THE ANTIPOLITICS
OF GOOD GOVERNANCE
From Global Social Policy
to a Global Populism?

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ABSTRACT: This article sets out to understand the relationship between the complex process of structural change and the proliferating political strategies and programs implemented to manage the process of political and social change. More particularly the authors examine how in the wake of the Asian economic crisis international financial institutions advocated a new global policy through programs such as Social Investment Funds. The thread that runs through the global social policy is a distinctly political project that uses the liberal language of participation and empowerment as a strategy of “antipolitics” that marginalizes political contestation. The authors argue, however, that the antipolitics of technocratic social policy gave way to a more populist form of antipolitics of a new government led by Thaksin Shinawatra. This article examines the nature of governance projects and seeks to explain the shift between them. This new populism may be a precursor to a new “authoritarian statist” mode of political regulation that could come to dominate Southeast Asia, buttressed by the requirements imposed by the “war on terrorism.”

Introduction
As the programs of market reform and privatization — often given the generic term “neoliberalism” — faced significant challenge, resistance, and failures in Russia and then in countries such as Korea, Indonesia, and Thailand in the wake of the Asian economic crisis in 1997-98 a discernible shift in developmental policy and practice has taken place from that of public choice theory, which emphasizes a predatory Leviathan view of the state to that of the state as an enabler of the networks and relationships that foster economic competitiveness. Indeed,
since the Asian economic crisis in 1997/98, these shifts in developmental thinking have been identified as the “post Washington consensus” or PWC. This policy consensus is evident in the recent popularity of notions such as social capital in the analysis of inequality and poverty. At the same time it underpins a proliferating range of programs and institutions that are presumed to address the identified deficiencies of social capital.

These ideas and programs amount to an effort to enact broad-ranging “governance projects” promoted by international and domestic actors who provide a novel form of political rationality for neoliberal economic policy, and represent an often overlooked dimension of globalization. These projects aim to shape and discipline social conduct within civil society and, most notably, serve to promote consensus over economic and social reform through mechanisms that enable the technocratic management of social conflict. One of the notable aspects of this new governance is the promotion of a new global social policy through programs such as Social Investment Funds (SIFs). The thread that runs through these programs is a distinctly political project that uses the liberal language of participation and empowerment as a strategy of “antipolitics” that marginalizes political contestation. Unlike earlier governance programs identified with structural adjustment, this new governance envisages a more active role for the state as a regulator of civil society seeking to promote the disciplines of the market.

This article examines the nature of the technocratic antipolitics of this approach to global social policy through an analysis of its politics in postcrisis Thailand. We will argue that the antipolitics of technocratic social policy, driven by the international financial institutions (IFIs), and especially the World Bank, soon gave way to a more populist form of antipolitics of a new government led by Thaksin Shinawatra. This article examines the nature of both governance projects and seeks to explain the shift between them.

In January 2001 a relatively new political party, Thai Rak Thai (TRT), founded and led by Thaksin, one of Thailand’s wealthiest businessmen, secured the largest ever election victory in Thailand. The international media greeted Thaksin’s victory with considerable skepticism. Thaksin, while seen as both populist and nationalist, was also a representative of domestic business, indicating a merger of business and political interests. Given Thaksin’s interests, it was considered likely that his government would roll back the neoliberal economic reforms that had been implemented following the 1997 economic crash. Much of this was an accurate depiction of the new prime minister’s electoral policies. However, a more complex picture of policy and governance has emerged. As we will show, Thaksin adopted so-called populist and nationalist policies so that domestic business could gain control of the state through election. His opposition to neoliberal reform was couched in terms that promised domestic capital the space necessary to reestablish its competitiveness vis-à-vis foreign investors. At the same time, and despite coming to power through the ballot box, Thaksin’s government has demonstrated a propensity for illiberal politics and a keen interest in controlling political debate. Unlike the technocratic antipolitics of the World Bank’s global social policy, Thaksin’s social and economic policies sug-
gest the emergence of a form of “globalized” populism with distinctly authoritarian overtones.

In fact, Thaksin’s political project cannot be easily slotted into convenient comparative politics pigeonholes of nationalism or populism. No doubt Thaksin’s program represents a form of populist politics, but it differs in significant ways from the classical understanding of populism. Evidently, TRT’s populism does not fall within the purview of classical Latin American type of populism of which Peronism was an exemplar. This variety of populism depends on broad mass and multiclass movements organized around political programs of state directed industrialization and social reform. It was assumed that populist programs would become increasingly irrelevant as the social and economic conditions under which populist movements flourished were transformed as countries adopted “Washington consensus” policies of market reform, and implemented constitutional reforms that placed checks on the use of executive power. Thailand appears to fit on both scores: over the last three decades, it has followed World Bank and International Monetary Fund (IMF) prescriptions on economic policy and at the same time it adopted a new constitution that institutionalized a range of checks and balances on executive power.

