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THE ANTI-POLITICS OF GOOD GOVERNANCE: FROM GLOBAL SOCIAL POLICY TO A GLOBAL POPULISM?

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As the programs of market reform and privatisation — often given the generic term 'neo-liberalism' — faced significant challenge, resistance, and failures, there has been a discernible shift in developmental policy and practice from that of public choice theory that emphasises 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, these shifts in developmental thinking have been identified as the 'post Washington consensus' or PWC (Jayasuriya and Rosser 2001). 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 neo-liberal economic policy, and represent an often overlooked dimension of globalisation. 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 'anti-politics' that

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marginalises political contestation.[3] 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 paper examines the nature of the technocratic anti-politics of this approach to global social policy through an examination of its politics in post crisis Thailand. We will argue the anti-politics of technocratic social policy, driven by the international financial institutions, and especially the World Bank, soon gave way to a more populist form of anti-politics of a new government led by Thaksin Shinawatra. This paper attempts to examine 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 (Pasuk and Baker 2002). The international media greeted Thaksin's victory with considerable scepticism. Thaksin, while seen as both populist and nationalist, was also perceived as a representative of domestic business, indicating a merger of business and political interests. In this capacity, it was considered likely that his government would roll back the neo-liberal economic reforms that had been implemented following the 1997 economic crash (see *Far Eastern Economic Review*, 18 January 2001). Much of this was an accurate depiction of the new Prime Minister's electoral policies. However, since then, 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 neo-liberal reform was couched in terms that promised domestic capital the space necessary to re-establish its competitiveness vis-à-vis foreign investors. At the same time, and despite coming to power through the ballot box, this government has demonstrated a propensity for illiberal politics and a keen interest in controlling political debate. Unlike the technocratic anti-politics of the World Bank's global social policy, Thaksin's social and economic policies suggest the emergence of a form of 'globalised' populism with distinctly authoritarian overtones.

In fact, Thaksin's political project cannot be easily slotted into convenient comparative politics pigeon holes 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 ideal exemplar. This variety of populism depends on broad mass and multi-class movements organized around political programs of state directed industrialization and social reform (Collier and Collier 1991). It was assumed that populist programs would become increasingly

[3] Ferguson (1990) provides a compelling analysis of the way development programs foster a statecraft of anti-politics.

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 (Weyland 1996). Thailand appears to fit on both scores: over the last three decades, it has followed World Bank and IMF prescriptions on economic policy and at the same time adopted a new constitution which 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 (Pasuk and Baker 2002). 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 Vincente Fox in Mexico and earlier, Peru's Alberto Fujimori. Another example, Silvio Berlusconi in Italy, is interesting as the commentators have sometimes compared him with Thaksin (see *Business Week*, 2003). Populism, far from being vanquished, seems to be gaining a new lease of life in both advanced industrialized and newly industrializing states. However, this is a new populism that combines an appeal to neo-liberal 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 neo-liberal economic policies. Understanding populism from this vantage draws attention to its political character rather than seeking to view it as a particular ensemble of economic and social policies tied to various constellations of social grouping (Roberts 1995; Weyland 1996). 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 neo-liberal globalisation we can see the emergence of what Roberts (1995) aptly describes as a form of neo-liberal populism; or perhaps even a better term might be to call it a 'globalised populism'.

Roberts (1995) suggests that this new form of populism is characterized by the following features: personalistic and paternalistic rule, a multi class coalition, a rather ambiguous ideology and an economic project that uses redistributive methods to consolidate political support. Crucially these programs go hand in hand with the pursuit of programs of economic reform. Yet, while this leads us some way towards 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 non class forms of identity and representation that attempt to disarticulate social conflict from material relations of power and to re-embed social relations within increasingly moralised 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 of an amorphous nation or community made competitive within a globalised economic order. Of significance here is that these programs impose market disciplines that work through the depoliticisation of conflict; simply put, a politics of anti-politics. Indeed, populism means that far 'from evolving towards egalitarian, middle class societies, Latin American nations are accentuating historic patterns of disarticulated "classless inequality" that encourage the political subordination of popular sectors' (Roberts 2002: 3). Consequently the 'globalised populism' of the TRT represents an anti-politics that imposes market disciplines through the articulation of non class 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 plebiscitary and other instruments of direct democracy. The main effect of these new patterns of populist representation is to cancel out the mediating structures of liberal democratic politics (Chandhoke 2002: 18).

The new social policies pursued by the TRT government provide a means of imposing the effects of neo-liberal 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 entre-preneurial 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 (*Bangkok Post*, 2 October 2003). 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 (Jayasuriya 1999, 2000, 2001).

