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COMMUNICATIONS DEREGULATION AND DEMOCRATISATION IN THAILAND

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Convergence between broadcasting and telecommunications, deregulation, and high levels of ownership concentration were features of the international communication industries in the late 1990s (Winseck, 1997; Hudson, 1997). These trends were also apparent in Asia yet their institutional location was quite different. Western notions of public sector broadcasting are unfamiliar in Asia as both telecommunications and the media traditionally have been state-controlled (Birch, 1998; Sinclair, 1997; Wang, 1997; Ure, 1995). While the communication industries of many states expanded during the Asian boom and tilted towards liberalisation, high levels of control were retained. China is commercializing its media, for instance, yet still insists that it disseminates state propaganda (Zhao, 1998). Because of convergence and digitalisation a major challenge for policy research is now to link two previously separate levels of analysis – about media and about telecommunications. However, as Lenert (1998) argues, market liberalisation and political democratisation are two themes policy analysts might use to restore social justice perspectives to communications debates.

This article will consider recent Thai communication policy as a case study of some of the tensions in Asian communications regulation. Thailand is now re-regulating its communications after a period of boom and bust. With the new 1997 Constitution, there is an expectation that regulation should ensure more public oversight of telecoms and broadcasting, formerly the province of state agencies, the Army and big business (Ubonrat, 1997). One problem for reformers, however, is the prospect of telecom and broadcasting regulation being combined. This could subordinate public interest considerations to the free-market culture prevailing in telecom regulation. Broadcasting and telecommunications have historically been distinct in terms of their regulatory institutions, in Australia as well as Thailand (Barr, 2000: 22). Another issue is that as the power of the Army and the state agencies is being challenged, new private monopolies are replacing them. Thailand's move towards political democratisation has been confused in telecoms and broadcasting with distance from government, and mistaken for support for economic liberalisation. Market liberalisation has been legitimated through claims to be more democratic, while the national interest has been conflated with private economic advantage.

The Regional Context of Thai Communications Policies

Thailand is a founding ASEAN member. As the only regional state never colonised, Thai foreign policy aims to retain independence from foreign control. Thailand is traditionally a 'front line state' and remains strategically important in Southeast Asia (Lewis, 1996). It was the epicentre for the financial crisis in 1997 that spread to Southeast Asia and South Korea (Bello, 1998). Thai

communications are not as developed as Singapore's or Malaysia's, yet rapid growth took place during its boom from 1986 to 1997. Thai democracy has been promisingly stable since the defeat of the army coup in 1992. Thai forces provided the first Asian military support for Australian troops in East Timor in December 1999, and Thailand and the Philippines now are most likely to break the rule that ASEAN states should not criticise each other. However, serious economic inequalities remain in Thai society, especially between the Bangkok middle classes and the rural poor (Pasuk & Baker, 1995: 65).

While the Malaysian and Singaporean media remain under state control, the Thai media are relatively free. Singapore retains direct control over telecoms through SingTel, and broadcasting through SBC, and the press through SPH (Seow, 1998). Singapore's small size makes possible projects like 'Singapore ONE' that is wiring the island with fibre-optic cables. With Thailand's greater physical and population size, provision of basic, let alone advanced, telco services is much more difficult. Further, the authoritarian nature of politics and the one-party rule of the PAP have given Singapore almost three decades of political stability (Rodan, 1996). This makes it relatively easy for Singapore to have the consistent hi-tech policies necessary to make it 'an intelligent island' (Low, 1997).

Malaysia embraced privatisation more than any other ASEAN state except the Philippines. In the 1980s, privatisation was applied to shipping, airlines and power generation, as well as to broadcasting and telecoms. TV3 was established as a private station in 1983. By 1994 it was immensely profitable and the largest shareholder in Satellite Network Services, the first cable-TV network. Similarly, in telecoms, the Binariang group launched two MEASATs in 1996, and is the part-owner of ASTRO broadcasting, the operator of MBNS (MEASAT Broadcasting Network). This project aims at making Malaysia a regional broadcasting hub, linked to Mahathir's pet scheme, the Multimedia Super Corridor (Jackson & Mosco, 1999). Gomez and Jomo's study (1997) of Malaysian privatisation, however, points out that it continues UMNO's pro-*bumiputera* policy of privileging ethnic-Malays' business primacy. They also question if privatisation has benefitted consumers, as there has been a growing concentration of wealth in Malaysia (1997: 100). In contrast to the ruthless rivalry in Thai telecoms, the Malaysian picture is more one of cosy deals arranged between UMNO and its favourite sons.

