New government must not just better, but different

For five years Thailand has somehow succeeded economically despite a political system marked by ups, corruption, and rapid change. Many foreign investors (as well as many Thais), however, fear that the economy's seeming ability to defy political reality cannot continue.

The costs of political failure are already apparent in educational shortcomings, environmental damage and the unplanned sprawl of Bangkok.

A tougher world economic environment and Thailand's own industrial development make it imperative to develop a political system that is not just marginally better, but substantially different.

I believe the September election results offer the realistic prospect that government can begin moving towards a system that can galvanise public support, honestly administer the economy and plan for the future. This is the challenge facing the government of Prime Minister Chuan Leekpai.

The relatively cleaner election means there will be fewer politicians trying to cash in on their electoral "investment."

The announcement that Palang Pracharath ministers will publicly declare their assets is, of course, good politics, but it is also good policy. A corrupt minister can still hide his ill-gotten gains, but it will not be easy as before.

More important, the public has been roused into the process. The honest politicians within the government should be bolstered by more demanding public standards.

The new government will have to deal with the needs of labour, including the mass of public sector workers for the turnover of their unions, in a way that will not disrupt production and will not drive Thailand out of the world market. Thai entrepreneurs will need skillful support from the Commerce and Foreign ministries in their search for new markets and their efforts to maintain access to established markets. A key challenge will be in relations with the United States where questions over intellectual property rights threaten to restrict access to Thailand's single largest market.

Thailand must also do better in the areas of the world where growth will be highest — northeast and southeast Asia. While the West stagnates, much of non-Japan Asia will grow at well over six percent.

The government of Prime Minister Anand Panyarat-chun paved the way towards greater trade with Southeast Asia by actively promoting the ASEAN Free Trade Area (AFTA). The challenge for the Chuan Government will be to overcome opposition to AFTA by entrenched bureaucrats and domestic industries fearful of losing out.

The government will also have to work to expand trade cooperation and open markets in fastest-growing markets of Asia — China, Korea and Taiwan.

Efforts to solve the problems of traffic jams, pollution, water shortage, and high power demand are already underway, but some of the projects have been launched without proper coordination. The government must find ways to link the projects cohesively.

The existing projects are, however, not enough. The recent 20 per cent increase in vehicle sales shows that much more still needs to be done just to keep pace with the increasing problem.

Quite clearly there must be much more effective measures to move industrial development outside of Bangkok. Foreign investors, however, need more than Board of Investment (BoI) incentives to move upcountry.

In addition to the obvious infrastructure of telecommunications, roads, electricity and water supply, companies want to see the schools and other social amenities that will allow them to attract good management and staff away from Bangkok.

They also look for imaginative and cooperative solutions to the shortages of technically trained manpower. The fact that Prime Minister Chuan is the only prime minister in recent memory to have experience as education minister is encouraging.

On the economic side, even though many multinational companies are encouraged by the political turn in Thailand, there are now new competitors for attention and investment — China, Indochina, Indonesia and India — offering liberal inducements and bigger markets.

Thailand has to continue to move up the value-added ladder and the government must play a crucial role.

The government must also woo rural voters away from the "money politicians" by showing that an effective government can do more for them than the special favours or the 500 baht bills that won their votes in the past.

The old-style politicians, including some in the coalition parties, are still in the numerical majority even if they have lost initiative to the new style leadership. They represent a potential threat.

Some within the military look forward to the day when their political influence (and the monetary rewards that came with it) can be restored.

The Democrat Party is unlikely to forget that it won power in 1976 with a large number of seats and a well-respected man as prime minister only to be swept from office by a military coup in less than a year.

Military reform will have to proceed carefully. The personal financial problems that result from the reduction of the military role in state enterprises will have to be addressed — better pensions and better official benefits.

History also shows that the military has rarely succeeded in overthrowing a popular and effective government.

There will undoubtedly be bumps along the way and Bangkok's sometime's fickle political public will have to demonstrate some forbearance. There may well have to be a Chuan II or a Chuan III, but Prime Minister Chuan and his Cabinet offer the greatest hope in years that a Thai government can lead the country towards sustained democracy and sustainable economic growth.

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