

Calls for rethink on privatisation, FTAs

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The Thaksin government should rethink its privatisation and free-trade agreement (FTA) policies, and any such plans should go through public hearings or a national referendum, a panel of speakers at a labour seminar said yesterday.

The seminar was organised by the labour union of the Electricity Generating Authority of Thailand (Egat) to discuss the impact of FTAs on Thailand.

The panel included speakers from Chulalongkorn University, the National Institute for Development Administration (NIDA), businessmen and a senator.

The event attracted thousands of Egat workers, who mostly wore red shirts in a display of defiance and solidarity against privatisation of the state agency.

Somkiat Onwimorn, the senator for Suphan Buri, said privatisation in a hurry, as advocated by the World Bank or the International Monetary Fund, was likely to have an adverse impact on the public.

He quoted Western economist Joseph Stiglitz, the Nobel Prize laureate from the US, as saying that most developing countries had failed in their privatisation of state enterprises because the plans were implemented carelessly without thinking about the public interest.

The main winners from privatisation were mostly politicians in power and foreign investors, Somkiat said.

“Only government ownership of public utilities can ensure that a broad service is provided to the public, without too much focus on profit,” he said.

He urged the government to study privatisation and FTAs carefully before reaching a final conclusion. And the process must go through Parliament and a national referendum, he said.

Charoen Khamphiraphap, a lecturer from Chulalongkorn University, said Thailand should study in-depth the benefits and drawbacks of any FTA before concluding such deals.

“We should not rush to celebrate if we can open up a foot-massage business in the US in exchange for our expansion of intellectual-property-rights protection for the US, which has broader implications,” he said.

“This issue is big and involves the sovereignty of the country. Any FTA agreement should go to Parliament and should also seek support from the public. This process will take one or two years so that the information can be spread out and digested,” Charoen said.

“It is wrong that only one group of people decides the future of the country.”

Wiwatchai Atthakorn, a lecturer from the NIDA, said the government should study privatisation plans from other countries in detail before proposing to privatise Thai state enterprises.

“Each state enterprise group should have its own way of management. The point is not whether to privatise or not, but we should look at what benefits the public most,” he said.

“The government has not studied privatisation in enough depth. For state enterprises involved in public utilities, such as electricity or water, it is necessary that the government should continue to own them 100 per cent. They can always improve the efficiency of state enterprises to offer fair prices and better service to the public,” he said.

Sirichai Maingarm, one of Egat’s union leaders, said the union’s position remained firm that it would rally against privatisation and wanted the Corporation Act scrapped.

Kasem Chatikavanij, a former governor of Egat, is scheduled to hold talks today with Egat executives on the course of privatisation.

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