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CONSIDERATIONS ON INEQUALITY AND POLITICS IN THAILAND

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Abstract: In Thailand, economic inequality has long been a fact of life. It is a 'general inequality of condition' can be seen to influence all aspects of social, economic and political life. Yet inequality has not always been associated with political activism. Following the 2006 military coup, however, there has been a deliberate and politicized linking of inequality and politics. The paper explores a complex of political events – elections, coup, constitution and the political rise of Thaksin Shinawatra – that have given rise to a relatively recent politicization of economic and political inequalities. Now invoked in street politics, a rhetoric developed amongst pro-Thaksin red shirts that challenged the *status quo* and generates conflict over the nature of electoral democracy.

Keywords: Thailand, political inequality, elections, economic inequality, political conflict, Thaksin Shinawatra

At the beginning of *Democracy in America*, Alexis de Tocqueville famously observed: 'The more I advanced in the study of American society, the more I perceived that the equality of conditions is the fundamental fact from which all others seem to be derived, and the central point at which all my observations constantly terminated'.¹

Tocqueville considered that the 'general equality of conditions' constituted a 'primary fact' that impacted 'far beyond the political character and the laws of the country, and that it has no less empire over civil society than over the Government...'.²

This 'general equality of condition', identified as an essential foundation of American democracy, responsible for free thought and much more, was contrasted with conditions of inequality:

When the conditions of men are very unequal, and inequality itself is the permanent state of society, individual men gradually become so

dissimilar that each class assumes the aspect of a distinct race: only one of these classes is ever in view at the same instant; and losing sight of that general tie which binds them all within the vast bosom of mankind....³

What is the relevance of beginning a discussion of inequality in Thailand with quotes from a 19th Century French aristocrat writing about then agricultural American society? One response to this question is to observe that Tocqueville's views raised issues that have motivated recent political conflicts in Thailand as some protesters have denounced political and economic inequality while others have demonstrated in support hierarchical and anti-democratic politics. Whereas Tocqueville's perspective was driven by his recognition of the 'general equality of condition', Thailand's political conflicts have revolved around a 'general inequality of condition'. With apologies to Tocqueville, we might say that this condition has a prodigious influence and exercises the whole course of society, by giving a certain direction to state ideology and a particular tenor to the laws by imparting particular maxims to the governing powers, and peculiar habits to the governed. The influence of this fact extends far beyond the political character and the laws of the country: it creates opinions, engenders sentiments, suggests the ordinary practices of life, and modifies whatever it does not produce. The inequality of conditions in Thailand is the fundamental fact from which all others seem to be derived.

It will be argued that this inequality results in economic and political structures that have operated to stymie democratization. At the same time, however, the politicization of inequality has seen the principle of electoral representation challenged

by hierarchical and authoritarian forces that have developed to maintain the general inequality of condition that hinders democratization.

This paper interrogates the notion of a general inequality of condition and its political impacts. The next section briefly considers some of the definitional and conceptual challenges in understanding the nature and impact of inequality. This is followed by some contextualisation of the Thailand case before an examination of the data on poverty, incomes and inequality. The paper then turns to a discussion of the causes of inequality and the impacts of inequality for Thailand's politics and processes of democratization.

CONSIDERING EQUALITY/INEQUALITY

When considering the definitional and conceptual challenges associated with equality and impact of inequality, several issues seem significant. One derives from the fact that equality and inequality are graded antonyms that exist on a continuum. Hence, all discussions of equality and inequality are necessarily dealing with relativities and, in political and sociological terms, with perceptions of these relativities. Whereas one society may experience political conflict based on a perception of an unacceptable level of inequality, another with higher levels of inequality may remain politically quiescent. As will be indicated below, while Thailand has evidenced high inequality for several decades, it is only recently that a politically charged conflict has emerged over perceptions of inequality.

A second and related issue is the association of inequality with notions of fairness and unfairness with inequality. With linkages to the Western Enlightenment and

the French and American Revolutions, in politics, equality is also linked with ideas about 'justice', 'liberty', and 'fraternity'. In other words, equality can describe a set of desirable qualities. Yet in the Thai context, these qualities have been problematized through debates regarding monarchy and the acceptability of political inequalities.

A third issue concerns claims about equality being a rejection of nobilities and 'an attack on aristocracy, in the sense that it denied there being any justification for distinctions of rank which depended solely on the accident of birth'. ⁵ Yet equality is not only associated with feudal regimes. As Tawney observed, inequalities also sprang from industrial capitalism. ⁶ While Thailand has seen considerable industrialization, a monarchy remains and its position has been strengthened in recent decades and much political conflict includes struggles over the monarchy's position and power. ⁷

A further impact of the earlier revolutions was a rhetorical linking of equality with particular universal and natural rights. These rights were associated with a range of freedoms and much of the affirmation of equality at birth and inherent rights have been drawn into many definitions of democratic government. Yet economic disparities raise questions about the nature of democracy. For example, it has long been recognized that while democratic voting creates only a momentary political equality, a political system may be structured by the wealthy for their advantage. In the end, the wealthy can present their political views as the 'national interest'. As Schlozman and colleagues observe, such disparities in power can limit democracy by stifling political voice. As will be argued below, until recently the general inequality of condition in Thailand has restricted political equality and voice.

For Southeast Asia, the analysis of inequality has been dominated by economists who rank income inequality using tools such as the Gini index. The Gini index,

however, is simply a measure of statistical dispersion of income or wealth and carries no normative value for either equality or inequality. Economists may argue whether some level of inequality is good for growth or slows it but there is little agreement. What is agreed is that world inequality – between nations – has been declining while inequality within nations has been rising for the past three decades. It is this increasing economic inequality that the paper now examines.

