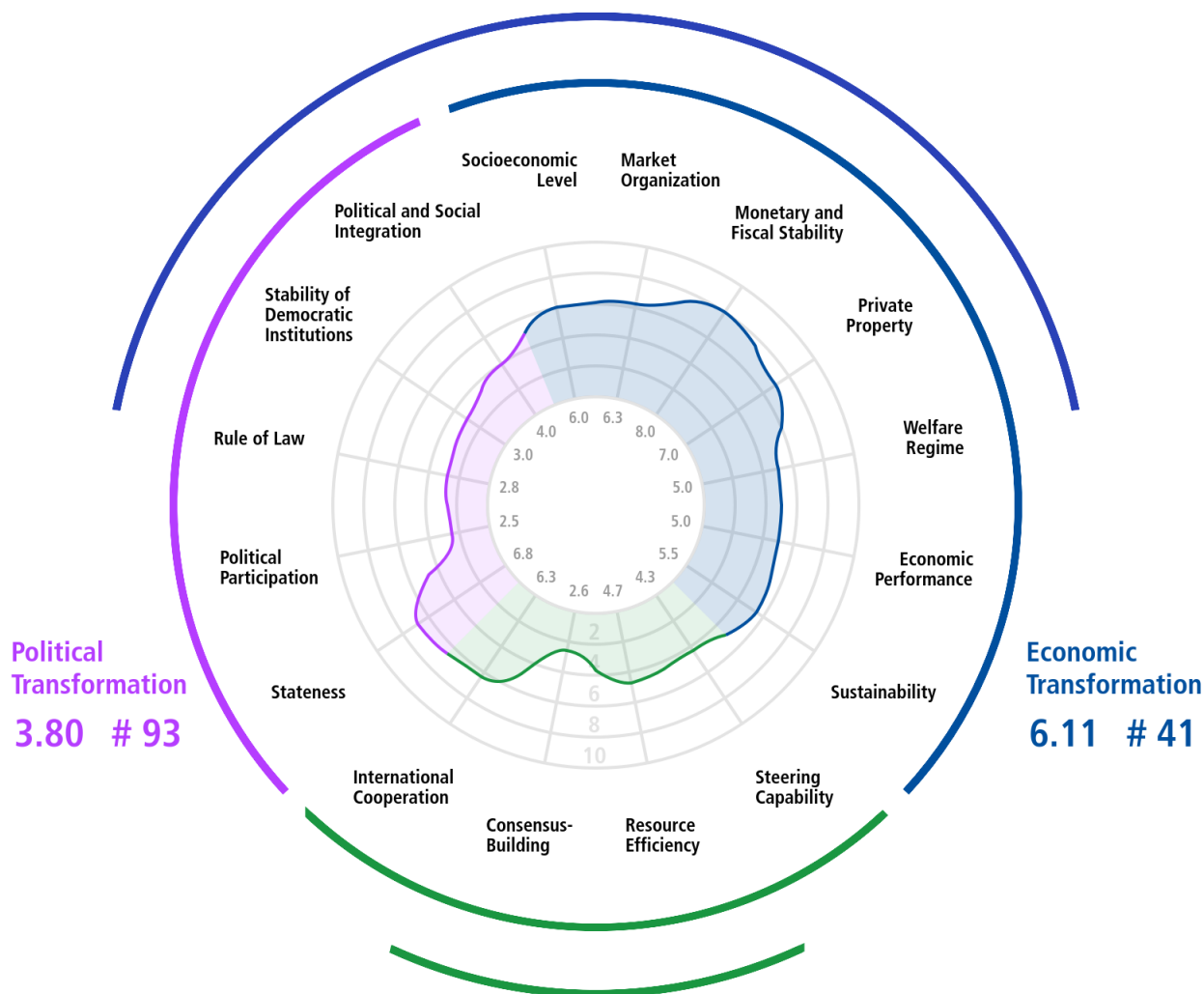


Thailand

Status Index

4.95 # 75

on 1-10 scale out of 137



Governance Index

3.99 # 95

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	71.7	HDI	0.800	GDP p.c., PPP \$	20672
Pop. growth ¹	% p.a.	0.1	HDI rank of 189	66	Gini Index	35.1
Life expectancy	years	78.7	UN Education Index	0.731	Poverty ³	% 0.6
Urban population	%	52.9	Gender inequality ²	0.333	Aid per capita \$	1.8

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

Elections scheduled for May 2023 will mark the end of General Prayuth Chan-ocha's term as prime minister. The legal foundation of Prayuth's government, and the semblance of democracy through which he governs, hinges on the 2017 constitution established by the junta and the 2019 general election, which failed to meet the criteria of being free and fair. Since assuming power in 2016, King Maha Vajiralongkorn has amassed more authority within the palace compared to his father's reign, yet he doesn't command the same level of popularity.

The 2017 constitution created a façade democracy under the oversight of Prime Minister Prayuth and the proxy party Palang Pracharat, both of which indirectly sustain monarchical and military dominance across the nation, while facing mounting student protests. Between 2020 and 2023, Prayuth's administration utilized draconian laws reinforced by police and military might to quell these protests. The coalition led by Palang Pracharat also encompassed the Bhumjai Thai and Democrat parties. Anutin Charnvirakul, the leader of Bhumjai Thai, served as the minister of public health under Prayuth's government. In this capacity, he managed the government's response to the COVID-19 pandemic.

In 2022, as the COVID-19 pandemic receded, Anutin successfully spearheaded efforts to legalize medical marijuana, leading to widespread availability and beneficial effects for the Thai economy. Factions within Palang Pracharat began to fracture, with Prime Minister Prayuth and Deputy Prime Minister Prawit Wongsuwan displaying signs of discord from 2021 onwards. In the lower house, opposition was led by the pro-Thaksin Shinawatra party, Pheu Thai. Since 2020, the Move Forward party has also emerged as a key opposition force, sometimes aligning with anti-Prayuth and anti-monarchy protests.

Despite the waning pandemic in 2022, Thailand's economy remained fragile. Economic growth, based partly on tourism, is still recovering. As of early 2023, the prominent government figures are the leaders behind the 2014 coup: Prayuth, Prawit, and Interior Minister Anupong Paochinda. Escalating tensions between Prayuth and Prawit have heightened instability within the coalition government.

Amidst an economic downturn and ongoing demonstrations, a general election is slated for May 7, 2023. The major parties contending in the election include Thaksin's Pheu Thai, Palang Pracharat (led by Deputy Prime Minister General Prawit Wongsuwan), Ruam Thai Sang Chart (formally aligned with Prime Minister General Prayuth Chan-ocha), and Bhumjaithai. Simultaneously, the Malay-Muslim insurgency in Thailand's Deep South persists.

History and Characteristics of Transformation

Autocratic legacies have prevailed throughout Thailand's history, as evidenced by state domination over society, politics, and the economy. Thailand remained an absolute monarchy until 1932, when a coalition of military officials and civilians seized power, leading to the establishment of a regime controlled by the military.

Since 1980, the monarchy and military have dominated Thailand in a power duopoly, with the military serving as the junior partner.

Military repression in 1992 against Thais protesting against a 1991/92 military junta led to a transition to a flawed electoral democracy, which lasted until a 2006 military putsch. That coup ousted Thaksin Shinawatra, an elected prime minister who had challenged the informal control over politics by the monarchy and military. Since the late 1980s, the economy has been led by export-oriented industrialization, relying on low-cost labor, relaxed investment laws, and tourism.

In 1997, a financial crisis caused the economy to collapse, though it contributed to the election of Thaksin, who implemented welfare policies. With Thaksin in self-exile, the 2006 coup leaders enacted a new constitution that weakened the powers of elected prime ministers and political parties. Nevertheless, a pro-Thaksin party won the December 2007 election. To force it from office, in December 2008, Thailand's arch-royalist elites resorted to "lawfare," using an anti-Thaksin judiciary to dissolve the pro-Thaksin party for supposedly violating the constitution. Days later, senior officers in the armed forces, together with representatives from the king's Privy Council, helped cobble together an anti-Thaksin coalition government. In 2009 and 2010, the army violently suppressed pro-Thaksin ("Red Shirts") protests against this coalition government. The pro-Thaksin Pheu Thai party, led by Thaksin's sister Yingluck, won a landslide victory in the 2011 elections. Her government implemented a new round of populist reforms, but an organized conservative opposition to her government created pandemonium in Bangkok in 2013/14.

In 2014, the judiciary voided a February election and forced Yingluck out of office on a technicality. Then, on May 22, 2014, the military ousted the elected government in a coup. From 2014 until 2019, the National Council for Peace and Order (NCPO) junta ruled through sheer force, temporarily designating military courts as the highest courts in Thailand, imprisoning dissenters, censoring telecommunications, sending suspected opponents to undergo "attitude adjustment," and forcing many Thais into exile. In terms of the economy, the junta depended on foreign tourism while promoting foreign investment in megaprojects, special economic zones, and greater extraction of natural resources. The NCPO copied parts of Thaksin's populist policies in

an attempt to win some popular support. The junta oversaw the royal succession and coronation of King Maha Vajiralongkorn (2016 – 2019), the enactment of the 2017 constitution (which created a junta-appointed Senate), and the 2019 election. That election was overseen by an Election Commission appointed by the junta, while the appointed senators participated in selecting the prime minister. These factors assisted NCPO junta leader General Prayuth in remaining in office as the elected prime minister. Prayuth's government (2019 – 2023) imposed an emergency decree to deal with the COVID-19 pandemic and growing student demonstrations. The increasingly unpopular government also had to deal with worsening economic conditions, driven in part by the pandemic.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

There is little challenge to the state’s monopoly on the use of force. However, there are two exceptions. First are the factionalized Malay-Muslim insurgents, who are active in the three southernmost provinces of Thailand, where most of the population is Malay-Muslim. This conflict is over a century old but was exacerbated in 2004, when incidents of violence grew precipitously. Since 2004, thousands of civilians, members of the Thai security forces and presumed insurgents have been killed, and many more have been wounded. The economic costs of the conflict have exceeded well over \$8 billion. The state has been unable to quell the insurrection. Though the incidents of violence have decreased since 2011, they have continued to occur on a weekly basis, successfully challenging the state’s monopoly on the use of force. The other area where the Thai state does not have full control is along parts of the Thai-Myanmar frontier; the February 2021 coup in Myanmar increased violence within that country, which has spilled over into Thailand as insurgents and refugees fled across the border. In one incident during June 2022, a Myanmar fighter plane crossed into Thai airspace while pursuing rebels.

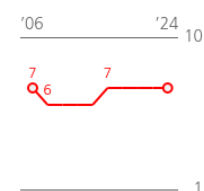
Thailand is a multiethnic country, though its elites have succeeded in generally constructing an identity of “Thainess” in an attempt to coalesce all ethnic groups together under the monarchy. Nevertheless, challenges in achieving unity have led to forced assimilation and the denial of citizenship rights. Some groups have refused to accept assimilation. The greatest challenge comes from Malay-Muslim insurgents in Thailand’s three southernmost provinces.

The Nationality Act (2008) grants total authority to the state to revoke citizenship for naturalized citizens. A 2012 amendment to the Nationality Act only grants citizenship to approximately 17,000 people identified as “displaced Thais.” Meanwhile, ethnic minorities are still vulnerable to human trafficking. Examples of this occurred in 2013 and 2015 when members of Thailand’s military were implicated in trafficking Rohingya people. Attempts by the Thai state to “Thai-ify” the Deep South, where

Question
Score

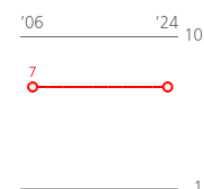
Monopoly on the
use of force

7



State identity

7



Malay Muslims dominate the population, have ranged from violent repression to the imposition of Thai culture and education. Since 2004, when the insurgency intensified, close to 7,500 people have been killed and over 12,000 wounded. During the height of the COVID-19 pandemic, ethnic minorities living in border regions suffered discrimination for possibly transmitting COVID-19.

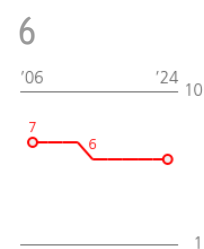
The latest 2017 constitution permits freedom of religion while banning discrimination based on religion. Nevertheless, informally, Buddhism pervades Thailand as the dominant religion. The Thai king can only be Buddhist, and the state permits only Buddhist national holidays, subsidizes only Buddhist institutions and has forbidden the insulting of Buddhism. Meanwhile, the government limits the number of foreign non-Buddhist missionaries allowed into Thailand. State authorities allied with mainstream Buddhist groups (particularly Theravada Buddhism) have been accused of intimidating nontraditional Buddhist variants (e.g., Dhammakaya) and coercing Malay Muslims (and their Pondok schools) in Thailand's Deep South. On the other hand, Thai authorities continue to encourage interfaith dialogues. In terms of religion, only the teaching of Buddhism is allowed in public schools.

