

## **A Politician by Accident**

### **Prime Minister Anand Panyarachun**

#### **From Thailand Executive Profile**

**On March 2, Cambridge-educated diplomat-turned-businessman, Khun Anand Panyarachun, was sworn in as the country's 18<sup>th</sup> Prime Minister since the introduction of the constitutional monarchy in 1932. Eight days earlier, on February 23, Thailand's first elected Prime Minister, Chatichai Choonhavan, had been overthrown by the Army in a blood-less coup. The interim National Peacekeeping Council cited several reasons for staging the coup, ranging from alleged Government corruption to choking traffic conditions in Bangkok. Midway through his term in office, 59-year old Prime Minister Anand talks to Simon Thurlow about his sudden emergence into the spotlight, and outlines what still has to be done before general elections are held next year.**

"I just have to face the fact that I'm not an elected representative. If I should hurt some people's feelings and disappoint some people, then all I can really do is just apologise, but I did not appoint myself, that's one thing. Secondly, when they decided to offer me the position, I took account of the fact that I was not involved in any manner, or way with the extra-legal means of the transfer of power.

"It's not for me to pass a value judgement on the actions that they took-perhaps they had good reasons, but I think that when certain doors had been opened, they showed a certain degree of sincerity in their actions. They had demonstrated an acceptable degree of genuine intention, to put Thailand back on the right course."

The Prime Minister jokes that when he finally acceded to the requests of the Army's National Peacekeeping Council to take the job, it was the result of a mental lapse.

"It is something for which my wife will never forgive me," he says, laughing heartily.

"I am not a politician by profession, I'm not a politician by aspiration. I am a politician by accident. I happen to be a man who is holding a political position that's all.

"I've spent 23 years in the Foreign Service and 13 years in the private sector and though in the past I had the opportunity of being recruited into the Cabinet, I always turned it down.

“I have gone on record that I’m not going to stand for election, and I do not believe that public life is something that comes naturally. Well to some people it comes naturally, but not to me.”

Why, then, did he agree to become Prime Minister?

“I had to deal with the situation after the seizure of power and if they (NPKC) decided to offer the job to a civilian, then I rather thought that was a step forward, a very positive step. All I hoped for was, at least, to be able to contribute to this early restoration of the democratic regime in Thailand.

“It is my personal belief, my conviction, that there was a need to put the country back on the course of stable and balanced rule. That would be part-and-parcel of the early restoration of the democratic regime.

“It provides me with ample opportunities to do things as a concerned citizen of our country, to do things that I believe to be right, to do things that I believe to be in the long-term interests of the country.

“Obviously, because of the absence of an elected House of Representatives ...If I could galvanise people, provide them with certain direction, policies, within a short period of time, be it nine or 12 months, at least give the opportunities that most people would want, but would not be able to make come true.”

One of the main reasons cited by the military for the coup was the alleged corruption of the Chatichai government. Prime Minister Anand explains his role in improving the Government’s image.

“It’s very important that I introduce new elements into the government of our country. I want, by the time I leave my job, by the time our government is no longer there, Thai people to look back and say that at least for a short period we had a clean, honest government. This is not something, which is unique. Too many times in the past, people have been disillusioned, I suppose people in any democracy become disillusioned with politicians. You often get the case, in America, in all sorts of places, but that’s a part of life.

“We know that we can at least get the majority of the people who vote to accept our government and our policies, our directions. I want, at least, to be a part of constructing the system, which in future governments of Thailand will seem clean, transparent, to be accountable for what they do.”

After only a few months in his new job, Prime Minister Anand was faced with the potentially explosive situation of having to resolve a multi-billion baht scheme initiated by his predecessors, to privatise and expand Thailand’s telephone system.

After protracted negotiations, a deal was struck, that broke what would have been a monopoly, and which went against the wishes of a large army faction. The resolution of the contract was hailed as a personal triumph for Prime

Minister Anand, firstly for being able to get things done, and secondly for being able to chart an independent government courses. However, when pressed, he refuses to acknowledge any personal credit.

“I think it’s the best deal out of a bad situation. I had certain constraints, the fact that the agreement was about to be signed before I come over. There was a definite moral agreement, a moral commitment on the part of the government. I believe in the continuity of governments, and I believe in the continuity of commitments given by the previous government. Those commitments should never be allowed to lapse.

“If I had started from scratch, if I had a clean slate, perhaps this is not the way that I would choose to privatise the telephone organisation. Or perhaps it is not the most effective way of inviting the private sector’s participation in the telephone services. Be that as it may, the concept had already been agreed on by the previous government, and the contract was about to be signed, so I thought that I should at least do my best to get the best agreement out of the concept. I thought it was a deal that was acceptable both to the government and to the people who were getting the concession.”