Yet, despite the presence of these supposedly less-than-propitious conditions, Thaksin’s populism has proved to be remarkably potent. But he is not an isolated example. Indeed, in the home ground of Latin America, populism has proved to be highly resilient as evidenced by the recent rise of political leaders who have based their programs on populist programs and movements: Hugo Chavez in Venezuela and Vicente Fox in Mexico and earlier, Alberto Fujimori in Peru. Another example, Italy’s Silvio Berlusconi, is interesting, as commenta-
tors have sometimes compared him with Thaksin.\textsuperscript{8} Populism, far from being vanquished, seems to be gaining a new lease on life in both advanced industrialized and newly industrializing states. However, this is a new populism that combines an appeal to neoliberal market reforms with populist and illiberal politics that seek to replace existing class-based representative institutions and practices.

In short, countries such as Thailand witness the emergence of new forms of populist leadership and programs that sit — sometimes uncomfortably — alongside neoliberal economic policies. Understanding populism from this vantage draws attention to its political character rather than seeing it driven by old-fashioned economic nationalist or dirigiste policies and interests.\textsuperscript{9} What this implies is that populist politics tend to take on different forms within different phases of the global political economy, and in the current phase of neoliberal globalization we can see the emergence of what Roberts aptly describes as a form of neoliberal populism; or perhaps, even better, a “globalized populism.”\textsuperscript{10}

Roberts suggests that the following features mark this new form of populism: personalistic and paternalistic rule, a multi-class coalition, a rather ambiguous ideology, and an economic project that uses redistributive methods to consolidate political support.\textsuperscript{11} Crucially these programs go hand in hand with the pursuit of programs of economic reform. Yet, while this leads us some way toward explaining the nature of the populist politics embodied in the TRT, it tends to overlook the highly innovative way these various governance projects seek to impose market discipline through new forms and practices of populist representation. In essence, these governance projects represent a new mode of statecraft that works to reorganize and restructure state power and modes of political representation.

Herein lies the nub of our argument: the TRT’s program represents an attempt to create new nonclass forms of identity and representation that attempt to disarticulate social conflict from material relations of power and to re-embed social relations within increasingly moralized notions of the community. Hence whether it be British New Labour’s Third Way program or the TRT program in Thailand, market reform is married to a conservative understanding of community that attenuates conflict and accentuates membership in an amorphous nation or community made competitive within a globalized economic order. Of significance here is that these programs impose market disciplines that work through the depoliticization of conflict — simply put, a politics of antipolitics. Indeed, as Roberts observes for Latin America, populism means that far “from evolving toward egalitarian, middle-class societies,…nations are accentuating historic patterns of disarticulated ‘classless inequality’ that encourage the political subordination of popular sectors.”\textsuperscript{12} Consequently the “globalized populism” of the TRT represents an antipolitics that imposes market disciplines through the articulation of nonclass-based forms of identity and representation. Above all, these new populist politics seek to bypass and supplement existing representative institutions and practices through forms of illiberal politics, some of which may involve plebiscites and other instruments of direct democ-
racy. The main effect of these new patterns of populist representation is to cancel out the mediating structures of liberal democratic politics. The new social policies pursued by the TRT government provide a means of imposing the effects of neoliberal discipline on civil society while simultaneously disarticulating social relations and conflicts within civil society. A crucial mechanism used to impose this discipline is the activation of entrepreneurial forms of activity within civil society. For example, through policies such as the granting of property rights to poor farmers, the TRT government has sought to activate more entrepreneurial and competitive forces within the informal sector. This amounts to a new social contract to produce economically competitive and “enterprising” subjects. It seeks to regulate civil society in order to ensure economic order. The new regulatory state is not simply about the transformation and reorientation of policies and institutions (although these are important); rather, it reflects a deeper structural transformation of the state. The populism of Thaksin and his TRT regime follows on from earlier attempts by the World Bank and other multilateral agencies to institute a new form of social policy in Thailand. These global social policies, implemented under the rubric of the PWC have proved to be much less enduring than the policies of the TRT government. Indeed, Thaksin’s policies have proven more popular and more powerful politically, and they have produced considerably more economic benefits than did the Bank’s program, which was driven by neoliberal ideology. In the next section, we examine the distinctive characteristics of global social policy enacted in the aftermath of the Asian economic crisis. The section that follows the next looks at the distinctive characteristics of the neoliberal and social capital model promoted by the World Bank.

**Participation, Social Capital, and Disciplinary Neoliberalism**

An indicator of shifts in developmental policy within the World Bank has been its increasing attentiveness, in the aftermath of the Asian crisis, to the development of a broad range of “social safety net” and associated poverty-reduction programs. This new social policy forms a crucial pillar of the PWC that has its origins in the work of Joseph Stiglitz, the former chief economist of the World Bank, and exemplified in the *World Development Report* of 2000/2001 on poverty alleviation. But this shift to the PWC cannot be seen as a reversal of the structural adjustment policies that characterized the Washington consensus. Rather, it can be argued that the PWC should be viewed as an attempt to develop a political and institutional framework to embed the structural adjustment policies of the Washington consensus. In other words, while clearly there are different policy priorities between the policy paradigms, the PWC complements, rather than replaces, the policies associated with the Washington consensus.