Administrative state structures offer basic public services across the country. For example, according to the World Bank, the percentage of people using improved sanitation facilities not shared with other households was 25.9% in 2020. 100% of Thais have basic access to drinking water and electricity. Meanwhile, 98.7% have basic access to sanitation.

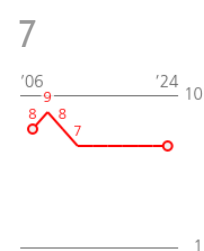
Basic administration generally operates more efficiently in urban centers than in the rural areas of provincial Thailand. The reach of jurisdiction, tax authorities and law enforcement, as well as the administration of communication, transport, and basic infrastructure (such as water, education, health) are provided throughout the country, but they are most accessible (as well as offered in sufficient quantity and quality) in Bangkok and provincial urban areas. Thailand's bureaucracy is highly centralized. Corruption

and lethargy is endemic among bureaucrats. Thailand's generally efficient yet autocratic administrative structure allegedly helped it manage the COVID-19 pandemic. During this period, powerful people were able to obtain COVID-19 vaccines of higher quality faster than others. This period also saw services in basic infrastructure limited or disrupted. Some of these cuts in services have been enduring, including the closure of in-person education at most schools. The COVID-19 pandemic enabled the General Prayuth Chan-ocha-led regime to implement an emergency decree in March 2020, giving it a reason to crack down on anti-government protests, which began four months later.

No interference of religious dogmas



Basic administration



2 | Political Participation

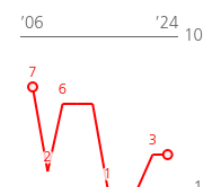
In Thailand, elections are conducted, but they are not free and fair. The 2019 general election was overseen by an Election Commission whose commissioners were

appointed by the military junta (2014 – 2019). The constitutionality of election laws was decided by the Constitutional Court, members of which had been appointed by the junta. The same junta created a political party (Palang Pracharat) to compete (successfully) in that election. The electoral formula chosen by a committee selected by the junta made it impossible for any party to win a majority in the lower house of parliament. The junta's 2017 constitution mandates that a junta-appointed Senate can participate in the selection of a prime minister, increasing the chances that the junta's preferred candidate will win. The senators had been appointed from a group of people who were junta loyalists. The 2019 election – stage-managed by and for Thailand's junta and military – brought junta leader General Prayuth Chan-ocha to power as prime minister, leading a coalition dominated by the military proxy party, Palang Pracharat. Provincial authority elections were held in December 2020. Subdistrict and mayoral elections were held in 2021, and Bangkok's gubernatorial election was held in May 2022, all supervised by the junta-appointed Election Commission. Nevertheless, the landslide winner of the Bangkok election was Chadchart Sittipunt, an independent candidate not favored by the military. He is a nascent hope for Thai democracy. With a general election approaching in 2023, at least two political parties are backed by the military: Palang Pracharat (led by Deputy PM [General] Prawit Wongsuwan) and Ruam Thai Sang Chart (to which General Prayuth has become affiliated). Media access for all political parties has not been fair or equal and is primarily skewed to help the two aforementioned parties.

Thai politics and state power are dominated by the monarchy. The army-dominant military also enjoys multiple enclaves of power, unmonitored by the law. The monarchy has sustained its power following the accession of the rather unpopular King Rama X in 2016. Monarchical power seemed to weaken when the king's oldest daughter died in December 2022. The king is assisted by a Privy Council and an Office of the Royal Household, which enjoy near legal impunity. The current Senate was appointed by a military junta (2014 – 2019) from a selection of individuals aligned with the armed forces. In 2023, General Prayuth Chan-ocha, the former junta leader, was completing a four-year term as prime minister while remaining influential in the military. A 2023 election will determine whether he will obtain a new term. Elected civilian representatives exist, in the lower house of parliament and at the local level, though their authority is understandably limited by the dominance of the monarchy and military.

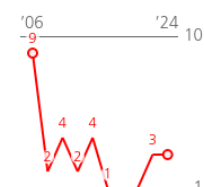
Free and fair elections

3



Effective power to govern

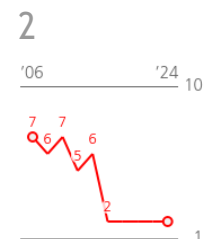
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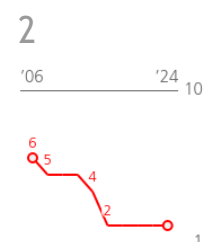
Political and civil society groups tend to enjoy inconsistent rights, depending on whether they are perceived as a threat to Thailand's aristocracy and military. The junta (2014 – 2019) variously applied the Martial Law Act, emergency decree, and junta orders to muzzle association and assembly rights of regime opponents. Following the 2019 elections, which resulted in a slight widening of the political scene, the state still sought to deny association/assembly rights to people accused of violating Section 112 of Thailand's Criminal Code (*lèse-majesté*). The state also sought to deny these rights by instituting an emergency decree in March 2020, citing the need to prevent the spread of COVID-19. Beginning in July 2020, security forces imprisoned and/or used excessive force against peaceful protesters belonging to groups under the pro-democracy movement Ratsadorn (The People). The state also crushed demonstrations by farmers, unions, ethnic minorities and refugees. The March 2020 state of emergency continued to be applied until October 2022, giving a pretext for the state to continue restricting association and assembly rights. But even after the state of emergency revocation, other laws effectively bolstered state repression, including Criminal Code Sections 112, the Public Assembly Act, and the newly amended Communicable Diseases Act.

Following the end of direct military rule in June 2019, the state partly relaxed its dictatorial repression of freedom of expression that had lasted from 2014 to 2019. However, following the 2020 COVID-19 pandemic and especially with the rise of youth-led demonstrations beginning in July 2020, four laws (the emergency decree, Section 112 of Thailand's Criminal Code (*lèse-majesté*), Section 116 of that Code [Sedition] and a restrictive Computer Crimes Act) were imposed together to inhibit freedom of expression. As a result, numerous demonstration leaders were imprisoned, beginning especially in 2021. In 2023, the number of prosecutions under Section 112 reached 215 people and 234 cases. The state also attacked freedom of expression through the Criminal Defamation Act, and the 2019 creation of an "Anti-Fake News Center" which closely monitors the media for any violations of the aforementioned crimes, violations of which can result in multiyear prison terms. These laws have promoted self-censorship in all forms of Thai media. At least one Thai corporation used criminal defamation lawsuits to intimidate employees and journalists critical of its activities. Finally, there has been at least one case of SLAPP (Strategic Lawsuits against Popular Participation) whereby arch-royalists brought stringent legal action (which could have resulted in imprisonment) against a left-wing academic to silence and/or discredit him. Currently, the structure of the media system does not permit a plurality of opinions because it is subject to state censorship.

Association / assembly rights



Freedom of expression

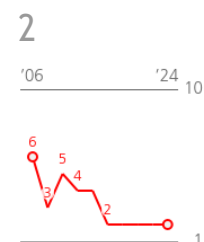


3 | Rule of Law

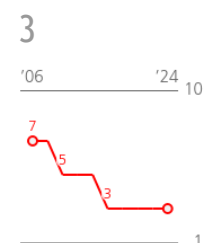
Thailand's constitution requires a formal separation of powers and checks and balances between a prime minister-led cabinet, a parliament and a judiciary, albeit all operating under the powerful monarchy. However, the current members of the Senate were appointed by the military junta, which also indirectly selected the judges in all of Thailand's courts. Previous junta leader Prayuth Chan-ocha and deputy junta leader Prawit Wongsuwan continued on as premier and deputy premier respectively, in their coalition government (2019 – 2023). Their continuing clout has further eroded any attempts at a separation of powers. Thailand's March 2020 declaration of a state of emergency enabled the military-dominated charade democracy to temporarily resurrect its pre-2019 autocracy, using the COVID-19 pandemic as an excuse. Technically, the application of an emergency decree was legal, but the resurrecting of autocratic measures for the government was not necessary or proportional to the pandemic crisis at hand. The establishment of the emergency decree considerably diminished parliamentary oversight and judicial review of the government. Though the emergency decree was lifted in October 2022, the executive branch maintains an array of draconian laws at its disposal, which grant it more power than parliament or the judiciary.

Thailand's judiciary is divided into the Constitutional Court, courts of justice, the administrative court and military court. Aside from the Constitutional Court, each branch has an appeals court and a supreme court. Thailand's monarchy cannot be judged by a court. Since 1997, there have been several "independent" monitoring organizations. The judicial branch and independent agencies have been extremely politicized and (since the 2006 coup) perceived as tools of the arch-royalists. Since 2006, they have consistently ruled in favor of traditional (pro-monarchical) interests. Current judges on Thailand's Constitutional Court were nominated by the junta (2014 – 2019). The Constitutional Court has appeared partisan; in 2019, it dissolved the pro-Thaksin Thai Raksa Chart party and disqualified leading opposition leader Thanathorn Jungroongruangkit as an elected member of parliament. In early 2020, it dissolved the Future Forward Party, of which Thanathorn had been party leader. In late 2020, it was ruled that Prime Minister Prayuth did not violate the law by residing in military housing, despite his retirement from military service. In 2022, it ruled that Prayuth had to follow the 2017 constitution and serve only eight years as prime minister, but that his tenure began when that constitution was promulgated (in 2017) meaning that Prayuth could continue serving until 2025. Military courts have been regularly used since the 2006 coup to stifle and punish political dissent. Administrative courts, however, have appeared to be more impartial and less subject to political biases.

Separation of powers



Independent judiciary

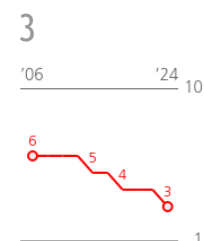


In Thailand, prosecuting public officeholders who break the law and abuse their positions has always been partisan. Since the 2006 coup, all cases of malfeasance against opponents of Thailand's entrenched arch-royalist order (e.g., Thaksin) have resulted in convictions. In 2023, ex-Premiers Thaksin and Yingluck, each convicted of crimes, were in self-imposed exile. Thaksin's son is under investigation. In 2020/21, Prayuth's political opponents (Thanathorn and the leadership of the Future Forward party) were forced to step down as elected politicians. They continue to face potential prison terms. Meanwhile, cases against members of the arch-royalist order have met with little success. Leaders of the junta (2014 – 2019) who are alleged to have committed corruption have never faced an impartial judicial investigation. In late 2020, Prime Minister Prayuth was not convicted for residing in military housing despite having retired. Key members of Prayuth's Palang Pracharat party have escaped prosecution for crimes, though lesser ones have been punished. In April 2022, the Supreme Court disqualified a Palang Pracharat member of parliament from politics for life for illegally using land in a forest reserve. In January 2023, the Supreme Court found a Pheu Thai member of parliament guilty of demanding a bribe. Because of the dearth of any effective and transparent anti-corruption policy (which covers senior military or military-associated figures), Thai citizens lack access to information about potential activities implicating the corruption of powerful politicians and military officials. As for public procurement, powerful political figures have avoided criminal penalties despite investigations by the independent State Audit Commission.

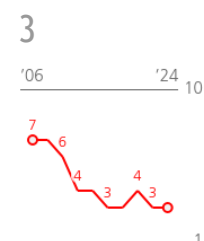
The 2014 and 2017 military-imposed constitutions granted immunity to junta leaders for violating civil rights during their time in office (2014 – 2019). 2019 saw the beginnings of a pseudo-democracy. However, the advent of the COVID-19 pandemic in 2020 gave Thailand's government an excuse to restrict freedom of assembly and control the dissemination of information. The government extended an emergency decree continuously until October 2022, thus constraining freedom of expression. When pro-democracy student protests began in July 2020, state repression increased. In 2021, police arrested protesters for violating the Computer Crimes Act, the Lese Majeste Law, the Sedition Law, the emergency decree, and the Communicable Diseases Act. The use of, or threatened use of, these laws, was applied to internet users, those criticizing the government's health policies, and those demonstrating against the state. The laws diminished personal liberties, equal access to justice, and due process under the law for government opponents. While Thai society generally accommodates LGBTQ+ behavior and participation in society, same-sex marriage is still illegal. Parliament passed a gender equality act in 2015. The law aims to punish discrimination based on gender identity and sexual orientation, with violators facing up to six months in jail and a THB 20,000 fine. However, this law remains weak.

Rohingya refugees from Myanmar continue to suffer civil and human rights abuses. Thai authorities tend to either detain them indefinitely or return them to Myanmar, where they face human rights violations. Thailand has failed to ratify U.N. conventions on refugees.