Singapore and Malaysia lead Thailand in IT and telecom development. Thai broadcasting, however, has greater content diversity in news and entertainment (Zain, 1996; Birch, 1993). The distance between the Thai press and its Malaysian and Singaporean counterparts is even greater. The press, though often partisan, is freer than in any ASEAN state except the Philippines (Chaline, 1999). By contrast, Malaysian papers are government mouthpieces, as the New Straits Times group is owned by a party affiliate, while in Singapore, although the *Straits Times* is more objective, it rarely criticises its own government (Tan, 1996). Lastly, Thai politics in the 1990s moved more surely towards democracy, compared to the paralysis of Malaysian politics during the Anwar-Mahathir conflict, or the charade of Singapore's PAP-run elections (Hewison, 1997). Thailand is the only developing country in East Asia with a freedom of information act, passed in October 1997 (Kavi, 2000).

Thai Telecommunication Policy Issues

Thai telecommunications originally had national developmental aims. The Thai boom after 1986, however, saw the needs of rural Thais take second-place to those of the urban middle classes (Servaes, 1990). A brief explanation of the regulatory structure is necessary to understand this outcome. The key telecom ministry is Transport and Communication (MOTC), which implements policy through three agencies. The Post and Telegraph Department (PTD) is responsible for liaison with the ITU and licensing radio-spectrum frequencies. The TOT has primary responsibility for domestic telephony, particularly the fixed-line infrastructure, but also licenses cellphones. The Communications Authority of Thailand (CAT) supervises international telecom services, yet licenses private cellphone services. It also operates the Thai postal service. CAT and TOT both are state enterprises. Each agency also licenses private sector satellite-links and radio-paging.

This regulatory duplication has caused numerous controversies. Communications legislation in Thailand is rarely straight-forward. There are often fights about interpretation and implementation when politicians exploit policy loopholes for their own advantage. The political system centres on shifting alliances among several parties within a coalition government set-up that has become an electoral inevitability. The clash between political support from rural provinces through wholesale vote-buying and educated metropolitan support for the more modern parties means that it is exceptionally difficult for any single party to win a majority (Laothamatas, 1996). Further, parties are often indebted to corporate sponsors. Reconciling official policy with private obligations, while trying to broker deals with other parties, means that multiple parties hold a balance of power (Unger, 1998). While official rhetoric reflects long-term strategy, the political reality is that short-term tactics take precedence.

The state, military and market spheres overlapped to a large degree until recently. Thai politics is based on a series of ever-shifting networks of patron-client relationships. Each election sees a scramble by politicians and businessmen to renegotiate their strategic connections as the new premier deals out ministerial portfolios. As a senior telco manager said: "Everyone in Thailand must have good relationships... In Thailand, people don't follow plans. People work - not the system... If the regulators want to fight you, you are dead!" (Pittyapol, 1996). The demand for telecom services following the 1980s boom represented enormous potential profits. This made the portfolios of the MOTC, the PTD, TOT and CAT enormously attractive, as the political faction controlling them could expect corporate directors to court their favour (Thompson, 1998). Three of the main areas in which policy dilemmas occurred were fixed-line services, cellular phones, and the telecom master plan.