One reason for this shift was the increased social and political unrest that resulted from heightened unemployment, falling wages, and increased poverty following the Asian economic crisis in Thailand, Malaysia, Indonesia, and South Korea. In addition, two decades of industrialization led the World Bank to focus more sharply on the politics of managing social and economic dislocation. Above all, these social policies led to the emergence of a new architecture of
governance that focused on the activation of certain “desirable” forms of conduct. Therefore, as Weber’s sophisticated and innovative article on micro-credit observes, transnational social policy “has a disciplinary potential that renders it particularly conducive to functioning as a political safety-net.” Consequently, the development of social safety nets needs to be seen in terms of a broader thrust toward developing the mechanisms to manage conflict, which Weber aptly calls “political safety nets.” In other words, the distinctive characteristics of these new social policies or social contracts is that the management of legitimacy itself, rather than being a by-product of other programs and conflicts, becomes a central objective of governance programs.

Despite the empowering rhetoric of partnership and collaboration, this view of the state gives primacy to the role of “institutions” in securing the economic and social order necessary for participation in the global economy. Indeed, the growing influence of institutionalist theorizing on developmental theory and practice (of all different hues) — whatever its academic merit — provides the ideological underpinning for these programs. The point about this institutionalism is that it seeks to emphasize “our social embeddedness and thereby the role of institutional structures and cultural norms as determinants of social life.” But the central issue is this: these institutions foster the necessary social order required for the proper constitution of the economic order. These norms, as well as the associated penumbra of relationships, are something akin to Hayek’s notion of “spontaneous order” in the economy except that these norms and institutions are located in civil society. But this natural order is seen as independent of the conflicts of power and interests that pervade the political economy. It is this fundamentally antipolitical notion of society that informs many of the governance programs of the IFIs such as global social policy.

Social funds provide one example of these new projects of participation and partnership within civil society. In this context the World Bank’s postcrisis SIF implemented in Thailand in the aftermath of the Asian crisis provides a notable exemplar of social funds programs. The significance of these new institutional fora is that they are located “in and out of the state” thereby imparting to these institutions a quasi-public character, amounting to an attempt to privatize aspects of public governance. It is the state-like nature of civil society organizations that has most distinguished the architecture of global social policy. Hence, the important dynamic here is not the emergence of some putative alternative to the state in the form of civil society as some of the more romantically inclined notions of civil society would have it, but rather, the fragmentation and dispersal of state power to organizations and institutions within civil society, which in turn are linked to supervisory national and local agencies through even more complex chains of contract.

Following from this privatization of public governance is an understanding of citizenship as “customership.” Marshall famously defined citizenship in terms of the sequential adoption of civil, political, and social rights. In this framework, social rights were seen to flow from membership in a broader political community. However, the kinds of social rights implicit in the new contractual state and its forms of governance are determined not on the basis of mem-
bership in a broader political community but on being customers or members of the kinds of quasi-public organizations that define the contractual state.

Accordingly, the purpose of participation and deliberation in these quasi-public organizations is for problem solving or the effective management of policy and policy implementation rather than the achievement of any legitimate political and constitutional consensus. As Steele notes, a fundamental distinction between deliberative models of democratic legitimacy and problem solving lies in the fact that in the latter,

the subject matter of deliberation is more likely to be an individual decision for action, rather than the adoption of a formal legal standard or other law. This means that participation of this type is likely to be a requirement of law (if law is involved at all), instead of being a part of the process of legislation.25

In other words, participation is not seen as an end in itself; rather, it is seen as a mechanism for achieving better technocratic policy outcomes. More especially, there is an attempt to develop the strategic capacity of citizens in the implementation of public policies.

This leads to one of the central claims of this article: these notions of participation act to produce forms of depoliticized governance that operate to obscure the contestation and antagonism that are at the core of participatory politics. In fact, the very ideal of participation and deliberation only works so far as it neutralizes the broader context of economic and social power that lies in the background of deliberative institutions. Hence the practices of participation and empowerment so central to the new transnational social policy are intimately connected to the activation of modes of social conduct that are instru-

The TRT government’s new social policies aim to activate “more entrepreneurial and competitive forces within the informal sector” (e.g., by granting property rights to poor farmers). This amounts to a new social contract to produce economically competitive and “enterprising” subjects. (Credit: UN Photo)
mental for neoliberal market programs and strategies; it becomes a means of instantiating the discipline of the market in the core of the individual participation in civil society.

Equally important to the new global social policy is to nurture a stock of social capital among individuals and communities. Poverty and inequality arise out of, or are perpetuated because of, a lack of social capital. In this context, social capital refers to a web of networks and social relationships that individuals can draw on in times of social and economic emergency. More especially, the policy emphasis on social capital is geared toward the creation and fostering of certain types of responsible agency that are able to withstand the risks and vulnerabilities of the global economy.

