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New government urged to avoid populist policies

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The new government, once installed, is urged to rid itself of political influence in economic affairs, particularly populist policies.

The proposal is the topmost priority among 12 economic reforms the new government needs to undertake following the political unrest.

Tanit Sorat, vice-chairman of the working committee on macroeconomic, finance and fiscal affairs of the National Economic and Social Advisory Council (Nesac), said other proposals include eradication of corruption and vote buying, and competitiveness enhancement for small and medium-sized enterprises.

The new government should also solve income inequality, reform fiscal policy, develop logistics, promote border trade, revise laws that are obstacles towards doing business and reform education.

The National Anti-Corruption Commission should also limit its role to investigating cases relating to politicians, while a separate commission should be set up to probe charges against government officials and state enterprises.

But Rachada Dhnadirek, a member of the Democrat Party's executive committee, expressed concern that at the end of the day, political parties will use populist policies to win votes.

"People have to know the importance of reform and not fall into the trap of populist policies," she said. "We're all talking about reform now, but from my six years' experience as a politician, I'm afraid that people will forget to reform [the country] once the election day arrives."

She defined populism as policies that are popular among people but have only short-term benefits.

"In the long term, policies such as the rice pledging scheme and tablets for students will backfire and ruin the country," she said, adding that a good policy needs to consider the pros and cons and long terms benefits, as well as opportunity costs.

She said the Democrat Party has already implemented reform policies during Abhisit Vejjajiva's term, such as community title deeds which offer land use documents to communities.

"But it could not compete with the 15,000 baht rice pledging scheme," said Ms Rachada, who is also a former Democrat Party MP.

Nesac's working committee recommended increasing value added to agricultural products and fisheries as a way for farmers to obtain sustainable incomes. For instance, rubber should be processed, while sugar cane and palm oil should be made into alternative energy or bioplastics.

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