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, politically more powerful, and have produced considerable economic benefits than did the Bank's program that was driven by neo-liberal ideology. In the next section, we examine the distinctive characteristics of global social policy enacted in the aftermath of the Asian economic crisis. The next section of the paper analyses the distinctive characteristics the neo-liberal and social capital model promoted by the World Bank.

PARTICIPATION, SOCIAL CAPITAL, AND DISCIPLINARY NEO-LIBERALISM

One indicator of shifts in development 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 programs of poverty reduction programs.[4] This new social policy forms a crucial pillar of the post Washington consensus (PWC) that has its origins in the work of Joseph Stiglitz, the former chief economist of the World Bank (Stiglitz 1998a and 1998b), and exemplified in the World Development Report of 2000/2001 on poverty alleviation (World Bank 2002). But this shift to the PWC cannot be seen as a reversal of the structural adjustment policies which characterised 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 (see Hewison 2002; Betcherman and Islam 2001; TDRI 2000). In addition, two decades of industrialisation 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 focussed on the activation of certain ‘desirable’ forms of conduct. Therefore, as Weber’s sophisticated and innovative paper on micro credit observes, transnational social policy: ‘has a disciplinary potential that renders it particularly conducive to functioning as a political safety-net’ (Weber 2001: 8).

Consequently, the development of social safety nets needs to be seen in term of a broader thrust towards 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 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 theorising on developmental theory and practice (of all different hues) — whatever its academic merit — provides the ideological underpinning for these programs. The point about this institutional-

[4] For an excellent analysis of the World Bank’s poverty reduction programs see Cammack (2000; 2002).

ism is that it seeks to emphasise 'our social embeddeness and thereby the role of institutional structures and cultural norms as determinants of social life' (Bevir 2003: 458). 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 with the exception that these norms and institutions are located in civil society (Hayek 1960). But this natural order is seen as independent of the conflicts of power and interests that pervade the political economy. It is this fundamentally anti political notion of society that informs many of the governance programs of the international financial institutions 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 post crisis 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 privatise 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,[5] 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 privatisation of public governance is an understanding of citizenship as 'customership'. Marshall (1964, 1981) 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 membership of 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 organisations 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 (2001: 417) notes, a fundamental distinction between deliberative models of democratic legitimacy and problem solving lies in the fact that in the latter,

[5] See Keane (1998) for an overview of this understanding of civil society. Chandhoke (2003) provides an excellent critique and genealogy of some of the current conventional wisdom on civil society.

> 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.

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 paper: these notions of participation act to produce forms of depoliticised 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 *neutralises* 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 instrumental for neo-liberal 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 amongst individuals and communities. Poverty and inequality are often considered to develop, or are maintained 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 (World Bank 1998). More especially, the policy emphasis on social capital is geared towards the creation and fostering of certain types of responsible agency which 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 (1998) 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 mobilised for economic development.[6] Fine (1999: 13) notes that

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[6] 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

this approach to social capital 'allows the new consensus to be selective in where and how it addresses the role of non economic 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 way that is ultimately supportive of neo-liberal orthodoxy' (Harriss 2002: 119).

This is why civil society is such a critical element of the PWC promoted by the World Bank and other multilateral agencies. Civil society organisations are pivotal to the management and mobilisation of social capital for the successful management of economic reform, especially in periods where 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 organisations 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 liberalisation needed to be carried forward. The Bank linked with the IMF in pressing the Thai government to continue and extend liberalisation (see Robison *et al.* 2002a). As these neo-liberal policies were implemented, Thailand spiralled further into negative economic territory, and it was feared that social conflict could result.[7] In response, a division of labour 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 organised on a local basis and trumpeted as examples of decentralisation 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' (Shivakumar et al. 2000: 4), the Bank studied the impact of the crisis on social capital.

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 has been used to articulate a particular anti political notion of citizenship.

[7] 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.

While ‘class harmony/tensions’ was considered an aspect of social capital, the Bank was keen to downplay these, and only considered such aspects 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 labour, mental health, household size, community production, the role of NGOs, and family ‘safety nets’ (Shivakumar et al. 2000: 11). 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 neo-liberal policy orthodoxy (see Lieberman 1996). Clearly, one of the ideological motivations of the World Bank’s anti-politics was to extract policy implications supporting community and family level responsibility for social protection (Shivakumar *et al.* 2000: 29). The Bank regularly asserted that the strengthening social capital and the role of civil society was the pre-eminent measure for ameliorating the social impacts of crisis, along with ‘flexible’ labour markets (World Bank 2000b: 9).