The roles of civil society and social capital were highlighted in World Bank responses to the Asian crisis when they became central elements in the institutional management of the social impacts. As the World Bank analysis of the social impacts of the crisis makes clear, social capital was meant to enable individuals and families to weather the economic crisis. More significantly, however, social capital is seen as an important element in shaping the social conduct of individuals, which is a vital ingredient in the consolidation of “good governance.” From this point of view, social capital is as much a normative view of social conduct as it is a tool of social analysis.

Society, in the social capital view, is composed of “norms” and “relationships” that can be mobilized for economic development. Fine notes that this approach to social capital “allows the new consensus to be selective in where and how it addresses the role of noneconomic factors in economic performance.” Perhaps, more importantly, this focus on norms, networks, relationships, and more generally a “culture” leaves little room for contestation over the structural and power inequalities embedded in economic institutions. The social capital “discourse is in fact deliberately apolitical, in a way that is ultimately supportive of neo-liberal orthodoxy.” This is why civil society is such a critical element of the PWC promoted by the World Bank and other multilateral agencies. Civil society organizations are pivotal to the management and mobilization of social capital for the successful management of economic reform, especially in periods when economies are restructuring. Social capital is considered to cushion the social impacts of economic reform, and also provides the cement that holds society together and prevents conflict in trying times. In this sense, civil society organizations become counterpart agencies in maintaining social discipline.

In the context of these new social policies, the World Bank’s approach to the social impacts of the crisis in Thailand is instructive. World Bank policies and programs during and immediately after the crisis were driven by the recognition that economic liberalization needed to be carried forward. The Bank linked with the IMF in pressing the Thai government to continue and extend liberalization. As these neoliberal policies were implemented, Thailand spiraled further into negative economic territory, and it was feared that social conflict could result. In response, a division of labor emerged, with the IMF taking the lead role in setting the reform agenda through the negotiation of Letters of Intent, and the World Bank attending to the social impacts of the crisis. The Bank’s SIF
formed a leading part of this response to the social impacts of the crisis. The Bank constantly framed the social impact of the crisis in terms of social capital and community capacity, with all SIF projects organized on a local basis and trumpeted as examples of decentralization and community participation.

Much of the World Bank’s discussion of social capital had little empirical underpinning or theoretical coherence. The term was used in contradictory ways, with little attention to the theory it embodied. Reflecting a desire to place social capital analysis on a sounder foundation, and in response to mounting anecdotal evidence of a “social breakdown” that had its roots in “dramatic decline[s] in average incomes and high unemployment,” the Bank studied the impact of the crisis on social capital.

While “class harmony/tensions” was considered an aspect of social capital, the Bank was keen to downplay these, and only considered them at the community (rather than societal) level. While some attention was directed to indicators — inequality, unemployment, and poverty — that may be proxies for class impacts, these were included among more than seventy indicators of social capital that included crime, child labor, mental health, household size, community production, the role of NGOs, and family safety nets. The attention given to “family safety nets” was significant for directing attention to individual and local initiative and away from any government role in social welfare; reducing the state’s social welfare role was a goal of neoliberal policy orthodoxy. Clearly, one of the ideological motivations of the World Bank’s antipolitics was to extract policy implications supporting community- and family-level responsibility for social protection. The Bank regularly asserted that strengthening social capital and the role of civil society was the preeminent measure for ameliorating the social impacts of crisis, along with “flexible” labor markets.

In summary, the postcrisis Thai case shows that the emphasis on social capital fed a concern with the fostering of responsible agency reflected in the emphasis on norms, values, responsibilities, and conduct that enable individuals and families to manage the vulnerabilities and risks of the global economy. Whereas earlier governance programs focused on developing the hard institutional infrastructure needed for a market economy such as credible legal institutions and strong property rights, the social capital perspective complements this macro-institutional framework with an emphasis on the development of an appropriate set of norms and responsibilities. The Bank’s civil society projects, emphasizing the strengthening of social capital, were also concerned to discipline community level organizations. While couched in terms that emphasize autonomy, decentralization, and participation, these programs, in fact, are about instilling the disciplines of economic competitiveness through the creation of new methods, organization, and networks of state organization. This process simultaneously de-emphasizes broad-based issues of political and economic power.

Individual agency or conduct within the rubric of social capital, conceived in terms of fostering social networks and relationships, serves at once to disembody the individual agency from political relationships of power and instead to embed them in depoliticized notions of community and social capital. These new
forms of agency or conduct are directed not at fundamental structures of economic and political power but at managing the spatial and individual deficiencies of social capital that are deemed to prevent the full economic participation of individuals. In these terms, these new social programs and policies — in a manner similar to workfare programs in the United States — serve to link social citizenship not to membership in the political community but to the degree to which individuals are able to participate in economic life.