Fixed-line phone services

The Chatichai government in 1988 was well aware that the military-dominated bureaucracies of the TOT and the CAT were unwilling to relinquish their control. The administration, ostensibly in an

attempt to speed up infrastructure development, removed many military figures from their boards and encouraged private sector investment in cell-phone and paging services (Sakkarin, 1996). In doing so, the administration circumvented normal channels, inviting allegations that they were benefitting corporate cronies. The result was that United Communications' (UCOM) TAC and Shinawatra's AIS won generous cellular concessions, while the disgruntled military embarked on a campaign to oust the government, culminating in the 1991 coup. Ironically, the coup and the Black May events of 1992, where democracy protestors were shot in Bangkok, led to a groundswell of support for democratisation in broadcasting and in society. In 1992, the protestors organised themselves using the very cell-phones which were at the heart of Chatichai's conflict with the military (Murray, 1996).

Subsequent debates characterised state-control of communication systems as corrupt and implicitly identified the national interest with liberalisation. The Anand government (1992-1994) laid out several strategies for deregulation, including a 'Telecom Master Plan' to establish a National Telecom Commission, in place of the TOT, CAT and PTD, that would be privatised or abolished. The 1992 Private/Public Participation Act also required any large-scale government concession or joint venture awarded to a private company to be independently reviewed. Meanwhile, the private sector would be given a greater role. Thai telcos were acutely aware that to survive liberalisation, they would need to establish a strong domestic market hold before competing with foreign TNCs. This increased pressure on the government to award concessions to local telcos sooner rather than later.

So, in 1992, the TOT, under criticism for not ensuring a ratio of one phone line per ten people, awarded two massive concessions to Telecom Asia (TA) and Thai Telephone & Telegraph (TT&T). Both had foreign partners – Nynex and NTT respectively. TA is also a subsidiary of Thailand's largest agri-business the Charoen Pokphand (CP) group owned by the Chearavanont family. This project was highly controversial and the contract was rewritten by Anand's government in 1992 to reduce its favorability to TA (Koppell, 1992). However, progress was slow and by 1995 there were demands to

~~award other concessions. UCCM and Shinawatra supported this as they wanted a slice of the fixed-line~~
business, until a legal review concluded that TA and TT&T would have to be persuaded to voluntarily give up their protection clauses (BP 23 Sep 95). In return, their concessions would now include a further 1.1 million lines. While the Eighth National Development plan projected six million new lines by 1996, TA had only built 1.1 of its 2.6 million lines in Bangkok by January 1997. Despite TA's problems, it would expand into pay-TV through its subsidiary Telecom Holdings (TH) and build a fibre-optic network in Bangkok. This did nothing for rural phone services, which remained woefully inadequate, but secured TA's place as the dominant land-line company.

Cellular phone services

Events surrounding cellular telephony were equally stormy. This business was hugely profitable for Shinawatra's Advanced Information Service (AIS) and UCOM's Total Access Communications (TAC). Both were given concessions by the TOT (1990) and the CAT (1991) respectively. This

reflected government policy to foster greater competitive efficiency in telecoms by allowing corporate participation and fostering commercial rivalry between the state agencies (Sakkarin, 1996). TA and TT&T shared the fixed-line business and AIS and TOT the cellular market. Profitability in the cellular market was stronger than in land-lines and AIS and TAC's high rates attracted increasing criticism by the mid-1990s. Then in 1996, when General Chavalit was Deputy PM, their position was challenged.

When Chavalit told the MOTC to approve the introduction of a new 'Personal Handy Phone' (PHS) service by TA via a TOT concession a major policy quarrel ensued. Despite TOT's efforts to maintain that the issue was a technical matter, the Attorney-General agreed with the cellular companies' view that the PHS system was closer to a mobile phone service (BP 16 March 96). This ruling was not accepted, since TOT considered the Attorney General to have merely an advisory role (Withu, 1995). The issue was then taken to the Juridical Council, where its ruling favoured the MOTC, the TOT and the new service-provider, TA. Consequently, AIS and TAC were forced to agree to allow new competition. So the TOT agreed that TA and TT&T could operate PHS mobile systems, and through Chavalit's influence were allowed to do so without taking part in a bidding process (AT 25 Jul 96).