THAILAND: POVERTY, INCOMES AND INEQUALITY

My general argument will be that economic and political inequalities in Thailand are mutually reinforcing conditions that have resulted from the ways in which the gains of rapid economic growth have been captured by particular economic interests. Access to these benefits has been reinforced by a structuring of a political system that has been, by and large, exclusionary and dominated by political and economic elites who are suspicious of electoral democracy. In making this argument, it is suggested that the forces unleashed by the rise to electoral power of Thaksin Shinawatra and his Thai Rak Thai Party (TRT) have posed a significant challenge to the complex of power and wealth that has underpinned economic and political inequality.

Through much of its period of rapid economic growth from the 1950s, Thailand had authoritarian political regimes in place that promoted capitalist development. This political and economic arrangement became an incubator for the expansion of capitalist and middle classes, yet maintained restrictions on the political freedoms associated with Western bourgeois revolutions and democratization, often in the name of protecting growth.

Thailand's high rates of economic growth reduced poverty. Yet economic inequality has remained relatively high. This means that while economic growth has been beneficial for most Thais, it has been the capitalist class and its political allies who have captured a disproportionate share of the gains. This situation has as political inequality has reinforced the structures that permit this economic disparity.

As might be expected, economic and political inequality has not gone unchallenged. It will be argued that the prolonged and violently crushed red shirt protests in Thailand in 2009 and 2010 were recent moments of such challenge. The pro-Thaksin red shirt movement is important for its use of notions about economic and political inequalities in mobilizing opposition, and it is this opposition to inequality and the resultant reaction to challenge that is analysed here. Before turning to a discussion of the politics of inequality it is first necessary to outline the data on poverty, incomes and economic inequality.

Economists have observed that absolute poverty has been on the decline in Thailand for much of the period of substantial economic growth since the 1960s. While the plotted decline in Figure 1 is based on absurdly low poverty lines, the downward trend is unmistakable. Reduced poverty has been associated with a 'trickle-down' that saw rising incomes. Success in this area reinforced policy decisions on the pursuit of rapid growth. As a success in this area reinforced policy decisions on the pursuit of rapid growth.

INSERT FIGURE 1 ABOUT HERE

Despite the marked decline in absolute poverty, rural areas continue to suffer the highest levels of absolute poverty and this poverty is concentrated in North and the

Northeast regions. Incomes data from regular National Statistical Office (NSO) household surveys are shown in Table 1, and indicates the increases in average monthly household income data since 1975/6. In 2011, the national average was 22,236 baht. The figure for Bangkok and contiguous provinces was 41,631 baht, in the North it was 17,350 baht and 18,217 in the Northeast. In other words, in 2011, average incomes in the North and Northeast were roughly 40% of those in Bangkok.¹⁵

INSERT TABLE 1 ABOUT HERE

A 2011 NSO survey revealed that the national average per capita income for the poorest 10% of the population was just 1,896 baht per month. In the North it was lower at 1,789 baht and in the Northeast just 1,593 baht a month. Depending on the data used, 5-7 million people still live below the poverty line with another five million vulnerable to falling into poverty. Despite the reductions achieved, the persistence of deep poverty for a relatively large number means that poverty remains a social issue, a public policy concern, and a political problem.

As already mentioned, Thailand's record on poverty reduction was not associated with reductions in inequality. The reason for this is that income increases have been concentrated with the already well-off. Figure 2 shows a stubbornly high Gini index trend for the period since the 1980s. To Domestic and World Bank data show considerable variation, with the latter showing a downward trend since about 2000. This is supported in Figure 3, which indicates a declining share for the top 20% since the early 2000s. Even so the ratio of incomes held by the top 20% grew from over six times

that of the bottom 20% in the 1960s to 12 times higher by the mid-1980s, and has stayed in the higher range. 18

INSERT FIGURES 2 AND 3 ABOUT HERE

This pattern of inequality is also reproduced in measures of wealth. Data from 2007 show that the top 10% of families controlled more than 51% of wealth while the bottom 50% controlled only 8.5%. ¹⁹ For land, houses and other assets, a similar pattern of inequality is seen. In many parts of the country, big landowners now control significant portions of land. Pasuk and Pornthep cite data indicating that 10% of the population owns about 90% of privately-owned land. ²⁰ In Bangkok, the control of land is staggeringly lopsided with a few large landowners dominating, including the Crown Property Bureau, the royal family and individual royals.

Further data shed more light on these wide inequalities. First, while there are some issues with reporting, the share of wages in factor incomes (a rough measure of income distribution between capital and non-capital owners), has been highly skewed to capital for a long period. Second, since 1960, productivity increases by labour have been very largely accrued to capital through increased profits; since 2000, the profit rate has increased from about 5% to almost 11%. This pattern is true for the manufacturing sector, where productivity increases have been greatest, as it is for the economy as a whole. The increase in profit rate that has occurred has been divorced from increases in capital expenditures and gross fixed capital formation. Essentially, then, the increase in profit rate has come from squeezing workers out of their share of income that has

derived from increased labour productivity. The result is that there has been a redistribution of income from labour to capital.²²

Interestingly, the World Bank has correlated the rise in profits with economic inequality. It concluded that the source of inequality in Thailand was to be found in profits: '... even though nonfarm profits ... constitute only 22% of total income, their contribution to overall income inequality is ... 56%..'..²³ Until late 2011, stagnating or declining real wages were a part of this pattern, especially in the Northeast and North.²⁴

This brief account of poverty, incomes and inequality is clear in pinpointing a economic pattern of poverty that is concentrated in the north and northeastern regions where wages have also been lowest. Inequality is shown to remain high, although recent declines are noticeable for the period of (interrupted) representative democracy, dominated by parties associated with Thaksin.

