society. The distinction and division between Thaksin supporters and foes caused threat for political stability of Thailand. These two communities continued to express their sides throughout demonstration and physical clashes causing of the people.

Thaksin was famous and liked by the poor but the Bangkok middle class dislike him for his corruption. In the other side, the elite Royal palace of Thailand and the army perceived Thaksin as threat for their position in traditional domination especially in politic since Thaksin had won most of the election that he joined. Most of Thaksin policies were effectively face-lifting the need of the poor, for example gave low rate loans and provided universal healthcare under the 30 baht scheme.<sup>6</sup>

From the background of Thaksin Shinawatra, we may see that he was born within business family. His family is Shinawat family. One of the richest families in Thailand. He started his career firstly by entering the Thai police Cadet Academic but then he resigned from the police force in 1987. After resigning from police force he established Shin Corporation and become one of the biggest companies in Thailand. However, when Thaksin was still in police force he and wife Potjaman Dampong (Daughter of a Police General) already in involved in several businesses such as opening a silk soap, movie sheathes and developed apartment buildings. Besides Shin Corporation,

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<sup>6</sup> Ibid 3

Thaksin also established many big companies such as AIS, the biggest company on communication and many other Companies.<sup>7</sup>

He was married to Potjaman Damapong, the daughter of a police the success he gained. AIS become the lager mobile phone operator in Thailand. Besides AIS Thaksin owns many other big companies such as company on satellite, computer and communication company and Thaksin and his family also spent around 1 billion baht to establish Shinawatra University.<sup>8</sup>

Thaksin started his political career in 1994. He was appointed as foreign Minister in December 1994. In 1998 he founded Thai Rak Thai (TRT) and won the 2001 election. TRT become the Populist Party and win the most in the parliament more than any previous party could get.

In the same year of election, Thaksin Shinawatra also won the prime Minister election and again in 2005. One of the biggest triggers of the coup was the selling of Shin Corporation by Shinnawatra family to Temasek Corporation. On January 23, 2006 the Shinawatra sold their entire stake to Temasek Corp, the Temasek is some of the company has to good the relation whit Thaksin family an investment company owned by Singapore Government. Shinawatra Family had cheated and freed from tax sales for about 73 billion baht trough this deal, using regulation which made individuals who sells shares on the stock exchange escape from the capital gains tax. A day before the deal between Shinawatra Family and Temasek Corp, Thaksin announced the new law on the government limitation on foreign holdings of

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<sup>7</sup> Ibid 3

<sup>8</sup> Analysis: Thailand struggles against tide of corruption. <http://in.reuters.com/article/2010/09/28/idINIndia-51782420100928>, Accessed January 12, 2011

industries. These new laws allowed the foreign holding was strictly limited by the government.

According to institute of Southeast Asian Studies Thaksin was often believed to appoint his relatives to seat in important position, especially senior position in the civil service and independent commissions, for example by elevating his cousin, General Chaiyasit. Shinawatra, to army commander-in-chief Thaksin's government has been accused of exerting political influence in its crackdown on unlicensed community radio station Thaksin has also been accused of being supracorrupt.<sup>9</sup> Thaksin often faced harsh comparisons. Social critic Prawase was colorbred him to AIDS. Privy Council president Prem Tinsulanonda and Senator Banjerd Singkaneti compared him to Saddam Hussein, and the newspaper The Nation compared him to Pol Pot.<sup>10</sup>

Those actions actually triggered the dislike from the society and family made the military decide the coup toward him. Many people of Thai dislike him because he had made many policies that only benefit his company's some people think that as businessman, Thaksin's policies and government were made only to get more profit and benefit him only. Those are actually the reasons why coup was happened. After the coup happened, pros and cons appear from the society of Thailand. Mostly, people of Thai support and agree with the coup because most of them dislike Thaksin and do not trust him anymore. People were very glad that Thaksin was over thrown and he had to pay for what he did.

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<sup>9</sup> Ibid 4[รัฐธรรมนูญแห่งราชอาณาจักรไทย พุทธศักราช 2550] "the 2007 Constitution of Thailand" chapter 3 Rights and liberties of the Thai people the 2007 constitution of Thailand. Consulted 5 October 2013

<sup>10</sup> Ibid 4

The aftermath after the coup was not so different for Thai people. The coordination of Thailand was under control and pretty much the same. On 1 October 2006 General Surayut Chulanot ex-privy councilor of army, Appointment as 24 the Prime Minister of Thailand, on the same day, the started their withdrawal from the city. The council promulgated an interim charter appointing themselves the Council for National for security with power to appoint and sack the PM and the government.<sup>11</sup>

After the coup, Thaksin decided to live in British for more than a year. But on February 2008, he came back to Thailand following the victory of people power party in December General Election. It is claimed that Thaksin would get support from him party since many of his supported in this party, including his brother in law which is the leader of it. Thaksin faced many corruption chargers in Thailand. Up until late 2008, there were five cases against Thaksin Shinawatra as his family.