Since the 1997 crisis there has been growing concentration in the cell-phone business. In 1997 Telekom Malaysia bought 49% of Samart's DPC (Digital Phone Company). In February 2000 Shinawatra bought out DPC, adding their 120 000 subscribers to AIS's 1.2 million to give them more than 50% of the market. UCOM's TAC has 1.1 million subscribers. This came after Shinawatra's withdrawal from pay-TV, and their attempt to buy into TT&T. Shinawatra's acquisition was reported in the Thai press as intended to rally local operators against foreign competition before full market liberalisation (BP 19 Feb 2000:B1). Shinawatra has consistently used patriotic rhetoric to justify his local acquisitions. He may now seek to merge with TAC to monopolise the cell-phone market and buy into TT&T to become a land-line operator, although the possibility of Australia's Telstra acquiring 25% of TAC has been raised (BP 16 Feb 2000:B3; Australian 7 March 2000: 25). Shinawatra and TA are now the major telecom players after a decade of ruthless competition.

The telecom master plan: National vs. corporate interests

Thai arguments about telecoms privatisation involve other public enterprises, such as THAI Airways and the national electricity provider, EGAT. However, the telecoms issue concerns the future of TOT and CAT, as both are targetted for privatisation (CAT Report, 1993). While trade unions in Australia and Germany offered considerable resistance to telecoms deregulation (Braithwaite & Drahos, 2000: 348), Thai telecom unions are in-house ones, on the Japanese model, and have offered their employees shares. The terms of privatisation remain contentious, yet the private sector has become dominant in the industry via three projects since the early 1990s. These were the TA and TT&T three million lines contract, granting the THAICOM satellite licences to Shinawatra (1993, 1994 and 1997), and cell-phone and paging concessions to Shinawatra, UCOM and others.

The telecom master plan has to accommodate the WTO programme to expose local markets to global competition in 2006. The plan, mooted since 1992, finally was approved in March 1995 (BP 3 Jun 95). It divided the country into six zones, in which no company would be allowed to operate in more than one. UCOM and Shinawatra favoured this scheme (N 29 Jul 95) and the MOTC saw it as good for competition, yet critics said the number of zones corresponded to the companies already dominant - TA, Loxley, Shinawatra, UCOM, Samart and Jasmine. The NESDB instead advocated an eleven zone model (BP 20 May 96). The plan also proposed a neutral agency to separate regulation from operational supervision (BP 19 May 96). A company under the Ministry of Finance would be the vehicle for privatisation, have a major private sector partner, and reserve some 2-3% of shares for employees'. Foreign ownership limits would be capped at 20% (BP 16 Oct 97).

However, privatisation has been interminably delayed due to agency in-fighting and the financial crisis. The plan was reviewed yet again in April 1999, with the scenario being to change TOT into a limited company in June, select a major foreign partner a year later, and be privatised by 2000 (N 26 April 1999). This has not happened. The telecom companies were damaged by the baht devaluation as most of their overseas loans were held in unhedged funds. Many no longer have the capacity to expand services. Rather, TT&T has sought to have its losses subsidised by TOT, while the CP-TA group has moved to dispose of its nation-wide chain of 7-11 stores and even considered an alliance with Shinawatra's AIS, which remains cash-rich (BP 30 Jul 98). In contrast with Singapore's decision to accelerate telecom deregulation, it is unlikely that there will be any rapid movement to privatise the TOT or CAT.

Thai Broadcasting Policy Issues

The Thai broadcasting regulatory agencies are the PTD, the Mass Communications Organisation of Thailand (MCOT), and the Public Relations Department (PRD). The PTD regulates technical standards, while the MCOT is the primary policy agency. A complicating factor is the role of the Royal Thai Army. Of the six broadcast TV channels, the Army owns 5 and 7. It operates 5 and leases 7 to the Bangkok Broadcasting and Television Coy. Channels 3 and 9 are both owned by the MCOT, which operates Channel 9 and leases Channel 3 to the Bangkok Entertainment Coy. The PRD is located within the Prime Minister's Office. It oversees Pay-TV, supervises Radio Thailand and the Thai National News Agency, and operates the public broadcaster, Channel 11, begun in 1989. The only free-to-air channel not state-owned is iTV (Independent Television).