EXPLAINING INEQUALITY IN THAILAND

The general inequality of condition described above has existed for a considerable period. In fact, researchers have recounted similar data to that cited above over several decades. Two examples may be cited. First, writing of the 1960s, Bell identified large surplus transfers from the Northeast. He argued that this transfer not only 'underdeveloped' the region but resulted from expanded agricultural productivity that saw the producers of the surplus exploited by low wages and returns. Bell linked this to 'future instability' as the 'continuing tendency in the economy towards regional and rural-urban imbalance, minimal correction of existing inequalities, and considerable reliance upon friendly Western, especially U.S., support'. ²⁵

Second, writing in the early 1990s, Teerana concluded that although there had been declines in absolute poverty from the 1960s to the 1980s, Thailand was: '... facing serious imbalances, particularly the widening income gap...', adding that this was a 'serious failure in terms of equity'. ²⁶ The author also pointed out that, in regional terms, the disparity between the richest and the poorest was high in Thailand. Comparing 16 sets of data for 12 Asian countries for a range of years in the 1970s and 1980s, the 'most critical' disparities were for Thailand. ²⁷ Teerana concluded that, from the 1960s, it was 'quite convincing to say that Thai economic development has consistently served the ... richest households'. ²⁸ In other words, the general inequality of condition in Thailand is longstanding and deeply rooted.

While there has recently been some attention to the problem of economic inequality, the underlying reasons for its persistence in Thailand are not usually well explained, even in the standard economic analysis. ²⁹ Some of the major economic approaches to poverty in Thailand tend to reinforce elitist perceptions regarding the underpinnings of inequality and poverty. They do this in a naming of the 'locations' and 'characteristics' of the poor. For example, economists have noted that poverty is associated with large families, farming families operating small plots and households headed by persons with low levels of education. ³⁰ That is true enough as far as the poverty data are concerned, yet the identification of such characteristics is easily taken up by the elite, reinforcing its view that the poor are responsible for their own poverty by being ignorant and for failing to make a transition to a better life. They may then be condemned in various political discourses as 'lazy' and 'stupid' as inequality is justified, at least in the minds of the wealthy. Delineating the poor in this way also permits a technocratic targeting of poverty, as a kind of policy triage, in order to reduce

it, ignoring its underlying structural causes and the broader political issue of redistribution.

The emphasis of this kind of research is in dire need of re-focusing away from hunting for the poor and delineating their 'inappropriate' or 'defining' characteristics to examining how the wealthy get rich and stay rich. For Thailand, this involves examining policies and practices that have been in place for several decades. While industrialization and various processes of modernization have reduced poverty, a complex of 'disequalizing effects' have maintained and intensified Thailand's general inequality of conditions. These effects may be discussed in terms of two inter-related factors: first, the role of state policy; and second, the preferences and structural power of capital.

State and policy

Studies of inequality and politics in Latin America, not the significance of ruralurban migration and the growth of the informal sector as migrants are not absorbed into the manufacturing sector.³¹

The incomes and inequality data for Thailand indicate a long-standing rural-urban divide. Industrialization and urbanization were fueled by millions of Thais moving from rural to urban areas, sometimes temporarily but often permanently. Industrial development resulted in a larger and more diverse working class, but with high capital intensity, the sector could not absorb the huge growth of the workforce and the very large flow of rural migrants to urban areas.³² As might be expected, one result has been that the informal sector in both provincial and urban areas has grown substantially.

Informal sector workers operate in the agricultural and services sectors, and have remained outside the state's limited welfare system. This exclusion has contributed to inequality as state transfers have been largely unavailable for such workers.³³ As the informal sector has remained outside the purview of state schemes that targeted formal sector workers, inequality was exacerbated.³⁴

Several other state policies contribute to inequality. First, the state's investments in social welfare and education has tended to be concentrated in urban areas and thus did not reach the poor. While GDP per capita more than tripled between the early 1980s and the mid-1990s, public expenditure on education barely budged from its 2-3% range in terms of percentage of GDP. State investments emphasized primary education meaning that places at secondary schools and universities were generally expensive and highly competitive. Data from the 1960s show that the children of farmers and workers may have been about 15.5% of university students at a time when these occupational groups constituted more than 85% of the population. By the mid-1980s, these occupational groups had a lower percentage entering universities, at 8.8%. The result was that the poor were, for many decades, largely excluded from higher education, which is widely acknowledged as an important avenue out of low-paid and low-skilled work.

Second, there was little redistribution to the poor from the state's taxation policies. High rates of protection in manufacturing discriminated against agriculture, and for many years this discrimination was exacerbated by a regressive rice tax that transferred wealth from the agricultural sector to urban dwellers by depressing prices and shifting a disproportionate tax burden to agriculture and, hence, the poor.³⁸ By the 1990s, Pasuk and Isra, commenting on the regressive nature of Thailand's tax revenues

and particularly low property and income taxes, estimated that, 'in terms of direct benefits', the rich 'gained more than the poor' from the tax system.³⁹ By 2012, the state's fiscal policies and public expenditure could still be categorized as 'rather prorich' with the income tax take being unusually low, with many exemptions that benefit the wealthy who, in any case, can easily evade tax. It can be concluded that income and indirect taxes have been, according to Pasuk and Pornthep, 'regressive and the incidence falls disproportionately to the poor...'.⁴⁰ Put another way, the impact of these policies has been redistributive, from the poor to the rich.