Prosecution of office abuse



Civil rights



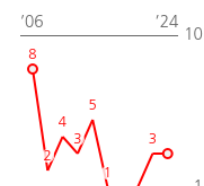
4 | Stability of Democratic Institutions

During the review period, Thailand remained an electoral authoritarian regime rather than a democracy, as authoritarian institutions exert enormous power over democratic institutions. The 2019 election was neither free nor fair. The country possesses a weak, elected lower house and an appointed upper house (Senate) whose members are overwhelmingly representatives of bureaucratic-military-monarchical interests. Despite the holding of elections and legal and constitutional rights, democratic institutions are unstable, ineffective, and unable to deliver elected civilian control over the monarchy and the military. Though this pseudo-democratic system allows for elections (including the general election of 2023), the overwhelming influence of the monarchy and the military prevents any further democratic gains.

The notion of democracy has been highly contested, especially since the 2006 military coup in Thailand. The military junta (2014 – 2019) abolished Thailand's defective democracy, replacing it with autocratic rule. In 2018, the junta demonstrated that it would use the façade of democratic institutions (endorsed by the monarchy) to continue its rule by establishing a proxy political party (Palang Pracharat), which the junta-appointed Election Commission helped achieve victory in the 2019 general election, after which junta leader General Prayuth was selected as prime minister (thanks to votes by the junta-appointed Senate). However, voting behavior in that election showed that a growing number of Thais wanted political reform. In 2023, Prayuth associates himself with another party identified with the military (Ruam Thai Sang Chart), while Deputy Prime Minister General Prawit Wongsuwan heads Palang Pracharat. In 2023, though Thais remain divided about Prayuth, poll after poll indicates his increasing lack of popularity. Since July 2020, large numbers of youth-led demonstrations have vociferously called for democratic reforms and even reform of the monarchy. By 2021, these protests had erupted into violence and multiple imprisonments. It is possible that the growing chaos could lead to a military coup. Thailand's post-2019 military-dominated façade democracy used the excuse of the COVID-19 pandemic to apply draconian laws (e.g., emergency decree) as a means to sustain its power. In 2023, despite Thais still broadly accepting notions of democracy, this acceptance is unstable as the monarchy and the military continue to exercise vetoes over the political landscape.

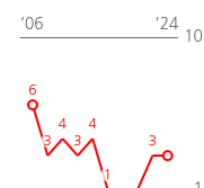
Performance of democratic institutions

3



Commitment to democratic institutions

3

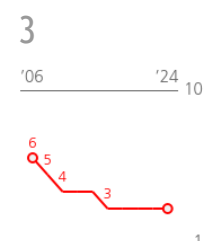


5 | Political and Social Integration

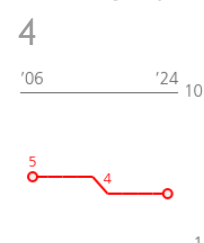
Traditionally, Thailand's party system has been unstable, under-institutionalized, highly fragmented, polarized and factionalized, as well as fractionalized. Parties are often short-lived and are generally driven by elites with shallow roots in society. Rank-and-file members have little influence over party decisions. Party switching is rife, and party operations generally lack transparency. Sustaining a free-and-open party system has been difficult given that the country has been interrupted by multiple coups. There have been 20 constitutions, and both monarchy and military have influenced each. Under the last military junta (2014 – 2019), parties were forbidden from holding meetings or engaging in political activities. The junta-devised electoral formula made it impossible for parties to win a lower-house majority of seats. It also exacerbated party divisions and intraparty factionalism. The 2019 election produced an equilibrium of parties in the lower house (there are no elections or parties in the Senate). This was divided between the junta-created Palang Pracharat, which formed a ruling coalition with its smaller party allies on one side, and the pro-Thaksin Pheu Thai and their allied parties on the other side, which formed the opposition. Three medium-sized parties existed between these two groups: the Democrats and Bhumjaithai (which joined the coalition) and Future Forward (which joined the opposition). In February 2020, Future Forward was dissolved by the junta-appointed Constitutional Court, and it was succeeded by the smaller Move Forward Party. Provincial-level elections held in December 2020 did not require candidates to belong to parties. In the run-up to the 2023 general election, parliament passed rule changes to benefit large parties at the polls. At the time, 76 political parties had been registered with the Election Commission. Major parties competing in the election were Thaksin's Pheu Thai, Palang Pracharat (led by Deputy Prime Minister General Prawit Wongsuwan), Ruam Thai Sang Chart (formally linked to Prime Minister General Prayuth), and Bhumjaithai. The 2023 election looks likely to repeat the 2019 poll results: a ruling coalition composed of pro-military and conservative parties, while the pro-Thaksin Pheu Thai and smaller Move Forward remain in the opposition.

The strength of societal organizations and interest groups has varied depending on the sector in which they operate. Before the 2014 coup d'état, politically-based social movements, specifically the pro-Thaksin United Front for Democracy Against Dictatorship (UDD) "Red Shirts" and anti-Thaksin People's Democratic Reform Committee (PDRC), acrimoniously opposed each other. Business associations, especially the Thai Chamber of Commerce (TCC) and the Federation of Thai Industries, have been efficient in influencing state policy. Labor unions have been mostly unsuccessful. There are several environmental, women's, LGBTQ+ interest groups, and ethnic minority interest groups (which also act as NGOs). The alliance of groups that forced pro-Thaksin governments from power in 2006 and 2014 included societal groups such as "Yellow Shirts," the PDRC, the Democrat Party, some NGOs, some professional associations, and business elites. During the 2019

Party system



Interest groups



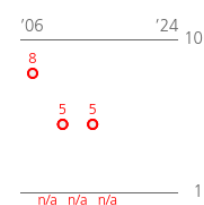
general election, the UDD supported the pro-Thaksin Pheu Thai and Pheu Chart parties, while anti-Thaksin interest groups backed the conservative Palang Pracharat and Democrat parties. Urban youths, organized into pro-democracy interest groups, supported the Future Forward Party. Following its 2020 dissolution, young people began demonstrating in favor of democratic, military and monarchical reform. At least 13 groups were formed, demonstrating primarily in Bangkok, Chiang Mai and other urban centers throughout the country. The explosive growth of social media usage in the past decade has vastly expanded the number of new digitally mediated social organizations, thereby enlarging the civic space. Specifically, the post-2020 youth-led protests used social media to spread information about their cause. These groups even converged online under the progressive Asian “Milk-Tea Alliance.”

Thai society and its elites are split over democracy, with the urban middle class less supportive and the rural poor generally favoring less military intervention in democracy. Polls connected to right-wing societal groups found strong popular support for and high levels of satisfaction with the junta (2014 – 2019). The junta claimed popular legitimacy in 2016 because of the passage of a referendum on a military-supported constitutional draft, in which opponents were prevented from campaigning against it. Intensifying civilian preference for a return to democracy pressured the junta into holding a general election in March 2019. Anti-Thaksin Thais (generally from the urban middle and upper classes) supported the formation of an elected government led by ex-junta leader Prayuth. Since July 2020, demonstrations demanding more democracy, which have occurred in Bangkok and other parts of Thailand, attest to the fact that popular approval of the current state of democracy in the country has diminished considerably. However, as evidenced by some polls, Thais remain divided over Prayuth’s government. The COVID-19 pandemic has convinced some Thais of the need for a strong regime in power, such as that of the current prime minister, while others want more accountability. However, some former supporters of Thaksin (including Red Shirt activists and politicians) switched allegiances to support the pro-military Palang Pracharat party in 2019 and 2023 and the Ruam Thai Sang Chart party in 2023. Such behavior reflects a greater acceptance of less democratic norms and procedures. Finally, conservative Thais tend to support a strong monarchy, despite how this impinges on democratic norms and procedures.

In Thailand, the family and clan are at the center of social behavior and collective action. Dense social networks have brought forth political parties, business associations, unions, NGOs and student groups. The military junta promoted social enterprises and social capital as part of its 20-year national strategy, labeled “Thailand 4.0.” The junta created a revolving fund for promoting social enterprises, to be financed in part by the profits generated by social enterprises themselves. Individuals investing in the equities of social enterprises could receive a tax deduction for the invested amounts. Under the Prayuth-led government (2019 – 2023), the state intensified efforts to encourage greater social capital-based relationships, viewing social capital as a way to fill the gap left by weak public sector accountability.

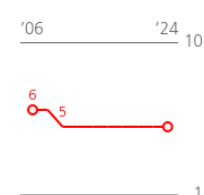
Approval of democracy

n/a



Social capital

5



Consecutive national economic and social development plans (including the current one) have sought to harness social capital as a means of bolstering development. The Thai Social Enterprise Office (TSEO), created in 2010 to provide backing for social enterprises, has been revitalized since the 2019 election. In 2019, the government created the Social Enterprise Promotion Act, which offers tax relief for corporations establishing social enterprises and tax incentives for social investment. By 2023, Thailand possessed well over 120,000 social enterprises. There is no evidence to date that the COVID-19 pandemic has diminished the solidarity, trust, and capacities of Thai civil society.

II. Economic Transformation

6 | Level of Socioeconomic Development

Since 2012, Thailand's socioeconomic development has shown marked improvement, as indicated by the UNDP's Human Development Index (HDI). Thailand suffered a 14.3% loss of HDI due to inequality in 2021. Indeed, in 2021, the country was given an HDI value of 0.800 (a reduction from the 2020 value of 0.802), though Thailand's HDI value had previously experienced annual rises since 2011. In 2021, the HDI ranking was 66 out of 191 countries, marking a decline since 2018.

Meanwhile, the country's GDP per capita (purchasing power parity) was \$19,209.5 in 2021, an increase since 2020, continuing a pattern of annual rises since 2009. However, income inequality has intensified. The World Bank's Gini Index for Thailand was 39.3 in 2012, falling to 36.4 in 2018 and then to 35.0 in 2020, following the outbreak of the COVID-19 pandemic.

The persistently high level of inequality is sufficiently ingrained to marginalize particular sections of society, preventing them from accessing adequate levels of education and health care. A large number of Thais continue to suffer from poverty, social exclusion, or discrimination due to gender, ethnicity, or geographic location. In 2021, Thai women continued to experience a disproportionate share of inequality, as indicated by Thailand's measurement of 0.333 on the Gender Inequality Index.

According to the World Bank, in 2020, the percentage of Thais living on less than \$3.20 per day was 0.7%, while according to the Asian Development Bank, in 2021, 6.8% of Thais lived below the national poverty line. According to the World Bank, the poverty headcount ratio in the country increased from 6.2% in 2019 to 8.8% in 2020. The absolute number of people living in poverty rose from 4.85 million to more than 6.7 million in 2018, with an additional 1.5 million Thais forced into poverty by the COVID-19 pandemic (World Bank, 2020). The growth in poverty was widespread, occurring in all regions of Thailand and in 61 out of 77 provinces.

Question
Score

Socioeconomic
barriers

6

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1

With the country's population continuing to grow (reaching 70.2 million people in December 2022), continuing socioeconomic challenges have been most acute among Malay Muslims in the Deep South (where insurgency has hindered development attempts), northern ethnic tribal groups (many of whom lack citizenship), and in the country's populous northeast (where 66% of impoverished Thais live). The slowing of the COVID-19 pandemic in 2022 has nevertheless left income inequality more pronounced in Thailand, and inequality will be slow to improve because of the ongoing economic downturn. According to the World Bank in 2022, Thailand's urban economy will rebound faster, while the impact of the pandemic will be longer-lasting in rural Thailand, accentuating the urban-rural economic divide.

Informal workers, including economically marginalized Thais and migrants, have particularly suffered socioeconomic exclusion because they lack effective access to income security and welfare benefits, or they are subject to discrimination. In 2023, poverty and inequality remain key challenges in Thailand.