Thai politics was marked until 1992 by periods of military rule alternating with more liberal, though not democratic, administrations. Media control by the ruling clique was considered normal. A National Broadcasting Executive Board was created in 1974 to license broadcasting. It became the main censorship body and survived until 1992, when a more publicly representative National Broadcasting Commission was created, with members from academia and NGOs as well as state agencies. The NBC had some input into the media articles of the new Constitution. Recent moves towards

commercialisation in broadcasting can be interpreted as a move away from state control - yet only to an extent. Policy changes during the boom from the mid-1980s favored neither market competition nor political liberalisation (Ubonrat, 1997). Rather, they resulted in new media monopolies that are less publicly accountable than the state agencies.

Attempts to free the Thai broadcast media go back to the Pramoj administration of 1973-1976 (Pasuk & Baker, 1995: 372). However, the present concern for reform dates from Thailand's 'Black May' in 1992, when broadcasters misreported the violence committed by the Army in Bangkok (McCargo, 1993). Three main issues dominated the later 1990s - challenges to the established networks, the role of pay-TV, and the new Constitution's impact on media and telecoms regulation.

Challenges to the traditional broadcasters: the Army and iTV

Thai broadcasting policy has been marked by constant in-fighting among the regulators and their alliances with different media groups. The saddest example here was the murder of Saengchi Sunthornvit, who became Director of the MCOT in 1994. Saengchi attempted to eliminate corruption in block advertising time-selling and MCOT's administration. He allied the MCOT with TA and UCOM against Shinawatra and planned to create a pan-Asian satellite television service that would use the Apstar satellite instead of THAICOM. Thaksin Shinawatra fought this proposal tooth and nail until his company was reprieved by the failure of the Apstar 2 launch in China in February 1995. Saengchi's bid to end corruption in time-selling and in the MCOT was successful, until in April 1995 he was shot by an assassin (BP 10 Aug 96).

The only new broadcaster has been iTV (Independent Television) in 1996. The award of this licence fulfilled the Anand administration's promise in 1992 to create a new station not owned by the state. The group's holding company Siam Infotainment includes the Siam Commercial Bank (SCB), United Cinemas, the Crown Property Bureau (CPB) - the Royal family's business arm, and two newspaper groups, the Daily News, Thailand's second-largest mass daily, and Nation Multimedia (N 23 Aug 95). iTV had a shaky start. Its weaker signal required the distribution of special antennae and only began broadcasting outside of Bangkok in 1997. The PRD unsuccessfully sought to have iTV transferred to its jurisdiction, claiming its stations could best extend iTV's signal (N 11 March 97). Yet iTV has established a reputation for independent news coverage and its investigative reporting has had an important demonstration effect on the news programs of the other channels.

The economic crisis created problems for iTV in meeting its first 30-year licence royalties. This led to iTV requesting a deferral of the payment and a savage attack against iTV by Thailand's largest circulation paper *Thai Rath*. In contrast, the Army-owned Channel 7 was granted a twenty-five year lease at a much lower rate in May 1998. Critics such as Supatra Masdit, the key broadcasting official in the Prime Minister's Department, claimed this was to evade the new controls an independent media regulator might introduce (N 6 Nov 98). Although iTV's original licence said no shareholder could

own more than 10% of the company, the cabinet now has terminated this condition. The SCB and the CPB may withdraw their holdings and have offered them to Shinawatra (BP 3 Feb 2000). This would give iTV's resources to one of the largest private monopolies. Thaksin's *Thai-Rak-Thai* political party may win office in this year's national elections and Thaksin is presenting himself as a likely Prime Minister. One of his current promises is to put an Internet connection in every village.

While limits on Thai media freedom have been relaxed, sensitivity about television news coverage remains acute (Thitinan, 1997). The Army channels 5 and 7 are mouthpieces for the government, while the Defence forces still own many radio stations. In January 1998 Channel 5 launched a satellite-based service to Thais in Europe, the US and Australia. Though heralded as a breakthrough, the service costs the Army 170 million Baht annually and is not attracting advertisers (KT 24 Sep 98). Further, the Army's Supervisor of Broadcasting was criticised for granting Channel 7's contract extension eight years before it expired. In February 1999, the government took the unprecedented step of auditing the accounts of the Army TV and radio stations (NL 26 Feb 99). Prime Minister Chuan also has appointed himself as the first civilian Head of the Armed Forces. Nevertheless, the Army is maintaining its involvement in the media is vital to national security (Ubonrat, 1999: 6).