Third, state and commercial banks have tended to restrict the availability of credit for small enterprises, farmers and the informal sector. This has further exacerbated inequality through the bias to the formal sector, big businesses and manufacturing, each of which already benefits from other state policies.

These pro-rich state programmes have been supplemented by a low-wage/high-profit policy that has been kept in place through the collusion of state and business. As already explained, since 1960, productivity increases by labour have been accruing to capital through increased profits while wage growth has been marginal. In addition, Chairat has shown, the minimum wage *declined* in real terms between 2000 and 2008. This has resulted in a transfer of wealth to capital that has been achieved through coercive policies and actions. As Pasuk and Pornthep explain:

Labour organizations are legal but are not encouraged and are highly restricted by law. A small fraction of workers are organized at the enterprise level. Their unions are prohibited from being involved in political matters. Government plays a role in setting minimum wages

through a tripartite system (workers, employers, government). *Because labour has weak bargaining power*, the setting of the minimum wage is virtually *dominated by employers* (emphasis added). 42

The result is that the majority of workers continue to labour in workplaces that provide few non-wage benefits, where trade unions have been weak and repressed, where occupational health and safety problems are widespread and labour laws flouted. For example, recent data show that more than a third of workers continue to work more than 50 hours a week, which is longer than the legal maximum.⁴³

Class and power

Class power of the kind required to institute and maintain a low-wage/high profit strategy is not simply about influencing state policy. Rather, it is a result of a complex of intertwined state and business strategies that have involved law, policy, ideology and coercion. For most of the period of rapid economic growth, labour (as well as farmers and other subaltern groups) has been restricted and repressed. In other words, this complex of strategies has maintained authoritarian regimes and has sought to limit democratization.

As Huber has observed for Latin America, high levels of inequality have 'generated clientalistic politics and thus prevented the emergence of broad-based reformist political coalitions...'. ⁴⁴ This means that both authoritarian and democratic regimes, in addition to using bluntly coercive tools to maintain their rule, will also seek clientelist methods of selective co-option. Clientelism here is not the simple dyadic

relationship of the modernization approaches that have dominated the study of Thailand's politics. Rather,

Clientelist bonds involve the exchange of instrumental, economic, and political resources interwoven with expectations and promises of loyalty and support, in a type of package deal. No resources are exchanged separately at their simple market value; rather, they are exchanged in a combined deal that imbues them with broader social and political meaning.⁴⁵

When clientelism is an active political strategy, it makes issues of inequality and distribution a marginal policy concern and limits the state's attention to policies that could ameliorate inequality and its associated problems. ⁴⁶ Rather, in appeals for political support, clientelist politics favors a particularistic rather than programmatic allocation of resources.

In Thailand, at least until 2001, clientelist politics dominated whether regimes were authoritarian or had come from elections, and this pattern limited representation and hampered democratization. When elections were held, these were brief moments of representation, but because of the vast array of parties and the necessity for coalition governments, clientelism, often called 'money politics', prevailed. The result was a political system that continued to exclude the subaltern groups that constituted the majority. Indeed, the embedding and strengthening of hierarchical and exclusionary institutions together with ideologies associated with the military and monarchy have worked to protect the interests of the elite. ⁴⁷ Excluded groups have thus had to accept

highly particularistic political and economic goods rather than programmatic attention to issues of social welfare, poverty and redistribution.

As a result, economic inequality was not seriously addressed by policy and political elites. This outcome was bolstered by the long-term constraints maintained on the political mobilisation of subaltern groups that inhibited collective action. In other words, the politicization of economic inequality is not simply a function of perception, location and individual characteristics, but is an outcome of political and economic power. In recent years, this pattern of political control which limited the politicization of inequality, has been challenged. The discussion now turns to this political response to inequality.

INEQUALITY: A POLITICAL RESPONSE

It is suggested that the period following the 2006 military coup has witnessed a political response to inequality that has been linked to debates regarding democratization. In order to make this argument, it is first necessary to consider the pressures, tensions and uncertainties that permitted a challenge to the existing order that had kept inequality off the policy agenda and prevented it from being politicised.

A useful starting point is the political and economic forces unleashed by the 1991 military coup, the civilian uprising that followed in May 1992 and the long economic boom that ended with the 1997-98 Asian crisis. These events not only challenged the military's political role but led to the 1997 constitution that changed the political rules, embedded electoral politics and challenged clientelism.

Thaksin's TRT-led government was to be the only government elected under the 1997 constitution. Formed in 1998, TRT rose to prominence as public discontent increased when the incumbent government, led by the Democrat Party, was seen to inhibit economic recovery and was accused of obsequiousness before the liberalising demands of the International Monetary Fund (IMF) and foreign business interests. In the 2001 election, the Democrat Party was bundled out in favour of Thaksin and TRT in what was then the largest ever victory in any Thai election. Thaksin and TRT's popularity owed much to policies that promised an alternative to IMF-imposed liberalisation. Many business people, overwhelmed by the economic crisis and facing considerable international competition, feared for their continued existence. Initially, Thaksin's self-proclaimed task was to 'save' the domestic business class. To do this, his party required the support of voters in the most populous provincial electorates. In seeking this support, TRT developed a 2001 electoral platform that became the party's political 'brand'. The most significant campaign promises were a farmer debt moratorium, community-level soft loans and, most popular and politically-defining, a universal health care program. For the first time, a political party promised policies that programmatically addressed poverty and welfare. 48 TRT also delivered on its campaign policies once elected. The electorate, used to particularistic and clientelist electioneering, responded enthusiastically to TRT's electoral platform that amounted to a new social contract with the poor and marginalized.⁴⁹

The economic crisis and a fear of social conflict were sufficient to convince the wealthy and the business class to accept at least a temporary political deal with the potentially unruly masses. The result was a sea change in electoral politics, indicating that the 1997 constitution, and Thaksin's response to it, changed the way political

parties operated both in electioneering and in office.⁵⁰ His approach was remarkably popular and indicated to voters that a more responsive government was possible. The result was that Thaksin gained re-election in 2005 with a huge parliamentary majority.