Economic indicators		2019	2020	2021	2022
GDP	\$ M	543976.7	500457.3	505568.1	495340.6
GDP growth	%	2.1	-6.1	1.5	2.6
Inflation (CPI)	%	0.7	-0.8	1.2	6.1
Unemployment	%	0.7	1.1	1.0	0.9
Foreign direct investment	% of GDP	1.0	-1.0	2.9	2.1
Export growth	%	-3.0	-19.7	11.1	6.8
Import growth	%	-5.2	-13.9	17.8	4.1
Current account balance	\$ M	38256.4	20933.5	-10646.1	-17367.9
Public debt	% of GDP	41.1	49.4	58.4	60.5
External debt	\$ M	179772.7	200014.6	210982.1	-
Total debt service	\$ M	27094.1	20964.7	18093.5	-

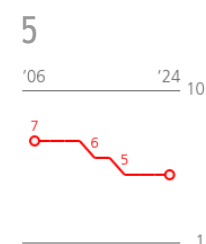
Economic indicators		2019	2020	2021	2022
Net lending/borrowing	% of GDP	0.0	-4.5	-7.1	-
Tax revenue	% of GDP	14.7	14.5	14.3	-
Government consumption	% of GDP	16.2	17.8	18.3	17.7
Public education spending	% of GDP	3.0	3.2	3.0	2.6
Public health spending	% of GDP	2.8	3.1	-	-
R&D expenditure	% of GDP	1.1	1.3	-	-
Military expenditure	% of GDP	1.4	1.5	1.3	1.2

Sources (as of December 2023): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

In Thailand, market competition operates within an institutional framework. However, there are inconsistent rules for market participants. Thailand is a pro-business country with laws designed to attract foreign investment and promote a free market system. By 2023, Thailand had streamlined the process of starting a business from 10 procedures to five, achievable within six days and at a cost of 3% of the country's GNI per capita. Further reforms are ongoing. Despite these efforts to establish a more comprehensive system of market competition, the current system still has its flaws. Reports from 2023 indicate that businesses remain susceptible to corruption, with inadequate enforcement of anti-corruption legislation. Furthermore, the influence of entrenched economic interests continues to hinder the balanced development of Thailand's financial sector. The country continues to have a significant underground economy and informal sector, which many Thais rely on for their income. According to the International Labor Organization, in 2022 informal employment represented 65% of the overall workforce, primarily in production, services, and agriculture. Thai taxpayers are burdened with taxes that informal sector workers avoid. In 2020, Thailand's tax-to-GDP ratio decreased to 16.5%, according to the OECD (2022). Thai tax revenues have been among the lowest in the Association of Southeast Asian Nations (ASEAN) countries. The current tax system does not sufficiently cover the informal sector, which contributes over 50% of the country's GDP. Historically, women have made up a significant portion of Thailand's informal sector. Thai employers are increasingly relying on cheaper immigrant labor as a means to compete with lower-cost industries in China and Vietnam. Prices for transportation, education and medical fees, basic consumer goods, and diesel fuel

Market organization

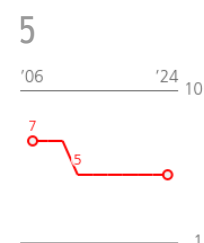


continue to rise. Large domestic firms, whether private or state-owned, enjoy the fewest obstacles in terms of market competition due to their legal and financial advantages. State-owned enterprises can compete with private firms, thus maintaining a prominent role. In response to the COVID-19 pandemic, the government reduced taxes in 2021 to alleviate economic burdens. By 2023, large firms, particularly those closely connected to the monarchy, had

proved able to squeeze out SMEs in the aftermath of the pandemic. These large firms are in favor of trade liberalization and free trade agreements, particularly with China and Japan. There are minimal restrictions on currency convertibility and cross-border capital movements. As of 2023, the Foreign Business Act (FBA) prohibits majority foreign ownership in most sectors and prevents foreigners from using nominee shareholders or preferential voting rights to control Thai companies.

Though Thailand is a member of the International Competition Network, the country's economy is dominated by big business and lacks adequate enforcement. Thus, the efforts of the Trade Competition Commission (TCC) have been hindered. According to the Trade Competition Commission, between 2017 and 2021 it received 99 complaints of unfair trade competition, with commerce drawing the most complaints (38). Few of these complaints have progressed to the point of a legal judgment. With the passage of the 2017 Trade Competition Act, the Trade Competition Commission (officially an independent state agency) implemented several guidelines clarifying the criteria by which to assess fundamental offenses under the law, such as abuse of dominant position, hardcore cartels, non-hardcore cartels, and unfair trade practices. The new act also narrowed the number of exceptions to rules for state-owned enterprises, created new rules to prevent monopolies, and enhanced legal certainty for antitrust legislation. In 2020, the Trade Competition Commission ordered Nissan Motor Thailand to rescind its contract termination with seven dealers, calling the Japanese car firm's unilateral refusal to renew the dealership contracts an unfair trade practice. However, in 2020, the TCC also approved Charoen Phokpand (CP) Retail Development's acquisition of 87% of Tesco Lotus in Thailand, increasing the CP conglomerate's trade share in Thailand from 52% to 69%. Nevertheless, in 2022, following pressure from consumer watchdogs, the administrative court agreed to reconsider the TCC's approval of CP's takeover of Tesco Lotus. The case is still pending. CP already owns all 7-11 convenience stores in Thailand, Macro Cash stores, and Carry. CP also dominates Thailand's poultry and shrimp industries. Other industries dominated by a single company include ThaiBEV (spirits) and Red Bull (energy drinks). In 2022, the Trade Competition Commission issued new guidelines on unfair trade practices, including 1) explicit principles of free and fair trade; 2) adjusted criteria for determining superior bargaining power; and 3) a new list of unfair conduct and prohibited behaviors, all in an effort to close large merger and acquisition loopholes. Nevertheless, the commission continues to be criticized as a toothless tiger unable to protect consumers as well as small and medium-sized enterprises from dominant corporations.

Competition policy



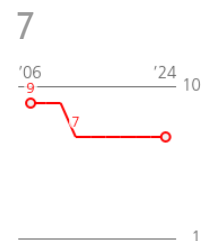
Thailand is an active signatory to 15 free trade agreements, including the Regional Comprehensive Economic Partnership, which came into effect in 2022. Thailand expects to sign another FTA with the European Free Trade Association by 2024. Eight other FTAs are currently being negotiated. Thailand is also a member of China's Regional Comprehensive Economic Partnership (RCEP) and has had a bilateral FTA with China since 2003. However, negotiations for a Thailand-U.S. FTA have stalled due to U.S. demands for stronger international property rights protections. Additionally, in 2023, Thailand was preparing to join the Comprehensive and Progressive Agreement of the Trans-Pacific Partnership. Thailand has also been actively advocating for the reduction of trade transaction costs with ASEAN countries. In 2022, Prime Minister Prayuth urged ASEAN member states to further develop the region's digital economy. Furthermore, Thailand is working toward trade liberalization in the Greater Mekong Subregion. In 2022, Thailand became a member of the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting. This move aims to ensure cross-border arrangements and harmonize interstate trade transactions.

Trade barriers continue to hinder efforts to further liberalize foreign trade. The country maintains high tariff barriers on agricultural products, motor vehicles, and distilled spirits. In addition, there are significant nontariff trade barriers such as licensing requirements, burdensome import regulations, price controls, and high excise taxes resulting from a complex tax structure. As of 2023, Thailand remains an observer rather than a signatory to the WTO (World Trade Organization) Agreement on Government Procurement.

During 2023, the United States placed Thailand on its Priority Watch List due to persistent copyright infringement of entertainment products, software piracy, and the production of counterfeit designer goods. The United States also designated Thailand as a Watch List country for currency manipulation. In 2022, the United States committed to providing technical assistance to Thai small and medium-sized enterprises affected by the COVID-19 pandemic, aiming to support international trade under the U.S.-Thai TIFA (Trade and Investment Framework Agreement). However, the United States expressed concerns regarding Thailand's use of commission payments for customs officials and its food safety standards.

In 2022, Thailand and the United States signed the U.S.-Thailand Communique on Strategic Alliance and Partnership, which included efforts to prevent trade disruption and promote digital trade. In November 2022, Thailand and China agreed on three measures aimed at boosting trade. Thailand's hosting of the APEC (Asia-Pacific Economic Cooperation) Conference in November 2022 also contributed to trade liberalization by stimulating international travel and trade in the region. Thailand, in particular, emphasized its Bio-Circular-Green Economic Model during the conference.

Liberalization of foreign trade



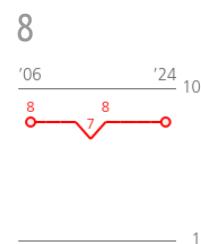
Thailand has a banking system and a capital market that are oriented toward international standards. In the wake of financial reforms, Thailand's banking sector is relatively more stable than those found in many developing and advanced countries. The proportion of nonperforming bank loans increased to 3.2% in 2022. Despite an economic slowdown resulting from political chaos, growing political risks, diminished private sector confidence, and the COVID-19 pandemic, there was no banking sector crisis in 2020. The bank capital-to-assets ratio decreased from 11.3% in 2019 to 11.1% in 2020. Meanwhile, loan growth began to slow by 5.3% in the third quarter of 2022, though loans continued to expand more broadly, according to the Bank of Thailand.

The state has sought to enhance banking transparency. In 2019, Thailand had 11 commercial banks, all of which were listed on the Stock Exchange of Thailand (SET), ensuring banking transparency for these listed institutions. The Bank of Thailand required all Thai commercial banks to disclose important financial information to the public, especially information about nonperforming loans. Within the SET, market capitalization grew to THB 17.7 trillion in 2022. The average daily turnover in the SET in 2020 was THB 93.24 billion, perhaps the highest in the history of Thailand's stock exchange.

The COVID-19 pandemic triggered a decline in stock prices on both the SET and Thailand's Market for Alternative Investment. In response, the Bank of Thailand (BOT) eased loan-to-value (LTV) regulations governing mortgage lending and shortened the minimum debt servicing period for first mortgages. The Bank of Thailand also reduced its policy rate. It halved the annual rate of contribution from financial institutions to the Financial Institutions Development Fund (FIDF), from 0.46% of the deposit base to 0.23% per annum, for a period of two years. This measure was intended to allow financial institutions to immediately pass on such cost savings to businesses and households by further reducing interest rates.

In April 2020, the central bank injected THB 400 billion into Thailand's corporate bond market by establishing a bridge-financing fund called the Corporate Bond Liquidity Stabilization Fund. It also allocated THB 500 billion for soft loans to small and medium-sized enterprises (SMEs). However, the Bank of Thailand ended its COVID-19 support measures for corporate bonds in October 2022.

Banking system

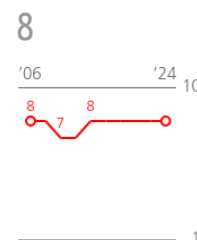


8 | Monetary and fiscal stability

The Stock Exchange of Thailand (SET) was significantly impacted by the COVID-19 pandemic in 2020 and 2021. The index fell from 1081.2 in January 2020 to 688.54 in March 2020, then experienced some recovery in June 2020, only to decline again to 747.02 in November 2020. Since then, it has gradually stabilized, reaching 983.77 in December 2022. Inflation, measured as a percentage of the consumer price index (CPI), has shown considerable volatility: 0.7% in 2019, followed by a decrease to -0.8% in 2020, and an increase to 1.2% in 2021. In 2022, the government employed monetary policy to specifically target price stability, aiming to keep headline inflation low. Its monetary policy encompasses three objectives: medium-term price stability, sustainable growth, and financial stability. The Bank of Thailand and the Ministry of Finance have aimed to maintain an average annual headline inflation rate of 2.5% \pm 1.5 percentage points. Meanwhile, the Bank of Thailand, which abandoned the managed float system in 2007, has since pursued a flexible foreign exchange policy allowing the Thai baht (THB) to move in line with the market, a policy that successive Thai governments have generally maintained to this day. Officially, the Bank of Thailand operates as an independent agency. However, doubts regarding its independence have persisted since the 1997 financial crisis, given historical instances of executive intervention. While the central bank asserts its independence from political interference, it de facto cannot contradict the preferences of the Crown Property Bureau.

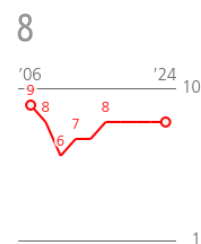
The Bank of Thailand regularly intervenes in the market to prevent excessive currency volatility. The central bank prohibits baht-denominated lending to nonresidents who are not involved in trade or investment in Thailand. Since becoming governor of the Bank of Thailand in 2020, Sethaput Suthiwartnarueput has maintained tight monetary policies, especially in terms of continuing high interest rates to stabilize the baht. He has kept bank rates steady, interest rates high, and inflation generally low. In response to the pandemic, the central bank cut the key rate three times in 2020 to an all-time low of 0.50% to support the economy. But in late 2022, it raised the rate from 1.00% to 1.25%. Sethaput, who remains governor, announced that while the COVID-19 pandemic created severe shocks for the Thai economy and a recovery would take some years to achieve, Thailand's monetary policy would be "measured and gradual" to support economic recovery. Thailand's real effective exchange rate in October 2022 was 117.5, compared to 109.16 in October 2020 and 115.31 in December 2019, indicating the COVID-19 pandemic's dampening effect on competitiveness in 2020. In late 2022, in terms of exchange rates, the baht depreciated against the U.S. dollar as the latter appreciated rapidly after the U.S. Federal Reserve Board signaled a tightened monetary policy stance. By mid-2022, the Bank of Thailand's soft loan extension program, aimed at assisting smaller firms dealing with the impact of the COVID-19 pandemic, had reached THB 300 billion.