In summary, the post crisis 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, emphasising the strengthening of social capital, were also concerned to discipline community level organisations. While couched in terms that emphasise autonomy, decentralisation and participation, these programs, in fact, are about instilling the disciplines of economic competitiveness through the creation of new methods, organisation, and networks of state organisation. This process simultaneously de-emphasises broad based issue 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 disembed the individual agency from political relationships of power and to embed them in depoliticised 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 which 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 US — 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 anti-politics) 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, there remains a curious concern with legitimacy 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, there appeared a political competition over the shape of what might be termed a 'new social contract'. As the paper has argued, the neo-liberal and social capital model promoted by the World Bank in Thailand embodied a particular technocratic model of anti-politics which remains tied to broader strategies of economic reform advocated by the international financial institutions. 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 neo-liberal 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 reorganised and restructured state forms to marginalise 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 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 took 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 emphasise support for industrial development (World Bank 1959). For the Bank, this was a successful relationship, and Thailand was hailed as a faithful pupil (e.g., World Bank 1991, 1993).

The World Bank co-operated 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' (see Hewison 1989: Ch. 4). 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, 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 (see Hewison 2001: 89-91). 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 were oscillations in the World Bank's relationship with Thailand (see Hewison 1987), it is fair to say that the Thai government generally accepted the World Bank's orthodox growth strategies. Technocrats, military leaders, and capitalists supported strategies that promoted economic growth, including enhanced liberalisation 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 neo-liberal 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 neo-liberal economists and policy makers, now considered the crisis derived from poor policies, weak governance (both state and corporate), inadequate institutions, cronyism, corruption, moral hazard, resource misallocation and failed and incomplete liberalisation.[8] For many analysts, the crisis reaffirmed the difference between 'right' and 'wrong' policies, and the need for sound macroeconomic management and increased liberalisation, albeit with a 'better' framework.

Initially, the IMF and World Bank emphasised financial restructuring and monetary caution. This included pressuring the Thai government to choose pol-

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[8] That the World Bank and others had been blind to these supposed sins prior to the crisis is conveniently ignored.

icies 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 (Nabi and Shivakumar 2001: 27, 61-4).[9] The Bank's approach emphasised social capital, civil society and participation to support a broad neo-liberal 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 (see Hewison 2002: 8-12).

Despite such negative impacts, the World Bank determinedly pursued the promotion of social capital. Underlining its emphasis on individual and family centred '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 (World Bank 2000a: 9-10; 2000b: 5).

The response to these negative impacts and to ideologically driven policy was increased political agitation against neo-liberal 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 organised 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 policymaking, the social impact of the crisis, and a 'fire sale' of local assets (both private and state) to foreign interests (see Hewison, 2000). 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 neo-liberal 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.[10] Business leaders pleaded with government for support, but with little success (*Bangkok Post*, 10 April 1998). 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

[9] The World Bank did not ignore financial restructuring, which remained the largest part of its country programme.

[10] For further and detailed information regarding the responses of domestic capital, see Hewison (2003b).

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 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.[11] 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 (Baker, 2004). It was the threat to their interests and power posed by neo-liberal 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 neo-liberal reform.

In campaigning for the January 2001 election, TRT used American campaign and marketing techniques to build an electoral platform that was innovative and inclusive, symbolised 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 neo-liberal policies.

Thaksin and TRT caught the mood of an electorate that had suffered the welfare declines noted above. 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 towards a high performance economy with

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[11] 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, and this saw his wealth increase. 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, p. 148). It is noteworthy that Thaksin's business success 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.

> sustainable, quality-oriented growth and economic stability (TRT, n.d.).

The Party proclaimed these '… progressive policies designed to solve the economic hardship and creat[e] opportunities for the Thai common man' (TRT, n.d.). The emphasis on the poor was reinforced by a promise to launch a 'war' on poverty. Specific programmes 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 programme.

These promises delivered a handsome election victory and rejected neo-liberal reform. As if to emphasise this, Thaksin declared that the IMF had harmed Thailand (Third World Network, 2001), and extolled the virtues of managed development, drawing on the examples of Malaysia and Singapore (Thaksin, 2001). In something of an innovation, not only did Thaksin and TRT make promises, but, following the election, moved quickly to implement them, emphasising its pledges to the poor.[12]

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 globalists' and nor was he opposed to further liberalisation. Indeed, some of the new government's policies were congruent with the strategies favoured by the international institutions and supported by international business. For example, both the World Bank and government favoured decentralisation, enhancing civil society participation in governance, bureaucratic reform and support for small and medium scale enterprises. In addition, there were many micro-reforms in areas such as corporate governance and bureaucratic operations that were broadly acceptable to neo-liberals.