It is at this point that developing differences between Thaksin and his supporters and the elite became clear. Thaksin and the new charter may have saved some domestic businesses but they had unsettled the *status quo*. As Ockey had perceptively noted, 'conservative royalists' feared that a political leader with 'a truly national constituency would mean competition with the monarchy, which they see as dangerous'. ⁵¹ By early 2006, this fear was seen in the personal animosity felt for Thaksin by palace figures. In a Wikileaks cable, Privy Council President Prem Tinsulanonda is quoted by U.S. Ambassador Ralph Boyce:

Prem remarked that from the outset of his time as Prime Minister,

Thaksin had been personally unprepared for the fawning reception he
gets, especially when he travels around the country. It had gone to his
head, Prem said, and made him believe that 'he's number one'. But

Thailand was not like America, Prem added. 'We already have a number
one [the king]'. Thaksin needed to learn that he was the manager of the
shop, not the owner. The people upcountry liked Thaksin and voted for
him, but they didn't revere him.... Thaksin should understand that he
cannot rival the King for the people's affection.... ⁵²

Royalists imagined a diminution of the monarchy's role and its political centrality and this resulted in a decade-long and still unfinished political struggle over the nature of Thailand's democratization. Royalists came to view elections and voting as political threats to conservative and royalist notions about how politics should operate. In public speeches, and in private audiences, the king repeatedly chastised Thaksin and his government. ⁵³ While these differences were personalized, the implication was that Thaksin and his election victories challenged the king's 'charisma' as well as the 'behind-the-scenes' power of the royalist elite. More significantly, such challenges were seen as attacks on the keystone of the social and political system, based in inequality and authoritarianism, that had been in place since the late 1950s.

In another move that that challenged the *status quo*, to deliver on the new social contract, Thaksin needed to shake up the slow and self-interested bureaucracy, making it more responsive to TRT politicians and to the public. Thaksin reshuffled senior bureaucrats and restructured ministries, promoted favourites and offered incentives based on corporate models. In a bureaucracy that had for decades been attuned to controlling the population, this approach was unsettling for conservatives. ⁵⁴

Likewise, the capitalist class was challenged. As the country emerged from economic recession, the Thaksin government's task was to upgrade domestic business, making it more efficient and competitive. Such an upgrading implied a rearrangement of the power structure. Thaksin opponents identified this restructuring as a strategy for Shinawatra-related companies to gain a very large competitive edge and feared a further unsettling of the Sino-Thai-dominated capitalist class. So

Jakrapob Penkair, a Thaksin aide, explains that Thaksin was not fully aware of the consequences of these challenges he posed for the *status quo*. He considers that Thaksin 'sleepwalked' into a political situation that posed multiple challenges to the 'patronage system'. ⁵⁷ Jakrapob means the political coalition of palace, military and Sino-Thai

business groups. Thaksin, as a fourth-generation Sino-Thai, wealthy, and married to a police general's daughter, seemed to fit this elite. However, his egoism, aggression, outspokenness and his failure to adequately observe the traditional hierarchies earned him multiple enemies and identified him as a danger to the *status quo*. Thaksin's politics, that gave attention to the lower classes, eventually brought an array of conservative, hierarchical and authoritarian forces together in opposition to him and his government. In essence, the 2006 coup was about opposing the changes wrought by the 1997 constitution and Thaksin and TRT and was meant to preserve the *status quo* and reinforce its political control. These conflicts have continued to the present, and have seen red shirts and other Thaksin supporters promoting electoral politics against the authoritarian politics promised by their opponents.

Arguably, the most significant contest between Thaksin and the *status quo* – in this case personified in the king – has been for the hearts and minds of the masses. Long a core ideological component of the monarchy's position, the king is constantly portrayed as a champion of the provincial poor, with the palace's rural development projects being symbolic of the monarch's connection to the rural masses. Palace propaganda promotes the king as a saviour of poor peasants, through highly-publicised notions of 'sufficiency' – doing better with what one already has – and prominent doses of individualized palace charity. Thaksin offered a different vision for the same constituency. His party emphasised 'getting ahead', producing for the market and fostered entrepreneurialism at all levels of society. Thaksin brought in grassroots-connected advisers with ideas about poverty reduction and other local-level issues that became electorally popular policies.⁵⁸ At the same time, state-run and universal social welfare programmes challenged the king's opposition to state welfare.⁵⁹ Conservatives

rejected Thaksin's mix of social welfare and grassroots capitalism and feared his popularity amongst the monarchy's self-claimed rural constituency.

During its prolonged demonstration against the Democrat-led government in 2010, the red shirt leadership's rhetoric focused on broadly conceived issues of status and inequality. The protesters famously adopted an old word for bonded commoner – 'phrai' – to designate their position vis-à-vis the 'amat' or 'ruling aristocrats'. The issues taken up by demonstrators emphasized so-called double standards in law, the monopolization of political power by the 'amat', electoral democracy and deeply felt issues of inequality. Despite alarmist claims that the red shirt leadership was infiltrated by communists, the red shirt leadership's demands were reformist. For example, an official booklet released by the leadership stated: 'We want a free capitalist state in which the gap between the rich and the poor is reduced. We want to create more opportunities for the poor'. ⁶⁰ This is hardly the stuff of Marxist revolutionaries. However, the red shirt appeal to class and status angered and frightened many in the the Democrat Party government and its supporters in the military and palace.