Monetary stability



The government's budgetary policies have generally promoted fiscal stability. Thailand's current account balance increased to \$0.8 billion in October 2022, reflecting the end of the COVID-19 pandemic, after being reduced during the height of the pandemic to \$10,583 million from \$20,279 million between 2020 and 2021. Government consumption increased from 16.2% in 2019 to 18.2% in 2021 (as a percentage of GDP). Meanwhile, total reserves edged up year-on-year, from \$205.64 billion in 2018 to \$224.36 billion in 2019 to \$248.7 billion in 2021, before falling to \$231.7 billion in 2021, reflecting the effects of the COVID-19 pandemic. Public debt increased from 42% of GDP in 2018 to 49.5% of GDP in 2019, to 58.4% of GDP in 2021, and to 62.7% of GDP in 2022. It is projected to be 59% of GDP in 2023. External debt continuously increased from \$132,209 million in 2015 to \$204 million in 2020 and to \$194,189 million in 2022. Total debt service to the IMF decreased from 5.1% in 2019 to 3.4% in 2020. Furthermore, net lending/borrowing fell to -4.5% in 2020 (as a percentage of GDP), reflecting the negative effects of the pandemic. Following the 2019 election, most foreign investors and trading partners who had reduced their dealings with Thailand following the 2014 coup returned to Thailand. Predominantly Japanese and Chinese investment remained in Thailand during the junta years. In 2020, China became the leading foreign investor in Thailand, though in 2021 and 2022 Japan ranked as the nation with the largest investment in Thailand. During the pandemic, the state used fiscal stimuli to provide monetary handouts and assist small and medium-sized companies. Despite the COVID-19 pandemic, foreign capital increasingly bought up long-term bonds. In post-pandemic Thailand, foreign interests once again began to invest more in Thai assets, recognizing Thailand's potential economic strength relative to other Southeast Asian countries. The country's trade deficit with the United States surged to \$600 million in October 2022 from \$65.6 million in October 2021.

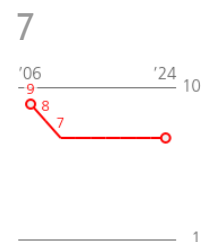
Fiscal stability



9 | Private Property

Property rights, as well as property acquisition, are generally well-protected, and foreigners have long been permitted to own up to 49% of Thai real estate. However, the state occasionally uses arbitrary power to confiscate property from Thai citizens. Thailand's legal process has been slow and hampered by political intervention, with widespread counterfeiting and piracy continuing to undermine intellectual property rights. Corruption is widespread at all levels of society, and bribery is viewed as a normal part of doing business. Furthermore, there has been a decline in the rule of law as measured by property rights. Though Thailand maintains an Intellectual Property Office and International Trade Court, intellectual property piracy persists. In 2018, new laws were enacted requiring residential property landlords to adhere to a new set of terms and conditions that seek to eradicate rogue practices so that tenants are no longer victims of unfair contracts. A 2019 law requires individuals, corporate entities, or any beneficiaries of land or buildings to pay land and building tax. In

Property rights



2022, the Prayuth government proposed allowing foreigners who invested at least 40 million baht for three years in government bonds to buy houses and up to one rai (0.395 acres) of land. The resultant public outcry forced the government to shelve the proposal.

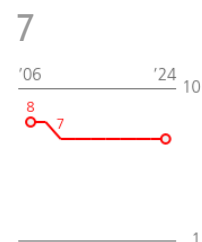
Thailand maintains laws that protect and regulate private companies, including the Thai Civil and Commercial Code, the Licensing Facilitation Act, and the Labor Protection Act. Courts have the authority to resolve legal disputes involving private companies. Despite the significant presence of the public sector, private firms play a crucial role in Thailand's economy. In fact, it only takes six days (the second shortest duration in Southeast Asia) and five procedures to start a business, with a registration cost amounting to 3% of the country's gross national income per capita. However, there are still challenges to address. Thailand takes 420 days to enforce contracts, in contrast to Singapore's 164 days. Privatization efforts have encountered opposition from civil society and deeply ingrained vested interests. The state has implemented legislation that prohibits the privatization of state enterprises deemed to be of crucial importance, such as the Electricity Generating Authority of Thailand (EGAT) and the Water Works Authority (MWWA). Consequently, previous attempts at privatizing entities like the Port Authority of Thailand, the State Railway of Thailand, and the Mass Communication Organization of Thailand (MCOT) have failed. Following the 2014 coup, the ruling junta assumed control over Thailand's 56 state corporations. Since Thailand reverted to a democratic façade in 2019, military officers have continued to hold positions on the boards of these state enterprises, leading to the perception that they may exploit their influence for personal economic gain. Prime Minister Prayuth Chan-ocha supports the privatization of universities, resulting in increasing tuition fees. Institutions that fail to adapt to this transition have been forced to close. There have been allegations that Deputy Prime Minister Prawit Wongsuwan has utilized the Five Bordering Provinces Forest Preservation Foundation as a means to facilitate deals involving soldiers, politicians and private investors.

10 | Welfare Regime

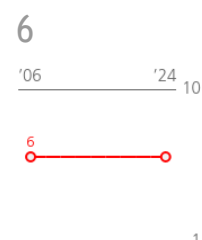
Life expectancy at birth has been 77.3 years since 2020. Public expenditure on health from domestic sources as a share of the economy (as measured by GDP) has been 2.9% since 2018. Thailand has multiple pension funds for people aged over 60, but the schemes are insufficient, paying a monthly amount ranging from THB 600 to THB 3,000. The government claimed in 2023 that employment had increased by 2.1% from 2022. The state meagerly compensates unemployed Thais up to 50% of their salary for 180 days, based on THB 15,000.

In 2002, Prime Minister Thaksin Shinawatra introduced a health care program in which all Thais had to pay only THB 30 (\$1) at the hospital for most procedures. This program is still in effect in 2024. Currently, it covers 76% of the population but accounts for 40% of all public health care spending. According to the World Bank,

Private enterprise



Social safety nets



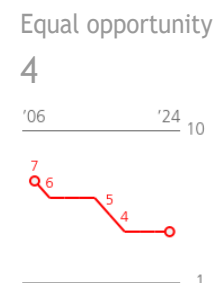
Thai public health care expenditures accounted for 2.9% of GDP in 2017. The health care policies of the Palang Pracharat-led government (2019 – 2023), under Prime Minister Prayuth, include a welfare card initiative that provides income support for the purchase of consumer products from Thong-fah Pracharat shops. Cardholders also receive money for public transportation fees and cooking gas. Additional income support is offered to qualifying disabled and elderly cardholders. Noncitizens have limited access to Thailand’s social safety net unless they are enrolled by their employers, who must pay health insurance fees.

The COVID-19 pandemic resulted in significant job losses among many Thais. In response to the pandemic, the government implemented a state of emergency, which included measures such as mandatory quarantines, restrictions on international travel, limitations on domestic transportation, school and university closures, bans on demonstrations, and the closure of entertainment venues. The government introduced economic stimulus packages to alleviate the impact of the pandemic, and also provided free COVID-19 tests and vaccinations, as well as distributed surgical masks. However, there have been reports of scandals involving masks being sold at inflated prices. In 2021, it was revealed that Siam Bioscience, which is owned by the palace, was the sole Thai company authorized to domestically produce the AstraZeneca COVID-19 vaccine.

Thailand remains a country with persistent denial of equal opportunity based on gender, sexual orientation, religion, ethnicity, race, and political preference, despite the government passing an Equal Opportunity Act in 2015. In particular, women and minorities enjoy less institutional assistance in accessing public services or serving in public office than men. The number of women in the labor force has grown each year, and in 2022, they represented 45.9% of the labor force. Nevertheless, women in general are relegated to lower-paying jobs or employment in the informal sector.

Regarding the 2021 Gender Inequality Index (GII), Thailand has a value of 0.710, ranking it 79 out of 156 countries. Meanwhile, it scored a value of 0.71 on the 2021 Gender Gap Index, reflecting a slight increase between 2001 and 2021. According to the latest data from the World Bank (2018), Thailand’s literacy rate was 93.8%, with a male literacy rate of 95.2% and a female literacy rate of 92.4%. Regarding the ratio of female to male enrollment (GPI), in 2022, the ratio of girls to boys stood at 1.0 (primary), 1.0 (secondary), and 1.3 (tertiary), indicating that there are increasingly more girls than boys at higher levels of education. However, in 2022, the gross enrollment ratio shows less enrollment by either gender at higher levels: 102.2 (primary); 113.8 (secondary); 49.3 (tertiary).

According to the United Nations (2023), 24% of CEOs/managing directors in Thailand are women, compared to 20% worldwide and only 13% in the Asia-Pacific. But women account for only 23.9% of high-ranking civil servants, and gender equality in senior leadership positions has risen by just 3% in the last 15 years. In 2023, 10.4% of the Senate were women, while 16% of the Lower House were women,



which represents a modest gain for Thai women but is lower than the global average of 24.9 women in parliament. The percentage of female heads of Provincial Administrative Organizations (PAO) and Subdistrict Administrative Organizations (SAO) is 8% and 6.45%, respectively.

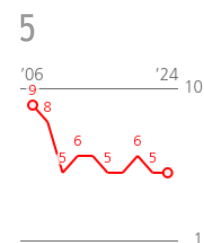
Ethnic minorities, such as “hill tribe” people, migrant workers, and refugees from neighboring countries, often lack the ability to vote (despite having citizenship), attend school, or access public health care. Thai labor laws, which govern both regular and irregular migrant workers, still do not align with International Labor Organization standards. According to a 2022 Freedom House Report, ethnic minorities, stateless residents, and Malay Muslims in Thailand continue to face political marginalization. In 2022, the United States Trafficking in Persons (TIP) report downgraded Thailand to Tier 3 due to the country’s insufficient efforts in combating forced labor among migrant workers, while also maintaining policies that further expose migrant workers to labor trafficking. Thailand remains a country in which benefits are concentrated in its capital, Bangkok. Access to the best schools, hospitals and job opportunities in Thailand is primarily available in Bangkok and a few other cities, leaving only the privileged few with access to these resources.

11 | Economic Performance

GDP grew from \$499.7 million in 2020 to \$505.9 million in 2021. Thailand’s GDP growth decreased from 2.4% in 2019 to 1.6% in 2021. Meanwhile, GDP per capita increased from \$18,198 in 2020 to \$19,209 in 2021. Thailand’s GDP per capita growth rate has fluctuated: 1.9% in 2019, -6.4% in 2020, and 1.3% in 2021. Inflation moved from 0.7% in 2019 to -0.8% in 2020 to 1.2% in 2021. Employment grew from 0.7% in 2019 to 1.1% in 2020 to 1.4% in 2021. Meanwhile, FDI (in terms of percentage of GDP) fell from 0.9% in 2019 to -1.0% in 2020. Public debt skyrocketed from 41.1% of GDP in 2019 to 49.5% of GDP in 2020 to 58.4% of GDP in 2021. Meanwhile, the sum of net lending/borrowing contracted from 0.3% of GDP in 2016 to -4.5% of GDP in 2020. Tax revenue declined to 14.5% of GDP in 2020. In terms of gross capital formation, in 2021 Thailand held 29.1% of GDP, compared to 23.7% in 2020. Thailand’s continuing low unemployment has assisted the economy, although figures do not capture the extensive informal sector, which was particularly harmed by the COVID-19 pandemic.

The pandemic was a primary cause of the sharp contraction in Thailand’s economy in 2020, contributing to a global deterioration in both global and domestic demand. In 2021/22, the government utilized bonds, other fiscal policies, and increased public debt to combat the pandemic. According to the ADB, in 2022 the post-pandemic Thai economy experienced growth, evident in private consumption, which increased by 5.2%. Simultaneously, public consumption rose to 4.7% of GDP. The growth in consumption was facilitated by government stimulus policies and the easing of COVID-19 restrictions. The World Bank projected a 3.6% expansion of Thailand’s economy in 2023.

Output strength



12 | Sustainability

The 1992 National Environmental Quality Promotion and Protection Act mandates environmental impact assessments (EIAs) for 35 types of projects in order to minimize adverse environmental impacts. A 2018 amendment to this act, aligning it with the 2017 constitution, imposes penalties for the development of projects without EIA approval. However, the amendment appears ineffectual and has been criticized “for being an investment promotion law in disguise.”