But there was also IMF and World Bank concern that the TRT government's policies would move too far from the orthodox neo-liberal agenda (*Asia Times Online*, 25 August 2001). Those TRT policies that worried them included the government's lukewarm approach to foreign investment, delayed privatisation, promises to roll back financial sector reforms, and the potential for a budget blow out 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, which meant that rather than reducing the role of the state, it was to be expanded. This was especially the case in its poverty and social welfare programs. These programs were not only electorally popular, but also delivered

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[12] 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 who were forces in the post crisis era.

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.[13] 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 sub district one product scheme, and farmer's debt suspension — were to cost more than US$3.6 billion. The most significant of these programmes were the VCF and UHS, which accounted for about 90 percent of the funding, and claimed some 52 million beneficiaries by late 2002 (Worawan 2003: 3).

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 was part of a larger package of rural support that was not simply about propping up agriculture. Rather, TRT's aim is to develop entrepreneurs (see Baker 2004). In this context, when combined with the one sub district one product scheme, it was hoped that increased entrepreneurialism would enhance rural employment and business development. While the VCF emphasised decentralisation and localisation, 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 remained 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 (see Subbarao and Rudra 1996). 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 (*Bangkok Post*, 14 January 2003). Worawan (2003: 3) estimated that the cost of the scheme to government was in excess of 63 billion baht in 2002.

The UHS has had a rockier political path than the VCF. The most obvious problem was that while the scheme was expensive for government, state hospitals complained that fixed government funding threatened their ability to provide adequate treatment. Health professionals argued that the scheme, with its

[13] The policies supporting domestic capital have been discussed elsewhere (see Robison, Rodan and Hewison 2002).

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 (interviews, Bangkok, May 2002). Indeed, it was a direct challenge to the community based health programs that had linked with civil society organisations, much in the manner of the World Bank's preferences. The UHS was hospital based, at government hospitals, and emphasised the state's role in supporting the poor.

The debate around the role of the state in health care provision crystallised 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 (*Bangkok Post*, 5 August 2002). Many in the private sector, including economists and some doctors began to see the UHS as a step towards economic ruin and a welfare state (*Nation*, 29 July 2002; 3 September 2003).

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 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 (*Nation*, 2 October 2003; *Bangkok Post*, 5 October 2003). 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 emphasised social capital, the TRT has attempted the depoliticisation of anti-politics by cutting out civil society organisations and NGOs from the decentralisation process. TRT has emphasised decentralisation to local organisations 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 rely only on the new anti-politics, he has relied on an older variety of anti-politics. Declaring that 'good lifestyle, happiness and national progress' — essentially, human security — are more important than democracy, Thaksin has strengthened and centralised his government's political control (*The Nation*, 11 December 2003). Thaksin, his ministers and 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 control 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 was 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 (Thaksin 2002: 4). 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 liberalisation and privatisation, so long as local capital benefits and electoral support is maintained. With the language of participatory politics and the delivery on promises overcoming the opposition to liberalisation that saw off the IMF and World Bank, and with TRT in control of an elected government, the discipline of anti-politics has been established. The path for further liberalisation has been smoothed.

CONCLUSION

Despite their differences, Thaksin's new social contracts as well as the World Bank's transnational social policy embody a particular conception of politics as well as a management and consensus well summarised by Dean (2002: 171) 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 globalised populism seeks to diminish. It is in this sense that this new anti-politics provides a framework for political rule in a range of states, both democratic and authoritarian.

These new forms of anti-politics 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 on which power is exercised (Poulantzas 1978:238).

In short, what Poulantzas perceived nearly three decades ago as a new model of political regulation — and he was writing about advanced liberal democracies — may well be the new form of regulation in an era marked by both economic globalisation and the greater militarisation of the world.

These new forms of political regulation point us towards 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 globalised populism is an anti-politics 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 institutionalised dissociation between public and private which is the cornerstone of traditional representative democracy (Poulantzas 1978: 238).

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 neo-liberalism, have a harder more ideologically resonant notion of nationalism, and use social contracts to build 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 which will be buttressed by the requirements imposed by the 'war on terrorism'.

Most notably, this is through governance programs that serve to promote consensus over economic and social reform and through mechanisms that enable the technocratic management of social conflict.

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