One reason for this fear was a demonstration of solidarity between red shirts and Bangkok's service and working people on 20 March 2010. For much of that day, a red shirt convoy wound its way around Bangkok and received remarkable support from the crowds that lined the streets and who responded to red shirt rhetoric about status, class and electoral democracy. Nothing like this had ever been seen before, not even in the early 1970s when the student movement built alliances with workers and peasants. For those in power, this display of political power was as traumatizing as it was motivating.

This solidarity has been seen in other political arenas. Most notably, there has been a coincidence of political mobilization, voting patterns and poverty and incomes data at least since the 2006 coup. 61 Voting patterns have aligned with the incomes and the poverty patterns noted above, where the poorest areas are in the North and Northeast. In all elections since 2001, Thaksin and his parties have been most strongly supported in the North, in some parts of the Northeast and in a number of provinces in the Central region and around Bangkok. Only in the business districts of Bangkok and the relatively wealthy mid-South was there consistent electoral support for the Democrat Party. 62

Clearly, strong electoral support for pro-Thaksin parties is concentrated in regions of relatively high poverty and low incomes. This pattern was acknowledged by the UNDP when it pointed out that the average per capita gross provincial product in the provinces that voted for the Democrat Party in 2007 was 221,130 baht per year, while the corresponding figure for the provinces supporting the pro-Thaksin PPP was just 92,667 baht. The UNDP concluded that, at the very least, 'it is difficult to contend that inequality is not a contributing background factor' in recent political conflict.⁶³

CONCLUSIONS

Relatively low incomes, skewed ownership and the siphoning of income to the already rich are reflective of a long-standing pattern of exploitation that has, as noted above, been addressed for several decades in academic research. Bell has demonstrated there have been uprisings that have involved calls for greater equity. 44 Yet these revolts have not resulted in unrelenting challenges to the existing order. The intriguing question is why the recent explosion of apparent resentment to long-standing patterns of exploitation has resulted in a dogged challenge. The answer lies in the outcomes of the

1997 constitution, electoral politics and Thaksin's 'sleepwalking' encounter with the *status quo*.

Earlier attempts at electoral politics always degenerated into clientelist politics that enabled opponents of electoral politics to denigrate civilian politicians. As Thongchai Winichakul explains the 'discourse of clean politics on democratization', there have been 'four constitutive discourses' that are anti-democratic: 'They are (i) politicians are extremely corrupt; (ii) politicians come to power by vote-buying; (iii) an election does not equal democracy; and (iv) democracy means a moral, ethical rule'. ⁶⁵ These claims have resulted in an acceptance of military and royal interventions that have re-established old patterns of authoritarian rule and elite domination with constraints on subaltern challenge.

These same discourses were deployed in justifying the 2006 military coup, together with the claim that Thaksin challenged the monarchy. Following the coup, the military set itself on the familiar path of winding back electoral politics, promulgating a new constitution, and muffling political voice. Following yet another pro-Thaksin election landslide in 2011, in late 2013 yet another rebellion challenges elections as elements of Thailand's politics. Such interventions are supported by the elite's ideological affirmation of its right to rule that draws on exclusionary conceptions of order, authority and morals based in a notion of royalism. ⁶⁶ In this system, representation is located not in elections but in a patriarchal, paternalistic and hierarchical leadership. At the heart of this system is a claim that the monarchy is indispensable and that the elite rules under the king's moral authority.

The challenge owed much to TRT's campaigning and initial actions in government that resonated with voters. Significantly, these innovations and voter

responses provided unleashed political aspirations amongst many who felt ignored under past regimes. These aspirations – expressed in voting patterns and in notions of enhanced voice – saw Thaksin chastised as a populist. ⁶⁷ In essence, for the first time, rural and working class electorates appeared to consider that voting for a political party had a significance that went beyond earlier clientelist patterns. These changes gave rise to new ideas and expectations about how society might be organised.

Resistance to the *status quo* was expressed in several ways. Most notable, and arguably most promising in terms of democratization, there has been a dogged support for electoral politics. Since the 2006 coup, each time voters have had an opportunity to cast a ballot, they have turned out in large numbers – especially in areas that do poorly on the economic indicators – and have reinforced their pre-coup voting patterns, returning a pro-Thaksin government each time. More broadly, this amounts to a support for the electoral system and for parties perceived as having programs that support their interests. It is for this reason that Thaksin's opponents have targeted voting as undermining the polity, and have proposed unelected councils, limiting the franchise and appointed politicians.

For red shirts, democracy came to be defined as electoral politics versus coups and unelected political control. Related, inequality was defined in terms 'double standards' in a range of arenas from the courts to political power. The official red shirts claimed that their aim was for a state where 'political power really does belong to the Thai people'. They wanted a 'fair and just state', where 'the people are free of the aristocratic oligarchy (*amat*) and have pride, freedom and equality'. ⁶⁸

These demands for freedom, justice and equality led to a bitter struggle for control of the political system, including sometimes violent political confrontations. The latter

were met the judiciary, the military's guns, repeated mass demonstrations based in a royalism vigorously policed through draconian laws such as the *lèse majesté* law. Yet the subaltern classes continue to demand the right to vote and equality in law and politics. Their royalist opponents reject these basic demands.