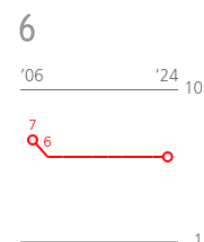
With the end of direct military rule in 2019, environmentalists’ activities increased, although threats against environmentalists continued. In 2019, a prominent environmentalist was temporarily kidnapped by politician-gangsters for opposing, on environmental grounds, a rock quarry project that the latter had business interests in. The government has been slow to investigate. Construction of a waste-to-energy plant was put on hold but not canceled following protests from locals concerned about pollution.

In 2020, in response to a devastating drought, the Prayuth government created a Water Crisis Center. Since 2021, the Prayuth government has persisted in pushing a China-supported special economic zone in the Chana district of Songkhla province, despite multiple protests that the project will decimate the environment. However, the government did place limitations on gold mining by Akara Resources Plc in 2022.

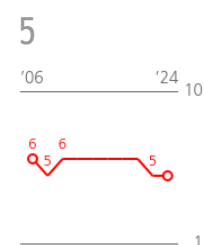
In mid-2022, the government approved the country’s first-ever Climate Change Bill. According to some analysts, the law represented a significant step toward improving the country’s efforts in tackling global environmental problems, such as global warming. However, critics castigated the law as favoring big business while failing to engage with civil society, local communities, and smallholders when setting environmental policy.

The Thai public education system exists throughout the entire country and is mostly free. School attendance is nearly universal. Thailand’s score in the U.N. Education Index has consistently improved almost every year since 2013. According to the latest World Bank figures, it reached 0.731 in 2021. Based on the most recent scores from UNESCO and the World Bank, the literacy rate in Thailand was 98.8% for ages 15 to 24 and 93.8% for those aged 15 and above in 2018. Meanwhile, 2022 data from the World Bank indicates that gross enrollment had increased to 102% at the primary level, 114% at the secondary level, and 49% at the tertiary level (schooling is mandatory in Thailand up to ninth grade). Regarding gender parity in school enrollment, the World Bank’s latest gender parity index (2020) shows a ratio of 0.98 females to males at the primary level, parity at the secondary level, and a ratio of 1.29 females to males at the tertiary level. Thailand’s spending on education has tended to exceed that of many comparable nations. In 2019, the Ministry of Education was restructured to enhance efficiency, with tertiary education falling under a new

Environmental
policy



Education policy /
R&D



Ministry of Higher Education, Science, Research and Innovation. The Thai education budget has doubled since 2002. However, since the 2014 coup, funding for education as a percentage of GDP has decreased each year from 3.7% in 2014 to 3.0% in 2020 (amidst an ailing economy and increased defense spending). Education funding has continued to decline since then. The Ministry of Education received \$9.386 billion for the 2023 budget, while the Ministry of Higher Education, Science, Research, and Innovation was allocated \$4.147 billion. The quality of public education varies significantly across the country, with the highest-quality schools concentrated in Bangkok and a few other major cities. The largest obstacles to education are in the far south, where violence has hindered education, with insurgents specifically targeting and shooting teachers in the region. The latest scores from the Program for International Student Assessment (PISA) in 2018 and the 2019 Ordinary National Educational Test (O-Net) show that Thai students generally achieve lower scores than the average. In 2018, the Equitable Education Fund Act was passed. It was established with a THB 1 billion startup fund and set the primary goal of reducing educational inequality in Thailand. However, this act may encounter challenges in achieving its objectives due to potential conflicts within the Ministry of Education. The most recent figures on research and development (World Bank 2022) indicate that Thailand allocated 1.14% of GDP to R&D in 2019, though the country is targeting 2% of GDP for R&D funding by 2027. R&D spending has steadily increased since 2008. In 2022, Thailand ranked 43 out of 132 countries in the World Intellectual Property Organization's Global Innovation Index. The establishment of national research universities, which includes eight major universities in Thailand (primarily located in Bangkok) focusing on national-level R&D, has, on one hand, helped concentrate state investment efforts in R&D, but on the other, has favored universities in major cities while excluding provincial universities from accessing R&D funds. In 2023, among ASEAN member states, Thai investment in R&D trails only Singapore and Malaysia.

Governance

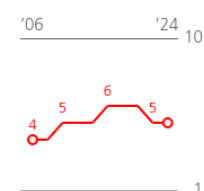
I. Level of Difficulty

In Thailand, there are four deeply entrenched structural constraints that affect governance. First, there is the geographically imbalanced character of socioeconomic development, with its concentration of wealth in Bangkok as opposed to provincial Thailand, especially the northeastern region and far south. According to the World Bank (2022), 79% of the poor live in rural areas, while the Bangkok Metropolitan Region accounted for almost 50% of GDP and was the recipient of up to 70% of total government expenditure. Second, there is an enormous cleavage between the “wealthy and well-born” and the middle class, on the one hand (mostly Thai/Sino-Thai), and the lower classes (tending toward Thai-Lao and other ethnicities) on the other. This cleavage has been intensified by the economic fallout of the COVID-19 pandemic (see below). Third, there are class-based structural constraints: the country’s entrenched domination by monarchy, associated aristocracy and senior military officers has created significant obstacles to a deeper and more sustainable democratic transformation. Such antagonism was exemplified by the 2014 military coup, military rule (2014 – 2019), and recent threats by Prime Minister Prayuth of a return to dictatorship in response to anti-government demonstrations. Finally, the COVID-19 pandemic represented a disruptive shock to Thailand. It led to an excess death rate of 0.3%. It also contributed to an economic contraction of at least 6.5%, reduced private consumption by 1.3%, and led to a substantial increase in unemployment. The pandemic limited economic transformation. The Prayuth government was also able to use the pandemic as justification for enacting an authoritarian emergency decree.

Thailand has long experienced an antagonistic relationship between civil society and the state, especially regarding the environment, land titling and issues of democracy, owing to deeply entrenched historical legacies of autocracy. Modern Thai civil society evolved during brief periods of political space (1944 – 1947 and 1973 – 1976). From 1980 to the present, the state has, for the most part, allowed NGOs to evolve. However, problems of interference by the military, co-option by the state, internal malfeasance and poor administration have beset the development of Thai civil society. In 2022, over 25,000 local and 87 foreign NGOs were registered in Thailand. Some Thai NGOs support or oppose the Shinawatra family. Others try to be apolitical. Between 2006 and 2014, the pro-Thaksin United Front for Democracy Against Dictatorship (UDD) Red Shirts increased in numbers. The UDD is a broad,

Structural
constraints

5



Civil society
traditions

6



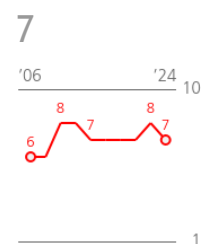
diverse social movement supported by businessman-politician Thaksin Shinawatra and includes elements of the lower and middle classes. Seeking economic and political reforms, it has been backed by pro-Thaksin governments. Meanwhile, between 2006 and 2012, another group, the People’s Alliance for Democracy (PAD) or “Yellow Shirts,” represented a reactionary pro-monarchist position. Between 2013 and 2014, the PAD morphed into the People’s Democratic Reform Committee (PDRC), which opposed the Yingluck government. Thailand’s May 2014 military coup was mostly met with acquiescence from urban Thai civil society groups (such as the PDRC). Some NGOs actually supported the coup, while others opposed it. During the 2019 election, the pro-military Palang Pracharat succeeded in winning the support of some ex-UDD leaders. During the period under review, civil society remained weak and divided. There has been a marked growth in civic life due to an increasing uptake of social media, which in turn has contributed to a rise in community and civic groups online. Since anti-government student demonstrations began in Thailand in 2020, at least 13 youth-led civil society groups have been created. In 2023, these youth-led organizations remain active. Nevertheless, because of the overarching influence of the monarchy and military across Thai society, civil society operates in a fragile environment.

Thailand is suffering from three acrimonious, entrenched conflicts. At the national level, there is a socioeconomic and political conflict between opponents (predominantly arch-royalists) and supporters of populists Thaksin Shinawatra, Yingluck and their families. Rural dwellers and the lower-middle class strongly backed the ex-prime minister, while the upper-middle classes and elites vehemently opposed him. This clash receded during the junta (2014 – 2019) but was reignited following the 2019 election.

The second national-level conflict is between youth-led demonstrators opposing the military-dominated government, who are demanding reforms of the government, military, and monarchy. Partly because of these protesters’ criticisms of the monarchy, social trust in the monarchy and traditions of a civil society centered upon monarchy appear to have been weakened.

A third conflict has been the Malay-Muslim insurgency in Thailand’s southernmost provinces of Yala, Narathiwat and Pattani. This has contributed to an increasingly hard-line stance by Malay-Muslim insurgents against southern Buddhists (and vice versa), resulting in heightened levels of violence between Buddhists and Muslims in that region. In 2023, dialogue between the insurgents and the Thai state continued (begun in 2013), though the two sides have also persisted in using violence; the insurgents mostly against Thai security officials; the Thai military/police against suspected insurgents. Violence has generally declined since 2011.

Conflict intensity



II. Governance Performance

14 | Steering Capability

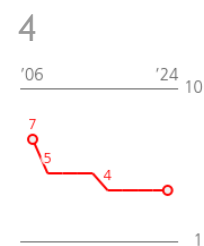
The Palang Pracharat government (2019 – 2023) prioritized at least nine objectives. First, it embarked on a “people’s state” program (begun under the junta), which includes various watered-down populist policies such as cheap housing, certain types of debt relief for the poor, a minimum wage, welfare cards and subsidies for new mothers. Second, the government supported a hierarchy of five dominant corporations, as evidenced in the state’s awarding of concessions and contracts. Third, the government claimed to be supporting nationalistic and patriotic programs that focus on support for the monarchy. Fourth, the government continued the junta’s policy of trying to jumpstart the economy using megaprojects and foreign investment, primarily from China and Japan. In this regard, it buttressed the Eastern Economic Corridor project. Despite this, Thailand’s economy continued to worsen in 2021. Fifth, the government presented itself as successfully managing the COVID-19 pandemic, promoting hospital care to people potentially most affected. Sixth, the government attempted to present itself as a supporter of democracy, for example, by promoting the provincial elections of December 2020. Seventh, the regime oversaw a national strategy spanning 20 years (2018 – 2037). Though the strategy was vaguely worded, it establishes several mandates that elected governments over the next two decades must adhere to (or potentially be forced from office), including large budgetary allocations to the military. Eighth, the government continued the junta’s policy objective in the Deep South of engaging in counterinsurgency. Ninth, the government spearheaded repression against youth-led protest groups seeking state and monarchical reforms.

Though the Thai state has attempted to enhance strategic capacity by prioritizing and organizing its policy measures (e.g., gaining and organizing expertise, evidence-based policymaking, regulatory impact assessments, strategic planning units), in terms of anti-corruption and controlling pollution, these goals have been hindered by powerful economic interests.

The 2019 election facilitated policy implementation in the sense that the newly elected government became somewhat more accountable and transparent. However, through this government’s lifespan (2019 – 2023) its ability to establish policy clarity diminished because of the several political parties within the ruling coalition, as well as the numerous intraparty factions within the dominant Palang Pracharat party. As a result, there was a plethora of policies discussed, promoted or opposed by different member parties of the ruling coalition, making policy implementation occasionally

Question
Score

Prioritization



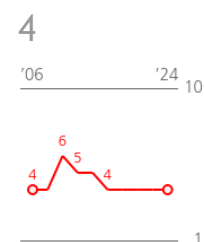
Implementation



difficult. An emphasis on strong defense spending, inherited from the junta, was one policy effectively implemented because of the enormous influence the military had over the government. Following the previous junta strategy, the government also sought to improve policy implementation in the insurgency-prone Deep South, by merging the region's allocation of resources across ministries. Other policies that were effectively implemented included prioritizing alliances with large-scale domestic and foreign investors (especially those from China), the consolidation of the Eastern Economic Corridor, and the establishment of more free trade zones along the country's borders. Continuing the initiative of the junta, the government announced megaproject plans set for completion as far away as 2030. The COVID-19 pandemic led the government to prioritize the implementation of a policy aimed at managing it. This included the implementation of an emergency decree that rationalized the country's reluctant steps toward greater democracy. Quarantines and mandatory face masks were also implemented. Moreover, the pandemic's negative effects on the economy forced the government to revert from a market economy toward increased fiscal manipulations, as well as delivering more economic handouts to Thais. In 2023, post-pandemic Thailand, the government has put an end to most COVID-19 medical requirements while withdrawing COVID-19 economic stimulus packages. It is also working toward implementing policies that seek to develop a stronger market economy.