Pay-TV: Less regulation, more monopoly

Shinawatra's IBC (1989) and the Wattachak group's ThaiSky (1990) were the original Pay-TV providers. IBC was part of the larger Shinawatra empire, while ThaiSky was linked with the Wattachak print media group. Where IBC aimed at up-market Bangkok audiences, ThaiSky targetted provincial markets and used more Thai-language programming. Both relied on the THAICOM satellites after 1993 for MMDS and then DTH distribution and both made large losses in their start-up period. IBC's relays of CNN's coverage of the 1991 Gulf War first attracted subscribers on a large scale, however they still complained of poor services and lack of program choices.

When the economy was booming many new licences were awarded by the PRD in 1994, unlike the IBC and ThaiSky concessions that had been granted by the MCOT. These were given to telecom companies, such as UCOM, Samart and Comlinks, as well as to Channel 3 and the Grammy group (BP 27 Nov 1996). IBC's main challenger, however, was UTV (Thai Cable Vision) a subsidiary of the TH/CP group. UTV used fibre-optics to link some 600 000 households in Bangkok and provide interactive services. As the economy sank, no new licencees entered the market. Further, Shinawatra Satellite put ThaiSky out of business by cutting its satellite service in August 1997 for unpaid transponder rentals. A South African-Dutch cable company MIH bought 16% of IBC in the same year. By this time, IBC and UTV were carrying losses of almost three billion baht. They merged in February 1998 and the new company became UBC (United Broadcasting Company) (BP 25 Feb 1998).

The policy issues the MCOT faced here were first, whether to permit the merger, and second, to decide what conditions would be imposed to protect existing subscribers. In the event, the MCOT allowed the

merger despite proclaiming the need for competition, while its pressure to hold subscriber rates down was ineffective. UBC, after initially promising otherwise, soon announced rate increases (BP 13 Jun 98). Shinawatra has since sold out to MIH to concentrate on its core business, so TH and MIH remain the dominant owners (N 21 Jan 1999). MIH now is seeking to buy into Thailand's leading Internet ISP, KSC (BP 10 March 2000). The 1990s had seen Thailand's original three pay-TV companies reduced to one and consumer rights over-ridden while the regulators were ineffective. During the boom, the PRD and the MCOT had competed with each other by handing out a surplus of pay-TV licences. After the crisis, the agencies did nothing when the two remaining competitors formed a monopoly.

The 1997 Constitution

Vitit (1998: 40) describes the new Constitution of October 1997 as 'the most participatory of Thailand's 16 Constitutions since 1932'. A 99 member Drafting Committee was elected independently of existing parliamentarians. New governance mechanisms, such as an Election Commission, ~~were~~ created to overcome the perennial problem of vote-buying. The March 4 Senate elections took place in the year 2000 under these new arrangements. The Senate for the first time was entirely elected, while new laws prohibited candidates from being members of political parties and even from campaigning. Even if the new electoral process has flaws, it is a radically democratic innovation (BP 23 Feb 2000).

The key sections of the Constitution relevant to communications reform are Articles 39-41. Briefly, 39 prohibits governments from closing media outlets except in time of war, 40 says that the frequency bands for broadcasting and telecommunications are communication resources in the public domain, and 41 that media employees should not be controlled by the state or by media owners (Vithit, 1998: 43). However different legal interpretations of the Articles, especially No. 40, have been debated. Though the system must be finalised by October 2000, arguments about the powers of the new agencies are still unresolved.