In this approach, the politics (or rather the antipolitics) of social capital is centrally concerned with building legitimacy for a broad range of economic reform programs. Above all, social capital enables the disciplines of economic rationality to be embedded into institutional practices within civil society. At the same time, a curious concern with legitimacy remains because in this perspective legitimacy does not arise out of the effects of prior social conflicts. Here, the very purpose of social capital programs becomes the securing of legitimacy; social capital makes legitimacy itself — the technocratic framing and management of social conflict — the key raison d’être of governance.

In Thailand, in the five years following the mid-1997 beginnings of the Asian economic crisis, a political competition over the shape of what might be termed a “new social contract” appeared. As this article has argued, the neoliberal and social capital model promoted by the World Bank in Thailand embodied a particular technocratic model of antipolitics that remains tied to broader strategies of economic reform advocated by the IFIs. However, these programs came to be replaced by a more strident communitarianism linked to particular strategies of domestic capital less inclined to support all the elements of the neoliberal economic agenda. The latter is a populist model pursued through the politics of populism by Thaksin and his TRT party as they campaigned for election in January 2001. In particular, we examine how the TRT, through the institution of a new set of social contracts, has reorganized and restructured state forms to marginalize and exclude forms of representative politics. To understand this process, it is necessary to briefly explain the social contract that underpinned Thailand’s development from the 1960s.

The World Bank, Thailand, and Competing Social Contracts

Thailand’s governments have had a long and usually mutually supportive relationship with the World Bank since Thailand signed the International Bank for Reconstruction and Development Articles of Agreement in 1949. The Bank’s first mission to Thailand took place in late 1949 and it made its first loan to Thailand in 1950. In this early period, the emphasis was on infrastructure and agricultural development. The World Bank continued to provide funds throughout the 1960s and 1970s, with a shift in program focus to emphasize support for industrial development. For the Bank, this was a successful relationship, and Thailand was hailed as a faithful pupil. The World Bank cooperated closely with Thailand’s military government in the early 1960s in establishing what can be identified as a developmental social contract. The military justified its rule and authoritarianism with promises: an improved economy, bureaucratic reform, increased wealth, and higher standards of living. Authoritarianism was to
create the stability necessary for the strengthening of the “middle class.” The military regime’s economic approach was different from that of previous governments, with increased support for the private sector while concentrating state investments in infrastructure development. This approach underpinned Thailand’s social contract, where the military ensured political stability, the government supported private capital, and domestic capital delivered the growth that would allow a trickle down of benefits to the working and peasant classes.

While the economic benefits of this implicit agreement can be debated, the developmental social contract remained in place until 1973, when its authoritarian political element was challenged. After three years of democratic rule, however, the military returned, and retained control of the political process until the late 1980s. The military returned yet again in 1991, but only briefly, being ousted by a mass uprising in May 1992. Through this period, the developmental social contract was maintained, albeit shakily, initially by military domination of the political process, and then through the economic boom of the 1986-96 decade, which delivered significant benefits to all sectors of society and saw the expansion of the middle class. Of course, not all classes benefited equally from the boom, and there were increased wealth disparities, with the wealthiest doing best. However, rising standards of living and well-being of the population meant that the contract remained fulfilled. It was the 1997 economic crisis that marked the end of the developmental social contract.

While there have been oscillations in the World Bank’s relationship with Thailand, it is fair to say that the Thai government has generally accepted the World Bank’s orthodox growth strategies. Technocrats, military leaders, and capitalists supported strategies that promoted economic growth, including enhanced liberalization from the late 1980s. The World Bank considered that Thailand’s government had managed to get policy right. That is, the government’s economic policy had maintained a macroeconomic environment conducive to markets, investment, trade, and the development of private enterprise. Thailand was a case where the Bank’s neoliberal orthodoxy had been accepted.

It was the collapse of the economy following the 1997 baht devaluation that challenged the orthodox success story. The crisis marked a turning point in the World Bank’s relationship with Thailand. The Bank, along with most other neoliberal economists and policy-makers, now considered that the crisis derived from poor policies, weak governance (both state and corporate), inadequate institutions, cronyism, corruption, moral hazard, resource misallocation, and failed and incomplete liberalization. For many analysts, the crisis reaffirmed the difference between “right” and “wrong” policies, and the need for sound macroeconomic management and increased liberalization, albeit with a “better” framework.