In Thailand, learning from the past is coincidental rather than institutionalized. An example can be seen in public policy: Thailand's government (2019 – 2023) learned from the past in the sense that its policy was oriented around a diluted form of Thaksin-style populist policies (“Pracha Rat”) to shore up popular support. During the period under review, with regard to confronting pro-democracy demonstrators, the government seems to have learned from the past. The use of violence against protesters in 1973, 1976, 1992, 2008, 2009 and 2010 – policies that tainted the state's image – were replaced by targeted arrests of protest leaders and the setting up of barricades to keep protesters back. Regarding the Deep South insurrection, Thailand's government has continued the policy of the junta (2014 – 2019) and (before that) the Yingluck government of negotiating with the rebel resistance, while also engaging in violent repression. In response to the COVID-19 pandemic, the government quickly declared 14 urgent measures to manage the crisis and then announced an emergency decree. In an effort to resurrect a post-COVID-19 market economy, the government lifted COVID-19 restrictions in October 2022 and brought an end to its economic stimuli measures. This decision resembled the manner in which the Thaksin government (2001 – 2005) had responded to the 1997 Asian financial crisis.

Policy learning

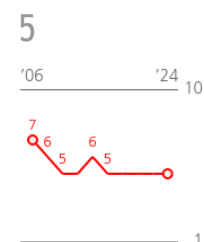


15 | Resource Efficiency

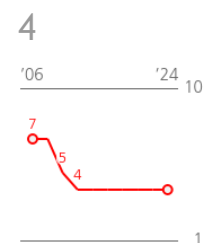
Thailand uses available human, financial and organizational resources to some extent. Thailand has an elected government and is heading toward a May 2023 general election. However, it is still disproportionately influenced by an opaque military, with power centralized in the form of the same three personalities of the junta (2014 – 2019), namely Prime Minister General Prayuth, Deputy Prime Minister General Prawit and Interior Minister General Anupong. Their appointees have been highly partisan, arch-royalist, anti-Thaksin and supportive of the pivotal role the military plays in politics. Prayuth's ruling Palang Pracharat party has relied on political appointments for ministers and public officials to appease intraparty factions and smaller coalition parties. Nevertheless, as a result of the pandemic, the Bank of Thailand's foreign reserves had been reduced from \$226.4 billion in March 2020 to \$182.5 billion by October 2022 in non-gold holdings, equal to approximately 40% of GDP. The level of reserves fell to its lowest in three years. In September 2022, Thai public debt grew to \$242.9 billion (53% of the country's nominal GDP). In 2021, it was 59.61% of GDP, up from 41.1% in 2019. This increase in public debt was owed primarily to the pandemic. Despite returning to electoral governance in 2019, Thailand's administrative structure remains highly centralized. There have been problems with the quality and expense of financial, organizational and human resources. Despite the COVID-19 pandemic, the government has continued to increase the annual defense budget and has sought to make purchases of expensive military hardware, such as three Chinese submarines. In response to the pandemic, the government pooled its resources to launch a fiscal stimulus package, financial handouts to Thais, and a health care restructuring program. Because of an efficient use of resources, by 2023, Thailand ranked fourth out of 98 countries in terms of COVID-19 response, according to Australia's Lowy Institute.

Coherence has been difficult for government leaders in Thailand. During the government of Prayuth Chan-ocha (2019 – 2023), the highly factionalized nature of the ruling Palang Pracharat (PP) party and the multiple parties supporting it frequently contributed to a lack of coherence in government policy. Disagreements between Prayuth and Deputy Prime Minister Prawit almost led to Prayuth's ouster in a no-confidence vote in 2021. PP politicians controlling the Ministry of Transport successfully pushed for an expansion of the elevated train and subway. Other PP politicians also competed for government resources. Prawit became Palang Pracharat party leader in 2020, while Prayuth became close to the United Thai Nation (Ruam Thai Sang Chart) party in late 2022. Meanwhile, the Ministry of Defence's push for the purchase of Chinese submarines was delayed by parliamentary opposition. In 2020, the plummeting economy forced two finance ministers out of office in quick succession. Regarding Thailand's Deep South counterinsurgency, in 2023 the government brought various ministries together in support of a coherent policy to stabilize or improve the situation of Malay Muslims. However, the insurgency

Efficient use of assets



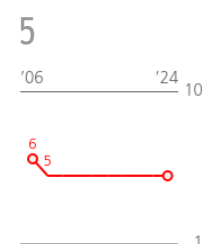
Policy coordination



continues. The fact that the government is led by former junta leaders belonging to one army faction, while the current army leadership is led by another army faction (favored by the king), has led to increased military divisions, making it difficult to achieve a coherent security policy. Another source of friction has been between the military and police when during the student demonstrations that began in 2020, police were tasked with keeping protesters under control. However, many members of the police have been sympathetic to the protesters, making it difficult for the state to coherently and adequately manage the protests. In an attempt to guarantee policy coordination between the current and future governments, the regime in 2018 enacted a national strategy spanning 20 years (2018 – 2037). The COVID-19 pandemic necessitated a coherent policy response. In 2022, the WHO continued to praise Thailand for a response that combined strong public health interventions, community engagement and effective governance.

The principal organization tasked with combating corruption by high-ranking government officials and politicians is the National Anti-Corruption Commission (NACC), officially an independent state agency. However, in terms of performance, the NACC has been criticized for being slow and highly partial in favor of the Prayuth government and its predecessor, the military junta (2014 – 2019). In 2018, the then-ruling junta instituted a new anti-corruption law designed to enhance mechanisms to prevent corruption and willful misconduct. It also expanded the definition of bribery and appeared to grant more powers to the NACC. In 2021, the National Anti-Corruption Commission established an Anti-Corruption Fund to support anti-corruption projects and activities. In 2022, the NACC established a Corruption Deterrence Center. Pro-military appointees to the NACC have presided over it since 2006 and have continued to do so during the review period. Given that NACC cases tend to result in decisions siding with the Prayuth government, the fact that pro-military nominees continue to sit on the NACC clearly contravenes conflict of interest rules. In 2021, the NACC ruled that Deputy Prime Minister Prawit had not broken the law because he did not intend to make a false assets declaration when he omitted 22 luxury watches.

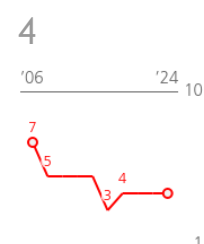
Anti-corruption policy



16 | Consensus-Building

Relevant actors support a democracy led by monarchy. However there continues to be a significant polarization of views on the issue of political transformation. This divide involves perceptions about democracy itself, with some viewing it in terms of majoritarianism and others not. Conservative Thais support a superficial form of democracy dominated by a powerful monarchy and managed by the military. More progressive Thais want a more embedded democracy with strong political parties. This division resulted in two military coups (2006 and 2014) and judicial decisions that forced pro-Thaksin governments from power in 2008 and 2014. These divisions have not disappeared and are reflected in Thailand's lower house and in civil society.

Consensus on goals



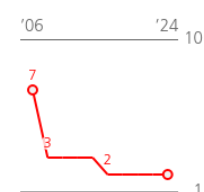
A second related issue has been that of billionaire Thaksin Shinawatra. Elected in a 2001 landslide victory, Thaksin was adored by the poor for introducing welfare/populist policies. He and his family continue to be popular today. Conservatives fear that his political influence will destroy Thailand's kingdom. A third issue pertains to the role of the military in Thai politics. After the junta (2014 – 2019), increasing numbers of civilians grew wary of military rule. Civilian pressures finally forced an election in March 2019, the results of which were widely believed to be flawed. The subsequent coalition government led by General Prayuth Chan-ocha remained fractured, with each political faction pursuing competing goals. Beginning in mid-2020, regular large-scale demonstrations occurred, demanding Prime Minister Prayuth's resignation and constitutional amendments, specifically to make the Senate an elected body. A fourth issue is Prayuth himself. The Constitutional Court ruled in 2022 that, though a prime minister can only legally stay in office for eight years, Prayuth could in fact continue in office until 2025 because, despite being in the post since 2014, the latest constitution had only come into force in 2017. As a general election approaches in 2023, many Thais are becoming exhausted with Prayuth's continuing leadership. A fifth issue is that of monarchical reform. The police, military and courts have repressed protesters demanding such changes. Finally, there is the issue of the seemingly endless insurgency in Thailand's Deep South. All six of these conflicts prevent Thailand from achieving consensus on the goals of political development.

Almost all leading political actors in parliament and civil society favor a market economy. Since the rise of Thaksin Shinawatra in 2001, there has been a general recognition of the need for social welfare policies. The post-2019 pro-military Palang Pracharat government (led by Prayuth) has emulated Thaksin to a degree by championing some welfare programs initiated by him. There is a conflict over whether there should be more emphasis on strengthening the market economy or even more on social welfare policies (as the pro-Thaksin Pheu Thai party proposes). The Progressive Movement and Move Forward Party have spearheaded a drive for more transparency in the national budget. Critics of the monarchy (e.g., youthful protest leaders Anon Nampa and Parit Chiwarak) publicly disagree with the generous public budget enjoyed by royal institutions, arguing that this money could be used for more equitable national development.

During the period of Thailand's elected government (2019 – 2023), following a military junta (2014 – 2019), anti-democratic actors continued to hold the most power in Thailand. This perpetuated a long historical pattern whereby the monarchy, the king's Privy Council, the Royal Household, the military (and other security-related bureaucrats) and private sector interests opposed to democratic reform hold sway over the country. The government from 2019 to 2023 was a façade democracy, dominated by nondemocratic actors: the Senate had been appointed by the junta, the ruling Palang Pracharat party had been created by the junta, the Election Commissioners had been chosen by the junta, and the prime minister was the former

Anti-democratic actors

2



junta leader. Even when they have been in office, elected civilians have had no genuine control over the monarchy or the military. The monarchy possesses complete formal and informal political power over all other political institutions. Besides being required to endorse almost all acts of parliament, the monarch can also veto all laws, pardon offenders, dissolve parliament and enact emergency decrees. The king's political involvement generally occurs behind the scenes. The king's Privy Council and Royal Household are also outside the control of democratic forces. The Privy Council chair and Royal Household chamberlains hold significant influence within the armed forces. The military's power was most recently illustrated in its coups of 2006 and 2014. Regarding anti-democratic private sector interests, the monarchy's Crown Property Bureau (CPB) is the majority shareholder in Siam Cement, Christiani and Nielsen, Siam Commercial Bank and other companies. It has never been audited. To ensure continued profits, leading nonroyal private business interests all support the continued domination of Thailand by the monarchy and military.

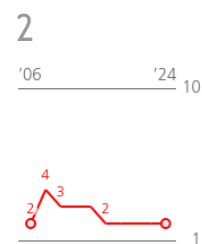
In Thailand's Deep South, Malay-Muslim insurgents are not democratic actors, using violence in their struggle against the Thai military, which itself engages in a brutal counterinsurgency. The 2017 constitution retains supreme power for the monarch, aided by the military. The pro-democracy street protests that began in 2020 and continue in 2023 reignited and remobilized anti-democratic groups both online and offline. Some of these groups have continued to hold rallies to counteract the activities of their adversaries.

Thailand continues to face three specific political cleavages. One is a deep political cleavage based on geography and class, the second is a growing ideological cleavage, and the third pertains to ethnicity and religion.

The first is the cleavage between impoverished rural people in Thailand's populous north/northeast and urban middle-class people, centered predominantly in the capital, Bangkok. The military, monarchy and metropolitan businesses adhere to this latter position. This cleavage has revolved around support for or against Thaksin Shinawatra, who, as prime minister, implemented several pro-poor policies that specifically appealed to the rural poor. Reflecting this cleavage was the mostly rural "Red Shirt" United Front for Democracy against Dictatorship (UDD), contrasting with the predominantly urban "Yellow Shirt" People's Alliance for Democracy (which later became the People's Democratic Reform Committee, PDRC). All governments since Thaksin have tried to gain support from the lower classes by implementing welfare policies and thus gaining votes from across the geographical class cleavage.

A second cleavage is support for more democracy versus propping up a powerful king and monarchy. The 2019 election saw mild electoral success for the Future Forward Party and its successor, the Move Forward Party, both of which were primarily urban-based and appealed to many young, educated Thais. These parties held similar views to youth-led protest groups that arose in 2020, seeking greater

Cleavage /
conflict
management



democracy and monarchical reforms. Ultra-rightists (e.g., the Thai Pakdee Group) have sought to strengthen and extend Criminal Code Law 112, which harshly penalizes people seen as offending the monarchy.