If he time-travelled to Thailand, Tocqueville would have readily identified not a 'general equality of conditions' but an *inequality* that has had a 'prodigious influence ... on the whole course of society...'. That influence has been negative and has impacted politics and the use of law.⁶⁹ Indeed, inequality itself became a more-or-less permanent state.⁷⁰ That inequality, however, has bred discontent. While the red shirt struggle has, at times, focused on economic inequality, its reformist agenda has honed most sharply on political inequality and support for electoral representation.

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NOTES

¹ Tocqueville, *Democracy in America*, Vol. 1, p. ix.

² Tocqueville was aware that democracy could lead to majoritarianism and that democracy may not have sufficient political capacity to overcome deeply entrenched inequalities (see Karl, 'Economic Inequality and Democratic Instability', 149).

³ Toqueville, *Democracy in America*, Vol. 2.

⁴ Wilson, *Equality*, 17-18.

⁵ Ayer, *Thomas Paine*, 31.

⁶ Tawney, *The Acquisitive Society*, 65.

⁷ See Hewison, 'Weber, Marx and Contemporary Thailand'.

⁸ Ayer, *Thomas Paine*, 120.

⁹ Solt, 'Economic Inequality and Democratic Political Engagement', 48. See also Beddoes, 'For richer, for poorer', 22.

¹⁰ Acemoglu and Robinson, 'The Problem With U.S. Inequality'.

¹¹ Schlozman, et al., 'Inequalities of Political Voice', 2.

¹² For accounts of these conflicts, see Montesano, et al. (eds), *Bangkok May 2010*. For an analysis of 'cycles' of class-based opposition, see Bell, 'Cycles' of class struggle'.

¹³ In 2009, the NSO's official poverty line was 1,586 baht per person per month. This varied by province, from a low of 1,436 baht in Kampaengphet to 2,135 baht in Bangkok. The minimum wage, also variable by province, was about 145 baht per day at the time. Hence, the poverty line was about 35% of the official minimum wage. While the minimum wage is not paid by all firms, the average monthly wage in 2009 was about 8,800 baht, making the poverty line about 18% of that wage. If the nationwide

minimum daily wage was 300 baht in 2013, as the Yingluck Shinawatra government promised, then the poverty rate would be reduced substantially.

http://service.nso.go.th/nso/nsopublish/themes/theme_2-7-3.html, accessed 10 September 2013.

¹⁴ Pasuk and Isra, 'Poverty and Income Inequality', 29.

¹⁵ The data for 2011 are drawn from the NSO's website, *Phon kan samruat phawa setthakit lae sangkhom khong khruaruan pi 2554*,

¹⁶ Government of Thailand, *The Eleventh National Economic and Social Development Plan*, 28.

¹⁷ Pasuk and Pornthep, *Economy of Tomorrow*, 16, argue that this trend has been in place for five decades. Preliminary data for 2012 suggest that the Gini has worsened after a period of improvement (National Statistical Office, *Botkhwam*, 3).

¹⁸ Teerana, 'Income Distribution', 12. Pasuk and Pornthep, *Economy of Tomorrow*, 17, note that wage inequality has increased in recent years.

¹⁹ The data are from a draft paper by Duangmanee, 'Kan krachuk'.

²⁰ Pasuk and Pornthep, *Economy of Tomorrow*, 22.

²¹ Pasuk and Pornthep, *Economy of Tomorrow*, 19.

²² See Mounier and Voravidh, 'New Challenges for Thailand'.

²³ World Bank, *Social Monitor VI*, 30. And profits have increasingly been monopolized by the largest businesses. In 2000, the largest 20% of firms gained 81% of the income and this expanded to 86.3% in 2008 (Nidhi, 'Sua luang'.

²⁴ Bird, et al. *Poverty, Income Inequality, and Microfinance*, 3.

²⁵ Bell, 'Thailand's Northeast', 54. Not dissimilar debates occurred about the North, where landholding was more tenuous and plots smaller than in the Northeast and where political conflict was endemic.

²⁶ Teerana, 'Income Distribution', 1, 8.

²⁷ Teerana, 'Income Distribution', 8, 10.

²⁸ Teerana, 'Income Distribution', 11.

²⁹ See, for example, Kuhonta, *The Institutional Imperative*.

³⁰ Warr, Thailand's Development Strategy, 7.

³¹ Huber, 'Politics and Inequality in Latin America', 651-2.

³² Suwanlee, 'Female Migrants in Bangkok Metropolis'. Between 1960 and 2010, the workforce expanded by 28 million persons.

³³ Hewison and Woradul, 'Thailand and Precarious Work'.

³⁴ Huber, 'Politics and Inequality in Latin America', 651-2. In Thailand, the social security scheme has been extended to the informal sector but the level of contribution continues to exclude most in the informal sector.

³⁵ World Bank DataBank, http://databank.worldbank.org/data/home.aspx, accessed December 12, 2013. For health, the same figure was below 2%.

³⁶ For the 1960s, see Anderson, 'Withdrawal Symptoms', 27; for the 1980s, see Pasuk and Isra, 'Poverty and Income Inequality', 34.

 $^{^{37}}$ See Mathana and Hewison, 'Governance and Social Policy in Thailand'.

³⁸ Lam, 'Incidence of the Rice Export Premium'.

³⁹ Pasuk and Isra, 'Poverty and Income Inequality', 35.

⁴⁰ Pasuk and Pornthep, *Economy of Tomorrow*, 21, 22.

⁴¹ Chairat, 'Labor force structure change', 11.

⁴² Pasuk and Pornthep, *Economy of Tomorrow*, 19.

⁴³ Brown, et al., *Labour relations and regulation in Thailand*. Hewison and Woradul,

^{&#}x27;Thailand and Precarious Work' 449.