In 1999 dissatisfaction with UBC's price-hikes, the Army's intransigent media role, and support for freer news reporting, combined to create a reform climate. Reformers wanted one regulator for telecoms and another for broadcasting to ensure greater attention to public interest concerns. The reformers included the Council of the Mass Communication Faculty Members of Thailand, an *ad hoc* committee of NGOs and Civil Liberties groups, The Voice of the Voiceless, and the Monitoring Group on Article 40 (BP 6 Apr 99; 16 May 99). Several agencies came up with versions of the same Bill, including the MOCT, the Prime Minister's Office and the Council of State. The PTD and the Army wanted one regulator, while the Council of State argued for two separate committees for telecoms and broadcasting under one regulator.

It now seems that there will be two regulators, a National Broadcasting Commission and a National Communications commissions, each with seven commissioners. The NBC will draft a master plan for broadcasting for five areas - education, religion, art and culture, national security and agriculture. 20%

of broadcasting frequencies are to be for public use. Both the NBC and the NCC will be appointed for six years by the Senate from nominees named by a selection committee of media academics, civic organisations and government officials. One major loophole is that existing contracts cannot be affected (BP 23 Sep 99 & 7, 9 Oct 99). Ubonrat (1999: 11) also considers the government favours the free market principles advocated by the telecom proprietors. Nevertheless, Thai media regulation seems to have entered a promising new era in which public interest considerations are being given a significant role.

Conclusion: Communications Liberalisation and Democratisation in Thailand

Thailand's ambition to be a regional communications hub was always benchmarked against Singapore and Malaysia's progress, behind which it lagged. When this pressure intensified after the 1996 WTO telecom agreement, the Thai telcos set about trying to snatch as much business as possible before the international competition moved in, using national development as their justification rhetoric. The need for a central regulator to set up uniform policy meanwhile created panic among the bureaucracies, since none of them wanted to be without a chair when the music stopped. Paradoxically, the logical attempt to close the loopholes in an ambiguous regulatory system intensified the scramble between bureaucracies and the corporates to claim as much territory as possible before the WTO deadline. Expanding the communication infrastructure was bound up in rhetoric about national development, but 'national' referred in practice to the private sector - for example., Shinawatra's 'national' satellite projects and the non-elected appointment of Thaksin Shinawatra in 1994 as foreign minister.

In contrast to the cliché that communications deregulation promotes efficiency and national development, Gerald Sussman (1997:177) has argued about the Philippines' that deregulation reinforces social inequality. This also seems true in Thailand. A constant theme of telecom policy arguments was that privatisation benefits the nation. Prime Ministers repeated the US orthodoxy that ~~deregulation would benefit consumers and the economy. The real lesson of Thai telecom deregulation~~ however, is that the real beneficiaries were the large companies. Telecom concentration was accelerated by the 1997 crisis, while the economy's reckless expansion was reflected in its turbulent telecom sector which regulators failed to control, similarly to the deregulation of the financial sector (MacIntyre, 1999: 144). The battles for concessions contributed to the corruption of politics and were part of the creation of a bubble economy. The main projects were aimed at the Bangkok middle classes and regional expansion, while rural phone services improved only slightly (Dayley, 1996). The emphasis was on economic competitiveness rather than on social equity. Thaksin Shinawatra and Dhanin Chearavanont now rank in the list of Thailand's top ten richest men.

A similar outcome resulted in the media with the domination of Pay-TV by one company. The Army also remains powerful in broadcasting, while the present danger with communications convergence is that the free-market, technically dominated culture of telecom administration may be carried over to broadcasting. On the other hand, the efforts of reformers, such as the late Saengchi Sunthornvit,

broadcaster Somkiat Onwimoon, academics Ubonrat Siriyuvasak (1999) and Pasuk Phongphaichat (1999), and journalist Suthachai Yoon, together with broader public support for the new Constitution, have improved the climate for free speech. iTV is a valuable initiative in independent broadcasting, even if it is administered by the Prime Minister's Office and is barely surviving financially. The relative stagnation of democracy in Malaysia at present coupled with a more developed communication sector suggests that the one does not necessarily follow from the other. Communications deregulation and political democratisation may be opposing forces in developing states.

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N The Nation <http://www.nationgroup.com/>
P Phujadkarn <http://www.bangkokpost.net/ads/thaibuzz.html>

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DAY THREE
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NARROWING THE INFORMATION DIVIDE IN ASIA

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