Initially, the IMF and World Bank emphasized financial restructuring and monetary caution. This included pressuring the Thai government to choose policies that were to have negative social consequences. As already mentioned, with the crisis deepening, the Bank took on the task of assisting the government to ameliorate negative social impacts. The Bank’s approach emphasized social capital, civil society, and participation to support a broad neoliberal economic
reform. In essence, the Bank offered a model for a new social contract based on its preferred global social policy initiatives. The problem was that this approach did not ameliorate the negative impacts of the crisis. Within a period of two years, the economic crisis had become a social crisis as well, with increased social conflict, poverty, unemployment and inequality, and decreased real wages. Despite such negative impacts, the World Bank determinedly pursued the promotion of social capital. Underlining its emphasis on individual and family-centered “welfare” and ideas about workfare, the Bank recommended lowering the minimum wage and reducing government expenditures on welfare and social security, reasoning that local initiatives and social capital would most effectively deal with negative outcomes. The response to these negative impacts and to ideologically driven policy was increased political agitation against neoliberal reform. Discontent was expressed about the roles and demands of the IMF and World Bank and the policies of Prime Minister Chuan Leekpai’s government. This response was organized around a loose alliance of workers, intellectuals, public intellectuals, NGOs, politicians, domestic business, and even the country’s monarch. They were drawn together by a broadly nationalist opposition to a perceived loss of sovereignty over economic policy-making, the social impact of the crisis, and a “fire sale” of local assets (both private and state) to foreign interests. Domestic business was especially vocal and joined with some economists in urging that the domestic business be protected. Despite growing political ferment, the government continued its neoliberal reform agenda while giving some attention to stimulating the economy and mitigating social impacts. In the latter, the government essentially adopted the social capital-civil society framework of the World Bank.

This policy steadfastness caused powerful elements of the local business class to conclude that IMF policies would so weaken their control and reduce their wealth that their business demise was possible. Business leaders pleaded with government for support, but with little success. This was in marked contrast with past policies. For more than three decades, international agencies and the government had supported the development of local business; now they seemed to be supporting its destruction. This threat to local business motivated the domestic capitalist class to take direct control of the state, parliament, and ministries.

Soon after the crisis began, Chuan and the Democrat Party had seemed to be the only viable government as all other parties were hamstrung by political cronyism. However, by 1998, Thaksin had established a real alternative party in TRT. More than any previous party, TRT represented the interests of big domestic business. In the past, business leaders had generally remained aloof from electoral politics; they were not needed to be directly involved, for government had generally supported domestic business. It was the threat to their interests and power posed by neoliberal policy that caused the remaining tycoons to conclude that big domestic capital needed supportive government policies. This could only be achieved by taking control of the state. Business rivalries were put aside as big capitalists coalesced around Thaksin and TRT, and the party became the vehicle to oppose neoliberal reform.
In campaigning for the January 2001 election, TRT used U.S. campaign and marketing techniques to build an electoral platform that was innovative and inclusive, symbolized by TRT’s slogan: “New thinking, new ways, for all Thais.” This inclusive slogan and a party platform tinged with nationalism and promising help for those suffering from the slump, appealed to the majority of voters, the poor, especially those in disadvantaged rural areas. TRT also targeted small business, promising to make credit available to support businesses challenged by foreign investors. Such promises and policies demonstrated TRT’s differences from the Chuan government, the World Bank, the IMF and their neoliberal policies.

Thaksin and TRT caught the mood of an electorate that had suffered declines in welfare. The Party prepared a range of policies that advocated a model [that] aims to strengthen domestic activities at the grass-roots level as well as promote the linkages between the domestic economy and the world economy. Such a balanced development will lead Thailand toward a high performance economy with sustainable, quality-oriented growth and economic stability.52

The Party proclaimed these to be “progressive policies designed to solve the economic hardship and creat[e] opportunities for the Thai common man.”53 The emphasis on the poor was reinforced by a promise to launch a “war” on poverty. Specific programs and promises that attracted considerable support during the election included: soft loans for every village in the country, a three-year debt moratorium for farmers and a 30 baht universal health care program. These promises delivered a handsome election victory and rejected neoliberal reform. As if to emphasize this, Thaksin declared that the IMF had harmed Thailand54 and extolled the virtues of managed development, drawing on the examples of Malaysia and Singapore.55 In something of an innovation, not only did Thaksin and TRT make promises, but, following the election, they also moved quickly to implement them, emphasizing TRT’s pledges to the poor.56

**Thaksin and the New Social Contract**

With his stunning electoral victory secured, Thaksin and his government continued to promote policies identified as nationalist and populist. But Thaksin was no “anti-globalist” and nor was he opposed to further liberalization. Indeed, some of the new government’s policies were congruent with the strategies favored by the IFIs and supported by international business. For example, both the World Bank and government favored decentralization, enhancing civil society participation in governance, bureaucratic reform and support for small and medium-scale enterprises. In addition, neoliberals broadly accepted many micro reforms in areas such as corporate governance and bureaucratic operations. But the IMF and World Bank were also concerned that the TRT government’s policies would move too far from the orthodox neoliberal agenda.57 Those TRT policies that worried them included the government’s lukewarm approach to foreign investment, delayed privatization, promises to roll back financial sector reforms, and the potential for a budget blowout to fund its support to the poor.
Another concern was that Thaksin and TRT were keen to use government resources for a range of their programs. This meant an expansion of the role of the state rather than a reduction. This was especially the case in its poverty and social welfare programs. These programs were not only electorally popular, but they also delivered considerable and wide support from a range of political and social activists and a variety of NGOs, even if much of this had drained away by 2003. All of this amounted to a new social contract that was in stark contrast with the World Bank’s emphasis on individuals and families.