- First case was related to corruption charger related the purchase of state's land. In this land purchase, Thaksin and his wife's involvement with Thaksin was found guilty but Supreme Court decided to clear Pojman because she was not in change in authorities.
- The second case was an abuse of power related to the government lottery scheme. Thaksin his several cabinets were

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<sup>11</sup> Ibid 4, Tangsut Pawattana. 2006. Thailand Election 2005: Towards Authoritarian Populism or Participatory Democratic Governance? In Simon Tay and Yeo Lay Hwee. Eds. Elections in Asia: Making Democracy Work? Singapore: Marshall Cavendish.

involved and to changer within this case and the Supreme Court had accepted the files.

- The third case was an abuse of power related to state's loan to Burma which was assumed to have changed within this case and the Supreme which was assumed to have benefited Thaksin's family business, The same with the government lottery scheme. This case's file also had been accepted by Supreme Court.
- The fourth case was concealing. Assets, Thaksin and his wife were involved into this case. The last one tax evasion involving member of Thaksin's family for this case, Potjaman and her brother were sentenced for three year imprison.

The Supreme Court of Thailand had run another corruption trial against Thaksin, would to this trial to examination for his changes along his cabinet related with the broken lottery laws in 2003. However, the trial could not be continued by the court since Thaksin skipped bail in August 2008 to London after attending the Olympic opening ceremony in Beijing. The Supreme Court had to suspend and issue another warrant for his arrest.

However the trial for his cabinet still ran. The court proceeded against Thaksin's previous 46 ministers and his senior bureaucrats. This case was related with a cabinet resolution to set up a new national lottery which the government opponents suspected that it was not conducted through legal procedures Thailand's assets Examination Committee filed this case to the Supreme Court and submitted a 150 page accusation of Thaksin's and other accusation. Another accused figure was Finance Minister Suraopong

Sueb Wonglee, Labour Minister Uraivan Thienthong and Deputy Transport Minister Anurak Jureemart at time. Thailand's Supreme Court also opened another court against Thaksin related with Burma's loan. The Burma's loan was a criminal conflict of interest case done by Thaksin by using his role and position to approve 4 billion, Baht or US\$ 119 million government to government loan to military run government of Burma in purchasing satellites services sold by Shinawatra family communication business. Thaksin's opponents alleged this loan had benefitted Thaksin family. The trial, started on September 16 2008, examined the ownership of Thaksin's family in the telecommunication company, Shin Corp. Another examination was on Thaksin's role.<sup>12</sup>

The state controlled Export Import Bank of Thailand in approving the loan to help improving Burma's primitive telecommunication infrastructure. The Asset Examination Committee investigated that the loan unusually had low interests rate and the period of the loan was extended from two years to five years. Thaksin was serving the Export Import bank of Thailand as this bank was also controlled by the government, and he kept struggling for this loan although there were some critics toward this decision in the local press at that time<sup>13</sup>

Another accusation for Thaksin was a case related to Advanced Info Service (AIS), one of the biggest telecommunication operators and a

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<sup>12</sup> Thailand Politic Rule [www.manager.co.th/home](http://www.manager.co.th/home), Accessed 13,5.2014 and Majesty King Monkut, or Rama IV, was the first Chakri King to embark seriously on reforms based on Western models in which he concentrated largely on the technological and organizational aspects of reform. <http://www.soravij.com/kings.html> Consulted 23 July 2013

<sup>13</sup> Phon Phaichit, Thailand Emergency with the arena Capital in Bangkok 2008 <http://www.soravij.com/kings.html> Consulted 23 July 2013



subsidiary of Shin Corp, An anti-corruption body accused Thaksin changed telecom concession fee into an excise tax in 2003, saving AIS money.