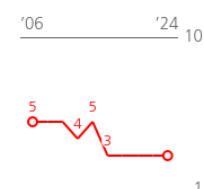
With regard to the third (ethnic and religious) cleavage, a long-simmering Malay Muslim insurrection against Thai rule in three Deep South provinces has persevered. Prayuth's post-2019 pseudo-democracy military junta continued negotiations with insurgents while also utilizing force. In 2023, incidents of violence in the conflict zone, while continuing, have slightly decreased.

The political leadership only consults with civil society groups that agree with the former's points of view. Civil society voices that are critical of the monarchy and military have always faced legal and informal persecution. This has recently included UDD "Red Shirt" groups that have continued to support Thaksin rather than switching back to Prayuth. In parliament, the anti-Prayuth Future Forward and (pro-Thaksin) Pheu Thai Party were allowed some critical input, especially regarding the need for military reform. But the pro-Prayuth Constitutional Court eventually dissolved Future Forward in February 2020. In July 2020, predominantly youth-led large civil society demonstrations began to occur in urban centers of Thailand on a regular basis. They demanded Prayuth's resignation, constitutional amendments, and monarchical reform. The government responded to the demonstrations by using rubber bullets, water cannons, imprisoning protest leaders, and intimidating protesters' families. However, the protests have continued. Smaller ultra-rightwing societal groups (linked to the military) have made threats against the youth-led demonstrations. Prime Minister Prayuth has implied to Thai society that progressive demonstrators may seek to overthrow Thailand's monarchy.

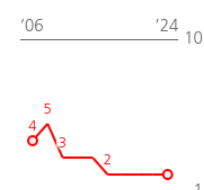
Civil society actors that matter to the state are conservative ones that supported the pro-junta Palang Pracharat party in the 2019 general election. Thailand's government made few attempts to actively involve civil society actors in its response to the COVID-19 pandemic. During the November 2022 APEC Summit, protesters, primarily from activist group Thalufah and NGO Assembly of the Poor, clashed with police, resulting in 30 injured protesters (including a Buddhist monk and two journalists).

Reconciliation remains challenging in Thailand. Between 2021 and 2023, the state continued to utilize a two-pronged policy against Malay-Muslim insurgents in Thailand's Deep South: military force alongside negotiations. Though the state was able to pursue dialogue with the chief insurgent group (the BRN or Barisan Revolusi Nasional), killings and related incidents in that region have continued, though the number of incidents has fallen since 2011. The state also continued to spend money to improve the lives of those living in the Deep South. Meanwhile, the state has sought to repress ethnic minorities in the north. The 2014 forced disappearance of Karen activist Porlajee "Billy" Rakchongcharoen and the army killing of Lahu activist Chaiyaphum Pasae have never been resolved, with justice seemingly elusive.

Public
consultation
3



Reconciliation
2



In terms of historical ethnic, religious and class injustices, Thailand's political leadership has sought to construct an ideology of obedience toward its monarch to ensure loyalty to the state. In elite politics, divisions still exist regarding the former prime ministers, Thaksin and Yingluck Shinawatra. In parliament, there is a bitter division between parties seeking increased democracy, the pro-Thaksin Pheu Thai party and the Move Forward Party, and parties supportive of the status quo: the junta-created Palang Pracharat, Democrat and Bhumjai Thai parties. In late 2022, Thai police were accused of seeking to implicate Pheu Thai as having connections to a Chinese mafioso in the run-up to the 2023 general election. There appears to be no reconciliation between the popular organizations of the progressive youth-led Ratsadon (people) umbrella grouping (allied with some members of the Red Shirts) and the state and its associated arch-royalist organizations, such as the Pakdee Group. In 2021/22, the Prayuth government vigorously arrested and imprisoned leaders of progressive organizations while intimidating families of protesters in an effort to snuff out public protests. In 2023 such repressive tactics have proven to be only temporarily successful.

17 | International Cooperation

With the dissipation of the COVID-19 pandemic in 2023, Thailand's political leadership has utilized economic support from international partners to develop megaprojects in line with the country's development strategies. In 2023, China and Japan were the largest foreign donors, investors, and trading partners with Thailand. China and Japan have each entered into multiyear contracts to build high-speed train projects in Thailand. Regarding China, Thailand must pay for most of the rail construction costs, though Bangkok can borrow money from Beijing. Both China and Japan have initiated projects in Thailand's Eastern Economic Corridor. In 2022 and 2023, the Japan-dominated Asian Development Bank enacted several projects, including those to strengthen financial transparency in specific financial institutions and advance national financial literacy, implement flood management and pilot public-private cooperation in the social sector. Meanwhile, China's Lancang-Mekong Cooperation Special Fund supported over five business projects in Thailand in 2022. Over the last few years, Thailand has also received financial support from the World Bank for a variety of projects. Thailand's return to elected governance in 2019 led to an increased willingness on the part of foreign donors to provide aid to and invest in Thailand. The end of the pandemic in 2022 most forcefully convinced foreign donors to return to Thailand. Both the 13th National Economic and Social Development Plan (2022 – 2026) and the 20-year national strategy (2018 – 2037) encourage long-term foreign cooperation in order to integrate various projects to improve Thailand's development policy framework. The United States, China and Japan have provided Thailand with financial assistance to combat the COVID-19 pandemic. It is too early to assess the extent to which this assistance has affected Thailand's long-term strategy of development.

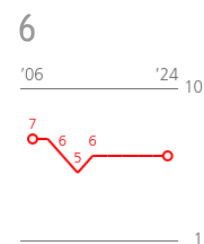
Effective use of support



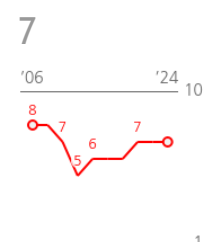
Thailand's government has been a credible and reliable partner for foreign investments. It has continued to uphold almost all agreements/treaties with other countries, cooperating with most international organizations and countries to demonstrate that it is a trustworthy member of the international community. In addition, the Prayuth government has eagerly supported the previous Thaksin government's Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) with Myanmar, Laos, Cambodia and Vietnam. However, the government has experienced four major problems with international credibility in recent years. The first involves human rights. Although Thailand has to date ratified seven of nine core international human rights treaties, it has failed to live up to acceptable human rights standards (e.g., jailing violators of the lèse-majesté law), harming the country's credibility in light of the treaties it has signed. Human rights violations were on full display in 2020, 2021 and 2022 when police responded to peaceful demonstrators with violence. Second, regarding democracy, following the 2014 military coup, despite the United Nations calling for an immediate return to the electoral process in alignment with internationally accepted democratic principles, a military junta held power until 2019. The government that followed is heavily influenced by nondemocratic actors such as the military. Thailand's military-dominated façade democracy is likely to continue in office after the 2023 general election. Third, international credibility in Thailand has been harmed by global perceptions that the Thai government is opaque, corrupt, possesses a shadow economy and lacks accountability at a time when the Thai economy is weak. It does not help that the president of the National Anti-Corruption Commission was a crony of Deputy Prime Minister Prawit. Fourth, international credibility has been affected by the government's March 2020 implementation of an emergency decree, ostensibly designed to assist in its response to the COVID-19 pandemic, but which increasingly appears to have been used to legitimize the state's repression of demonstrations opposing continuing authoritarian rule. Both the military junta (2014 – 2019) and the post-2019 pseudo-democracy that followed have tried to improve Thailand's credibility (e.g., the 2018 enactment of a new anti-corruption law). However, allegations of malfeasance by powerful interests have continued up to the present day. International credibility may have been improved when Thailand hosted the Asia-Pacific Economic Summit (APEC) Summit in November 2022. However, the only great power that attended the summit was China.

Thailand is a member of 14 FTAs and several regional organizations, including the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), the ASEAN Regional Forum (ARF), the Greater Mekong Subregion (GMS), the Lancang-Mekong Cooperation (LMC), and the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC). It leads the Ayeyawady-Chao Phraya Mekong Economic Cooperation Strategy (ACMECS) and the Regional Comprehensive Economic Partnership (RCEP). Since 2021, Thailand has been a full member of the

Credibility



Regional cooperation



Regional Comprehensive Economic Partnership, an agreement with ASEAN member states, China, Japan, South Korea, India, Australia and New Zealand. Thailand's bilateral relations with its neighbors are currently stable, but there is potential for conflict. One reason for this is the partly demarcated and disputed border between Thailand, Laos, and Cambodia. Border disputes with Cambodia were self-servingly fueled in the 2000s by actors on both sides for domestic political reasons. The insurgency in the south, along the Thai-Malaysian border, is likewise repeatedly accompanied by disputes between the two governments, as the Thai side suspects that the Malay authorities do not sufficiently control the border, while Islamist actors in Malaysia sympathize with Malay-Muslim insurgents in Thailand's southern provinces. There is also potential for conflict between Myanmar and Thailand, although the militaries in both countries share political and economic interests. ACMECS is a Thai-led economic strategy to build projects in neighboring Laos, Cambodia, Myanmar and Vietnam. In late 2019, Thailand established within ACMECS a regional fund for Cambodia, Laos, Myanmar and Vietnam to back infrastructure and other development projects and to reduce their dependence on Chinese investment. Thailand donated \$200 million to the fund and looked to other countries, such as China and the United States, for further funding. The ACMECS 2019 – 2023 Plan focuses on broader opportunities for the private sector's role in the implementation of ACMECS priority projects. Though these projects have primarily been geared toward transportation, since 2020 combating the COVID-19 pandemic has taken greater priority. In late 2020, Thailand announced that it would manufacture and distribute a COVID-19 vaccine to members of the ACMECS grouping by mid-2021. Within ASEAN, Thailand has been a major backer of the ASEAN Outlook on the Indo-Pacific, which seeks to encompass China and the United States, thus maintaining ASEAN centrality. Thailand has also backed proposals for a "Travel Bubble" to facilitate the movement of people, especially tourists, post-pandemic. The proposed road connecting Thailand to Myanmar's deep-sea port of Dawei has stalled because of the 2021 military coup in Myanmar. Thailand has, meanwhile, proposed more of a digital economy across ASEAN.

Strategic Outlook

Thailand faces a series of challenges in 2023. The current Senate was appointed during the junta's rule (2014 – 2019). The current prime minister, General Prayuth, was once the junta leader. His coalition is spearheaded by the military-crafted political entity, Palang Pracharat. Although Thailand's army ostensibly adheres to Prayuth's leadership, it ultimately answers to the king, who wields unchecked authority throughout the nation. The king has centralized his control over military and police units, even establishing a Royal Security Command that serves as an alternative army directly under palace jurisdiction. The prospect of increased democracy in Thailand seems unlikely, despite the aspirations of protesters and progressive members of the lower house. A more likely scenario is that Thai politics will continue to be characterized by an asymmetrical partnership between the monarchy and the military, with the latter occupying a subordinate role.

The state's repressive policies against Thailand's youth-led pro-democracy demonstrators appear to have temporarily curbed the frequency of protests.

Another governmental hurdle involves rejuvenating Thailand's economy in the post-pandemic landscape, amid a weak global economy. This entails implementing tighter monetary policies, achieving greater stability for the Thai baht, reinforcing market equilibrium, and fostering enhanced banking transactions. Concurrently, the government must address poverty, which may involve advocating for higher minimum wages and strengthening Thai small and medium-sized enterprises. Despite Thailand's comparatively low number of COVID-19 cases relative to other nations, it remains crucial to ensure adequate financial support reaches vulnerable Thai citizens to mitigate pandemic-related economic challenges. Furthermore, the influx of numerous Burmese refugees escaping Myanmar's 2021 military coup and subsequent military-led actions has heightened economic, security and medical concerns along the Thai-Myanmar border and beyond.

Amidst the tensions between Prime Minister Prayuth and Deputy Prime Minister Prawit, and with the forthcoming general election slated for May 2023, several influential figures are vying for leadership. Prayuth seeks to be the prime ministerial candidate under the new United Thai Nation Party (Ruam Thai Sang Chart), though a 2022 Constitutional Court ruling restricts his tenure to 2025. Prawit, however, as leader of Palang Pracharat, remains in contention. A third potential candidate is Anutin Charnvirakul, head of Bhumjai Thai's party and a prosperous businessman reportedly with close ties to the king, who enjoys connections with influential figures like Newin Chidchob and with senior army officials. Lastly, Thaksin's daughter, Paetongtarn, represents the pro-Thaksin Pheu Thai party. Consequently, Thailand's 2023 election has evolved into a competitive arena featuring two ex-military figures, an entrepreneur connected to the monarchy, and Thaksin's candidate.

Thailand's Deep South region continues to be affected by insurgency, marked by persistent violent incidents. In 2023, the state's approach blends repression and dialogue with rebel leaders. The newly elected Malaysian prime minister, Anwar Ibrahim, advocates for increased Malaysian involvement to foster peace. To effectively address the insurgency, sincere negotiations that foster trust among all stakeholders are imperative.