The new social contract included government protection of domestic capital while delivering increased social protection to the poor. TRT’s five major election policies — the million baht village and community fund (VCF), a 30 baht universal health scheme (UHS), a people’s bank, the one subdistrict one product scheme, and farmer’s debt suspension — were to cost more than US$3.6 billion. The most significant of these programs were the VCF and UHS, which accounted for about 90 percent of the funding, and claimed some 52 million beneficiaries in late 2002. The VCF was central to TRT’s election strategy. The scheme aimed to provide one-year, low-interest loans of up to 20,000 baht to every village and community. The program allowed TRT to demonstrate its concern for rural problems. The loan scheme is part of a larger package of rural support that was not simply about propping up agriculture. Rather, TRT’s aim is to develop entrepreneurs. In this context, when combined with the one subdistrict one product scheme, it was hoped that increased entrepreneurialism would enhance rural employment and business development. While the VCF emphasized decentralization and localization, this was not the model of the World Bank’s programs.

The progress of the UHS has been more controversial. Even though Thailand’s health system had been judged relatively successful in meeting the needs of the majority, health costs remain a significant expense for the poor. Where there was prolonged or serious illness within a poor family, the result was often a slide into deeper poverty. The divisions on health care had been indicated prior to the crisis with, for example, the World Bank urging an expansion of the private sector’s already substantial role. The crisis had seen the poor having to invest more in their health, and the TRT’s election promise of a cheap UHS was understandably popular. Essentially, the scheme permitted all Thai citizens to gain access to public hospital treatment at just 30 baht per consultation. The government paid hospitals 1,252 baht per registered person in the scheme. Worawan estimated that the cost of the scheme to government was in excess of 63 billion baht in 2002. The UHS has also had a rockier political path than the VCF. The most obvious problem is that while the scheme was expensive for the government, state hospitals complained that fixed government funding threatened their ability to provide adequate treatment. Health professionals argued that the scheme, with its emphasis on curative and institution-based health, was reversing gains that had been made in preventative health care, and was draining funds from health promotion activities. Indeed, the UHS would be a direct challenge to the community-based health programs that had linked with civil society organizations,
much in the manner of the World Bank’s preferences. The UHS was hospital based (at government hospitals) and emphasized the state’s role in supporting the poor.

The debate around the role of the state in health care provision crystallized around the UHS and National Health Insurance bill. Criticism came from medical professionals, including the Medical Council, the Thai Medical Association, and associations representing nurses, dentists, pharmacists, and private hospitals.65 Many in the private sector, including economists and some doctors began to see the UHS as a step in the direction of economic ruin and a welfare state.66

Despite this carping, the TRT government knows that the UHS is the most significant element in its popularity, and an essential component of the new social contract. Thus the government has continued to support the scheme. However, Thaksin has attempted to soothe ideological opponents of the scheme by confirming that he will not allow a “welfare state” in Thailand. He argued that his government was developing “social capitalism,” where the state’s role would be reduced once the gap between the rich and the poor had been bridged.67 In the short term, however, maintaining this element of the new social contract was important for maintaining support for the next election.

Where these policies diverge from the new social policies of the international agencies is in implementation. Whereas the World Bank emphasized social capital, the TRT has attempted the depoliticization of antipolitics by cutting out civil society organizations and NGOs from the decentralization process. TRT has emphasized decentralization to local organizations that are subject to government control. While also relying on the discipline that comes from encouraging local planning and implementation processes, the government is actually setting the agendas through its new social contract policies. This amounts to a technocratic management of social processes and, indeed, social control.

In addition, rather than relying only on the new antipolitics, he has relied on an older variety of antipolitics. Declaring that “good lifestyle, happiness and national progress” — essentially, human security — are more important than democracy, Thaksin has strengthened and centralized his government’s political control.68 Thaksin, his ministers, and his advisers attacked a range of potential and actual critics. The prime minister has threatened a number of the independent agencies established under the 1997 Constitution. He and his party have limited media criticism, both domestic and international, by haranguing and, investigating journalists, controlling advertising budgets, and using the extensive state- and Thaksin-controlled media to manage news. TRT has strengthened its parliamentary position by managing mergers with smaller parties, so that TRT controls almost two-thirds of the seats in the Lower House. This limits the parliamentary scrutiny of the government’s work. In an authoritarian mould, Thaksin considered an ideal parliament to be one with a limited opposition, which would be united with government in working for the “best interests of the people.” Indeed, he argued that adversarial politics was a betrayal of the people.69 The prime minister has also arranged positions and promotions in the bureaucracy, independent agencies, the military, and police so that his close supporters are in powerful and controlling positions. When combined with the
enormous wealth and economic control of Thaksin and his cabinet of business leaders, economic and political power have been fused in a way that establishes a powerful force for control, discipline, and limiting dissent.