Prime Minister Anand is acutely aware that his days in office are numbered. He jokes about it often, but that does not diminish his strong belief in the continuity of government, and the obligation to honour previous commitments, and especially on a personal level.

“I have never regretted it (taking the job). In all my life, once I made a decision, I stood by those decisions. I don’t do anything half-heartedly. I have said that for me this is an interim time. I am an interim Prime Minister of an interim government, but I am anything but interim in what I do. I hope that my decisions of the past months, things that have happened, procedures established, the systems, I hope that they will last and not be reversed by the future government.”

The Prime Minister’s handling of the telephone contract, illustrated these beliefs, as do his current attempts to rationalise the shambles that has allowed as many as five over-lapping schemes to be tabled, to help ease Bangkok’s chaotic traffic situation.

“Any agreements that have been signed by the Thai Government would have to be honoured by the future government, that is a cardinal rule. Agreements that have not yet been signed will, of course, be subject to review. Of the agreements that have already been signed, the way we handle things is not to try to sabotage, to try to make it fail, but we had to look more deeply into the question of physical planning and of the engineering involved.

“We started with a handicap, in the sense that we did not have a master plan for a mass transit system. We merely responded to the projects, the proposals put up by the private sector. Under normal circumstances, the best approach would have been to have our own master plan and then to decide on the concept to be followed. Then, the private sector could respond to the final concept that was

chosen. That is not the case, so, in those areas (transport) the Thai Government always had the bad habit of reacting to specific proposals and projects. As a result, when it came down to questions and negotiations, the Government was often in a dis-advantaged position, because it had no way of controlling the procedure of the project itself.”

Prime Minister Anand has appointed a special committee to try and unravel the mess, which includes a multi-billion-dollar scheme of Hopewell’s Hong Kong magnate, Gordon Wu, to build a mass-transit railway, but it will not be easy.

“The people who got involved in the deliberation process were from one agency, with a vested interest. We believe that gives rise to corruption charges. It gave rise to some decisions that were made inadvertently, and decisions that were not thoroughly discussed and assessed. So I appointed a committee which includes all of the representatives of the agencies concerned – the finance, the engineering, and the authorities with their different projects. I hope that they can help iron out “the wrinkles” that are bound to happen when four or five government agencies run separately and uncoordinatedly and in isolation. So, “the name of the game” now is coordination, so that the physical parts of all the projects are not in conflict with each other, and that it would be physically feasible for all the projects to get off the ground.”

In the past few years, Thailand has suffered from extremely bad press over its environmental record, be it the deterioration of its beaches or the devastation of its natural forests. Prime Minister Anand observes:

“I think that this government has perhaps done most in the environmental field, to continue to generate public interest in the negative aspects of environmental matters. We have taken quite a number of concrete measures to alleviate suffering, our programme reducing the lead percentage in gasoline has been very successful and of course there is more to come. We’re determined to bring in a higher degree of private sector involvement in this national effort to protect the environment in which we live.

“We have de-controlled, de-regulated industries, commerce, and we expect that this de-controlling, this de-regulation and also our tax reform package (a value-added tax is to be introduced) would enable industry in Thailand to spend more money on waste treatment plants, not polluting canals and rivers. We will also do our best to see to it that the natural environment of the country, the forests, the rivers, would be least impaired by the actions of the Government.

“We want modernisation of the country, particularly Bangkok, to spread out. I have a dream, a dream of my own, that instead of having all roads leading to Bangkok, I wish that we could have all roads leading out of Bangkok to the provinces. That by the time we leave, we will have set aside two or three plots of land in Bangkok as parks.”

Prime Minister Anand accepts that there are problems with the exploitation of the country’s forests.

“There will always be problems: one, if the law is not strong enough there is nothing one can do, and secondly, if the law is strong enough, then the people who are trying to enforce the law are not honest. Perhaps 80 years ago, 80 per cent of the land area was covered in forest. Now it’s down to about 35 per cent, if not 20 per cent. That is a natural phenomenon. It has happened in every country, it’s happening now in Brazil. It’s something that we do not like to see happen but it has happened in every country.”

Anand adds: “I think that the population of Thailand in my younger days was 23 million people. That was only 30 to 40 years ago and now we have a population of 56 million. As a result, we have 30 million more people, particularly in the agricultural sector. They need land, each family needs land. Where do they get it from? We get it from the public forests”.

