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Thaksin described as 'new Dr Mahathir'

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KUALA LUMPUR, Mon. - International United States-based magazine Newsweek (picture of cover on left), saying that former Prime Minister Tun Dr Mahathir Mohamad had performed an economic miracle in Malaysia, has described Thai Prime Minister Thaksin Shinawatra as the "new Dr Mahathir".

It said Thaksin aspires to be "Dr Mahathir's successor" and talked about his economic reforms in Thailand in its Jan 12 issue.

Newsweek has been one of the international magazines which in the past had been critical of Dr Mahathir.

The magazine quoted Abhisit Vejjajiva, deputy leader of the opposition Democratic Party, as saying that Thaksin was aspiring to be Dr Mahathir's successor.

Newsweek said that in a country where nearly two million people are unemployed and one in three people never make it past primary school, "Thaksin vowed that all children will get a chance to study and all people of working age will be employed".

It labelled him as the most out-spoken and controversial Asian leader of the new millennium, saying that his strategy was a departure from free-market norms.

"His main focus being on heavy spending and easy money for local corporations and individuals," it said.

It also described his use of tax and lending authority to funnel money directly to consumers as a novelty in Asia, where leaders urged individuals to work hard and save to create pools of capital for industrial development.

But it said that during the economic downturn in 1998, Thailand's economy shrank 10 per cent and it took a US\$3.4 billion (RM12.9 billion) International Monetary Fund bailout to end the nosedive.

"As the economy grew in 2003, so did tax collections, allowing Thaksin to repay the IMF ahead of schedule and to boast that Thailand would never again fall prey to world capitalism," it said.

According to Newsweek, economist Pasuk Pongpaijit had said that the question was whether Thaksin's generosity to debtors could inspire the confidence and investment necessary to sustain the growth spurt.

It said that observers had also expressed concern that Thailand was slowly reverting to the crony capitalism endemic prior to 1997.

It said Thaksin was the son of a silk-trading family, who became a police lieutenant general and later used his contacts to build a business selling computers to the Government.

It said that his Shin Corp evolved into Thailand's largest company, built mainly on telecommunications.

He passed control of Shin to his son before taking office and insisted he had done nothing to help the business since.

Yet, the magazine said, accusations persisted.

It said that Thaksin's growth machine was likely to keep rolling long enough to carry his party to victory in the parliamentary elections set for 2005, thus tightening its grip on power.

Thaksin, the magazine said, was forecasting eight per cent growth in 2004, rising to 10 per cent in 2005, spurred on by his plan to invest RM25 billion over the next five years on new roads, railways and bridges.

It also said that if a new class of grassroots entrepreneurs emerged to sustain growth, then he may fulfil the expectations of analysts who saw

him as the leader of a new effective breed of popular reformers.

Thailand would then, it added, emerge as the leading model of a successful resistance to unbridled globalisation, taking over the role played by Dr Mahathir.