With this control in place, and the domestic capitalist class in strong political and economic positions, there is no reason to think that Thaksin and TRT will not embark on efforts for liberalization and privatization, so long as they benefit local capital and electoral support is maintained. With the language of participatory politics and the delivery on promises overcoming the opposition to liberalization that saw off the IMF and World Bank, and with TRT in control of an elected government, the discipline of antipolitics has been established. The path for further liberalization has been smoothed.

Conclusion

Despite their differences, Thaksin’s new social contract as well as the World Bank’s transnational social policy embody a particular conception of politics as well as a management and consensus well summarized by Dean when she observes that this “focus on legitimation is ultimately depoliticizing. As it posits in advance a unified community, it withdraws the revolutionary energy long associated with claims to universality.” And we might add that these claims to universality depend on autonomy of representation, which is what both the global social policy model of social capital and the newer project of globalized populism seek to diminish. It is in this sense that this new antipolitics provides a framework for political rule in a range of states, both democratic and authoritarian.

These new forms of antipolitics may represent a new mode of political regulation that is increasingly authoritarian, but which relies less on directly coercive repression by “assert[ing] itself in the establishment of new power techniques and in the development of various practices, channels and props intended to create a new materiality of that social body upon which power is exercised.” In short, what Poulantzas perceived nearly three decades ago as a new model of political regulation — and he was writing about advanced liberal democracies — might well be the new form of regulation in an era marked by both economic globalization and the greater militarization of the world. These new forms of political regulation point us toward the proliferation of a range of innovative governance projects in developed and developing countries, which aim to shape and discipline social conduct within civil society. The common thread that runs through both the global social policy model of the World Bank and Thaksin’s globalized populism is an antipolitics that differs considerably from that of the national-popular body composed of free citizens — individuals who are equal before the law – or, to put it another way, from that of the institutionalized dissociation between public and private which is the cornerstone of traditional representative democracy.

However, in the case of Thailand, Thaksin’s populism has clearly trumped the social capital programs of the World Bank. The TRT’s programs are more closely aligned with domestic capital, are less dependent on rigid neoliberalism, have a harder more ideologically resonant notion of nationalism, and use
social contracts to build a broad-based coalition. In this, Thaksin and the TRT may be a precursor to a new “authoritarian statist” mode of political regulation that may well come to dominate Southeast Asia and that will be buttressed by the requirements imposed by the “war on terrorism.”

Notes

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11. Ibid.


27. Ibid.

28. The point here is not a definitional one but rather the way the concept of social capital and civil society is used to become a broader element in new forms of symbolic politics. Consider, for example, how the term “community” has replaced “society” in the rhetoric and justification of social welfare programs. In this sense, what we want to capture is the way ideological uses to which the notion of social capital have been used to articulate a particular antipolitical notion of citizenship.


32. The dramatic example of political and social ferment in Indonesia provided an example of the kinds of conflict that were possible in difficult economic times.
34. Ibid., 11.
43. That the World Bank and others had been blind to these supposed sins prior to the crisis is conveniently ignored.
48. For further and detailed information regarding the responses of domestic capital, see Kevin Hewison, The Politics of Neo-Liberalism: Class and Capitalism in Contemporary Thailand (Hong Kong: City University of Hong Kong Southeast Asia Research Centre, Working Paper no. 45, May 2003).
49. Bangkok Post, 10 April 1998.
50. Thaksin is one of the most successful new magnates created by the 1986-96 boom, and one of the few local business people to navigate the crisis relatively undamaged. From small computer business interests in the early 1980s, Thaksin was, in 1996, listed by Forbes magazine as Thailand’s fifth wealthiest person, worth US$2.1 billion (reported in Bangkok Post, 22 June 1998). His telecommunications businesses were able to provide cash flow during the crisis, increasing his wealth. In terms of holdings listed on the local stock market, Thaksin and his family held shares worth about 37 billion baht in 2000, mostly in the broad communications sector (Kan ngeon thanakhan [Money and Banking], December 2000, 148). It is noteworthy that Thaksin’s business suc-
cess was based on state concessions in telecommunications and related areas, and he also has excellent connections with the military and police leadership. He had dabbled in national politics from 1994 to 1997, although had not been particularly popular or successful.


53. Ibid.


56. These calls to the poor should not conceal the fact that the TRT Party dominated a government by and for the rich. Thaksin’s first two cabinets included a range of business leaders.


58. The policies supporting domestic capital have been discussed elsewhere. See Robison et al., “Transplanting the Regulatory State in Southeast Asia.”


60. Baker, “Pluto-Populism.”


64. Interviews, Bangkok, May 2002.


67. The Nation, 2 October 2003; Bangkok Post, 5 October 2003.


70. J. Dean, Publicity’s Secret (Ithaca, N.Y.: Cornell University Press, 2002), 171.


73. Poulantzas, State, Power, Socialism, 238.