Thailand’s economy over the past few years has expanded to such a rate that it has earned the tag of “fastest-growing country in the world”. Inevitably, however, there has been a slow-down in line with the world-wide trend and the after-math of the Gulf War. Prime Minister Anand is not overly concerned.

“If you regard eight to nine per cent growth this year, it is not a slump, it is a drop from twelve or thirteen per cent growth. Everything is relative. In a way, I think it was partly designed by the Government, because I don’t think that any country of our size and our level of development could sustain 12 per cent average growth every year, as four or five years in the past. I think it’s very important that we slow down the growth intentionally, and we view it as a pause. By the time we think we could go ahead with “full steam” again, at least supporting facilities, be they infrastructure, be they technical personnel, be they anything, these factors will be ready.

“For example, the real-estate sector has been growing at the rate of 60 and 70 per cent in the past three to four years and you cannot go on at that rate because it is a kind of “runaway train”. You have to just slow it down so that it will not get “off the track”. The money supply in the past has been slightly too large, so I think we had to take control of the situation. Financially, we’re much better off than we were four or five years ago, or eight, or nine when there was a sort of slump, a recession in Thailand.

“Now the foreign exchange reserve is up to about US\$17 billion. If you look back eight or nine years ago, we only had about US\$2 billion. This US\$17 billion covers about five-and-a half months of imports and the baht is quite stable. I think confidence in Thailand is to continue judging by the in-flow of capital from abroad. Of course, the position has changed slightly, there is now less in-flow from equity and more in-flow from short-term loans. I am sure that picture will be corrected quite soon.”

Will Thailand becomes a financial centre in Southeast Asia?

“That’s what we hope for,” says Prime Minister Anand with a chuckle, “that’s what we hope for, I think it’s going to come about in spite of the Thai Government. If you look at the map, Thailand, although not geographically so,

is right in the middle of the Asean area, and with the opening up of the economies of Laos and Cambodia and Vietnam in particular, and also Burma, I can visualise it in 10 years time. Thailand will just be the hub of activities on a regional scale. Our banks are fairly active now in these areas. I can see a much larger market in the future, so I think that the economies are complementary and, of course, being more advanced in terms of banking, in terms of trade, in terms of industry, all of these Indo-China states will be naturally drawn into our orbit. I don't say that within a big power sort of attitude, but I think it is inevitable. Of course, on top of that, we've developed very good relations with our neighbours, politically and economically. The security factor is no longer a factor in the present scheme of things. Previously it would hinder any kind of movement in that direction, but now it's irrelevant."

This year's break-through in talks, hosted by Thailand, on a resolution of the fighting in Cambodia has enhanced Thailand's position as a regional force and power broker.

"The problem has been with us for over a decade, there was a stalemate, there was a deadlock, each side thought, rightly or wrongly, that time was on their side. We just pointed out that time was on nobody's side and that, if the stalemate were allowed to be prolonged, there was the likelihood that the Cambodian problem would no longer figure on the international agenda, including that of Thailand. With the trend around the world towards negotiation, compromise and pragmatic solutions to problems, the Cambodians themselves had to make up their minds. Whether to go with the rest of the world, whether they could afford to "dilly-dally" and argue on procedural points, or argue on such tiny points which, in fact, had no real practical meaning.

"I give a lot of credit to the four factions, I think also that the major interested parties involved, like Thailand, contributed to the process, to the negotiating process,"

So what, then, is the future regional role for Thailand?

"My God, this cabinet has only six months to go, we'll do our best in that time," says Prime Minister Anand, laughing strongly.

"We're only a small country, so we're not that ambitious, at least this Government is not that ambitious. We have to work within the time limits, but perhaps the future Government can take a greater role. I think that whatever we do, we have to recognize our limitation, our own constraints. We're not a major power – we are a sizeable power within the region, but that's it. Period."

Midway through his term, the Prime Minister reflects on his time at the helm of the country.

"I enjoy the work I'm doing, I enjoy the job but I do not enjoy the position of being Prime Minister. In a way I am a rather private man, I cherish my own private time, I cherish my own private life. In the political arena you have to stand in front of the public every day, every hour. All of your words, all of your

deeds are scrutinised and assessed. Sometimes there's a lot of character assassination. It's not that I am not in a position to answer all of these accusations, all of these slanders and "what-not", but it's not my "cup of tea."

So what does Khun Anand look forward to when he retires?

"A holiday, a part-time job and not having to give interviews," he says, grinning broadly," signifying, most politely, that the interview was over.