⁴⁴ See Huber, 'Politics and Inequality in Latin America', 651.

⁴⁵ Roniger, 'Political Clientelism', 356.

⁴⁶ See Echeverri-Gent, p. 629.

⁴⁷ See Hewison and Kengkij, 'Thai-Style Democracy'.

⁴⁸ See Selway, 'Electoral Reform and Public Policy Outcomes'.

⁴⁹ Hewison, 'Crafting Thailand's New Social Contract'.

 $^{^{50}}$ Kasem, 'Thaksin kap prachathipatai'.

⁵¹ Ockey, *Making Democracy*, 183.

⁵² Wikileaks, '06BANGKOK3997 PREM ON THAKSIN'.

⁵³ Pasuk and Baker, *Thaksin*, 160, 228, 243, 257.

⁵⁴ Rattaphong and Prachak, *Thaksino's Model*.

⁵⁵ On the impact of the crisis, see Natenapha, 'Companies in Crisis'. On TRT economic policy see Pansak, *Facing the Challenge*.

⁵⁶ Pramuan and Yupana, *Big Business Owners in Politics*, show that all Thai tycoons entering politics saw a rise in their companies' share prices and market share.

⁵⁷ Jakrapob, 'Democracy and Patronage System'.

⁵⁸ Pasuk and Baker, *Thaksin*, 80-82.

⁵⁹ See Hewison, 'The Monarchy and Democratisation', 66-67.

⁶⁰ UDD/No Pho Cho, Kham tham lae kham dop, 4.

⁶¹ For more analysis of these patterns, see Hewison 'Class, Inequality and Politics'.

⁶² See Glassman, "The Provinces Elect Governments, Bangkok Overthrows Them,

1317-18.

⁶³ UNDP, Thailand Human Development Report 2009, 78.

⁶⁴ Bell, ''Cycles' of class struggle'.

⁶⁵ Thongchai, 'Toppling Democracy', 25.

⁶⁶ For details of this royalism, see Hewison and Kengkij, 'Thai-Style Democracy'.

⁶⁷ Anek, *Thaksina-prachaniyom*.

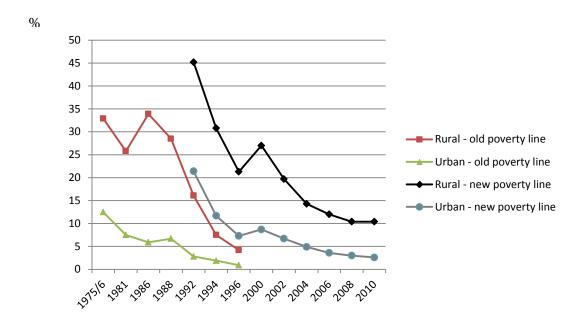
⁶⁸ UDD/No Pho Cho, *Kham tham lae kham dop*, 4-5.

⁶⁹ Tocqueville, *Democracy in America*, Vol. 1, ix.

⁷⁰ Tocqueville, *Democracy in America*, Vol. 2.

Figures and Tables

Figure 1: Percentage of Population in Poverty, Thailand, 1975/6-2010 (selected years)



Source: 1975/6-2002: TDRI, *Thailand Economic Information Kit*, Bangkok: Thailand Development Research Institute, various issues; 2004-6: P. Warr, *Thailand's Development Strategy and Growth Performance*, Helsinki: UNU World Institute for Development Economics Research, Working Paper No. 2011/02, January 2011, p. 16; and 2008-10, Pasuk Phongpaichit and Pornthep Benyaapikul, *Economy of Tomorrow: A Technical Note on Thailand*, Bangkok: Freidrich Ebert Stiftung, 2012, p. 14.

60 50 40 30 Domestic

■ World Bank

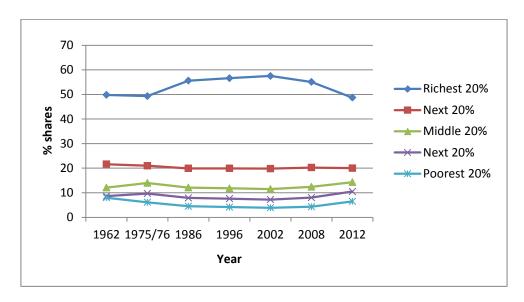
Figure 2: Gini Index, Various Sources, Selected Years, 1981-2010

20

10

Sources: Domestic data: National Economic and Social Development Board, *Sathanakan khwam yakchon lae khwam luamlam khong prathet thai bi 2553*, Bangkok NESDB, 2011 and P. Warr, *Thailand's Development Strategy and Growth Performance*, Helsinki: UNU World Institute for Development Economics Research, Working Paper No. 2011/02, January 2011, p. 16. World Bank Data: Poverty and Inequality Database, http://databank.worldbank.org/data/views/variableSelection/selectvariables.aspx?source=poverty-and-inequality-database#, accessed 18 December 2013.

Figure 3: Income Distribution Trends, Selected Years, 1962-2009



Source: 1962: Teerana Bhongmakapat, "Income Distribution in a Rapidly Growing Economy: A Case of Thailand," Paper to the 15th Conference of the ASEAN Economic Associations, Singapore, 15-17 November 1991, p. 12; all other data from NSO Household Socio-economic Surveys as calculated by the National Economic and Social Development Board.

Table 1: Average Monthly Household Income (in Baht), Selected Years, 1975/6-2009

Year	Income
1975/6	1,928
1981	3,378
1986	3,631
1990	5,625
1996	10,779
2000	12,150
2007	18,660
2009	20,903
2011	23,236

Source: NSO, Household Socio-economic Survey 2000, 2007, 2010, 2011.