

Thailand to Buy 40% more Rice from Farmers

September 6, 2008

Thailand's struggling government has agreed to buy 40 per cent more rice from farmers this year, a decision that could boost its popularity among rural voters as it prepares to face a national referendum aimed at ending an unprecedented siege of the prime minister's offices.

The plan calls for the government to buy 3.5m tonnes of unprocessed paddy rice from farmers at a guaranteed price, up from an original planned 2.5m tonnes, the Thai news agency reported on Friday.

It appears to be aimed firmly at the same rural voters who last December helped elect the government of Samak Sundarajev, whose removal as prime minister is now being sought by a movement made up largely of Thailand's urban elite.

The decision to help prop up rice prices was made as parliament appointed Prasopsuk Boondet, a former judge and now the speaker of the Senate, to mediate between the government and protesters occupying the Government House in Bangkok. Mr Samak also said he was considering lifting a state of emergency introduced this week that has failed to persuade thousands of protesters from the People's Alliance for Democracy to end their occupation.

The PAD has vowed to occupy Government House until Mr Samak resigns. The Thai army said it would not forcefully evict the demonstrators.

Mr Samak has been on the defensive since August 26 when the PAD, which previously led mass protests against Thaksin Shinawatra when he was prime minister, seized his offices and demanded that he quit for being too close to Mr Thaksin, now in exile in the UK.

Beyond Mr Samak's removal, however, the PAD are also demanding an overhaul of the political system – with the creation of a mainly appointed parliament – so as to reduce the power of the rural electorate, who the PAD's elite backers blame for electing unsavoury and corrupt politicians.

Mr Samak, a 73-year-old conservative veteran, has refused to resign, but in an effort to defuse the tensions he has proposed holding a national referendum that would allow voters to express their views on how to end the stand-off, asking such questions as whether the government should remain in power, or whether the protests should go on.

However, political analysts expressed scepticism that the unusual gambit would resolve the crisis.

"It is part of the government answering the offensive by the PAD and continuing to legitimise itself in a democratic way," Giles Ungpakorn, a Chulalongkorn University political scientist, said of the referendum

plan. "But if the government wins the referendum, will the PAD shut up and go home? No! They are not in a mood to compromise."

Whether the referendum will actually take place is another question, he said, as a new referendum law must first be approved by the Senate, dominated by military appointees seen as unsympathetic to the administration.

Source: Financial Times