On October 21, 2008, Thaksin was found guilty by Thailand's Supreme Court by narrow margin five to four. Thaksin was guilty in corruption in Ratchadapisek land deals case and sentenced imprisonment for two years. The court's Criminal Division for Holders of political Positions decided that Thaksin was guilty by helping his wife getting cut and discounted price for the deal made by Potjman. Thaksin as the prime Minister at that time was not supposed to authorize his wife to take part in bidding process for five hectare Bangkok Real Estate plot which was government owned. And Potjman bought this land from the Financial Institution Development Fund in 2003 in a one the constitution of conflict of interest. He as the Prime Minister and head of the government at that time should have worked for the benefit the people and the public.<sup>14</sup>

## **B. The Beginning and the End of Thaksin Power in 2001-2008**

The Thai Rak Thai (TRT) party, formed by Thaksin in 1999, benefitted politically from the devastation of the 1997 Asian financial crisis on Thailand's about the economy, and the subsequent loss of support for the ruling Democrats. Thaksin, populist and Thaksin become to the political of Thailand and him give on the policy about People in the Republic Part, and have the be a hit form platform appealed to a wide cross-section of Thailand, and many analysts contended that Thaksin and his party enjoyed power unprecedented in modern Thailand in politics. In February 2005, the TRT

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<sup>14</sup> [รัฐธรรมนูญแห่งราชอาณาจักรไทย พุทธศักราช 2550 ] "The 2007 Constitution of Thailand" chapter 3 Rights and liberties of the Thai people the 2007 constitution of Thailand. Consulted 5 October 2013

won parliamentary the general elections outright a first in Thai politics and swiftly dropped its former coalition partners to form a single party government.

Thaksin remained electorally popular, his government. For human rights abuses, both in the restive south and through an aggressive anti-narcotics campaign that allegedly led to hundreds of extra-judicial killings. He was also accused of intimidating journalists and paying scant attention to Thailand's vibrant NGO sector.<sup>15</sup>

After Thaksin he are the Primes Minister of Thailand, he up the Thailand Politic, Economy, Education. And after TRT's impressive victory, Thaksin's popularity of the People in country but Thaksin have faltered due to a weak Economy, Corruption scandals involving cabinet members, and his failure to stem violence in the southern Thailand. In early 2006, large public demonstrations calling for his ouster gained momentum. And Thaksin have the protestors, mostly of same member or same group urban, educated class, were reportedly unhappy whit him authoritarian style, because Thaksin, have the corruption and most of all, the tax free sale of his family's only

The Thaksin in Thailand Politic power in 2001,2006 he just do and given the Policy about the family and another People have the protests and become to the coup d'état led Thaksin to call for a new round of parliamentary elections in April 2006. After a less than convincing victory by his Thai Rak Thai (TRT) party in An election by the Thaksin be free from evil and

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<sup>15</sup> Hirotsune, Kimura. The Role of Japanese Government for Economic Development, the Development. Experience of Japan. October 10, 2007. [http://www.atimes.com/atimes/Southeast\\_Asia/jH02Ae01.htm](http://www.atimes.com/atimes/Southeast_Asia/jH02Ae01.htm) <http://www.cnhc.com/id/26897310>

boycotted by the opposition, of Thaksin resigned, then quickly stepped back into power as a caretaker prime minister. After Thailand's king called for the courts to resolve the crisis, the Constitutional Court ruled the elections invalid, and new elections were set for November 2006. Despite widespread discontent with Thaksin among the Country's middle class and urban dweller, Thaksin's strong support in rural areas was expected to propel the TRT to a win in the elections.<sup>16</sup>

### **C. The Anti-Thaksin Group**

The 2006 Thailand Politic, Thaksin has the more power and he use power to control television, news, and another media same day same news. To present about Thaksin's government, However, the group also includes people who dislike Thaksin for several reasons, from the Sondhi Limthongkul-leader of the People's Alliance for Democracy (PAD), former founder of Palang Dharma party Maj Gen Chamlong Srimuang as well as the elites and business groups who are dissatisfied with Thaksin, including leaders of non-government development organizations and human rights groups who oppose the policy and administration of Thaksin and his cohorts. The clash between the two groups spans economic, political and ideological conflicts. The turning point of the conflict can be traced back to the 1997 economic crisis during which Thaksin Shinawatra, as deputy prime minister, was believed to have exploited his access to state information regarding the devaluation of Thai baht to the benefit of his own telecommunication business.<sup>17</sup>

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<sup>16</sup> Peter M. Manikas Laura L. Thornton "Political Parties in Asia Promoting Reform and Combating Corruption in Eight Countries" consulted 3 April 2014

<sup>17</sup> Ibid3