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BULLETIN

Thailand on a Difficult Path to Democratic Change

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On 5 September, the new government of Thailand was sworn in, headed by Srettha Thavisin of the Thai Party (Pheu Thai, PT). This ended the political deadlock that had lasted since the parliamentary elections of 14 May. However, not joining the government coalition of the Move Forward (MF) party, which obtained the best electoral result, and including parties supporting the army may cause social tensions. Partial democratic changes in Thailand may be conducive to, among others, cooperation with the European Union.

Since the overthrow of absolute power in Thailand in 1932 and the introduction of democracy and the establishment of a constitutional monarchy, the country has experienced more than 20 military coups. The last one took place in 2014 when the army overthrew the democratically elected government of Prime Minister Yingluck Shinawatra of the PT, which had ruled since 2011. Since then, power in Thailand has been held by the military, headed by Gen. Prayuth Chan-ocha as head of government (he has ruled as a civilian since the elections in 2019). The army presents itself as the guardian of stability and defender of King Maha Vajiralongkorn, also known as Rama X, elected in 2016. The king has representative functions, but the institution of the monarchy is highly respected, especially among the conservative part of society.

In 2017, the government changed the constitution, allowing the army to appoint a 250-member Senate, which was intended to ensure its long-term influence over Thai politics. In recent years, the country has seen frequent protests against military rule as well as connected with the effects of the COVID-19 pandemic.

Political Puzzle. In the May elections, which mostly met crucial democratic standards, the MF received the greatest support— a progressive party, supported mainly by young Thais from large cities won 151 seats in the 500-seat House of Representatives (lower house of parliament). It calls for farreaching changes, including reform of Art. 112 of the Criminal Code, which provides for up to 15 years in prison for insulting the king, a law that was used by the military authorities against political opponents. Second place and 141 seats were taken by

PT, considered a populist party, supported mainly by residents of poor regions in the north and northeast of the country. Third place was taken by the conservative Bhumjaithai party, which gave it 71 MPs. Pro-military parties achieved poor results: Palang Pracharat (PP) led by former Deputy Prime Minister Prawit Wongsuwon (40 seats) and the United Thai Nation Party (UTN) led by Prime Minister Chan-ocha (36 seats), who announced his retirement after the elections.

To be able to form a government, a candidate for prime minister must obtain the support of a simple majority of the combined House of Representatives and the Senate. In July, two unsuccessful attempts to form a government of a coalition of eight parties (including PT) were made by the leader of the Move Forward, Pita Limiaroenrat. At the beginning of August, Pheu Thai left the coalition led by the MF, arguing that it was unable to obtain the support of the Senate. PT announced the formation of a new coalition with 10 other parties, including Bhumjaithai, PP and UTN, but without Move Forward. The candidate for prime minister was Thavisin, a real estate tycoon with no experience in politics. In the vote on 22 August, he obtained the support of both houses of parliament to create a cabinet (the Move Forward was against). Among his main goals, he indicates the revival of the economy, among others, by donating THB 10,000 (approx. \$280) in digital wallets to all citizens over 16 years of age to stimulate consumption, as well as investment in infrastructure and startups. He also underlines that Thailand's foreign policy will be "neutral" regarding the U.S.-China rivalry. Thailand will also strive to expand its network of free trade agreements. Move Forward

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described the formation of the coalition with PT and promilitary parties as disregarding the voice of voters and ruining the chances for serious reforms. Even Paetongtarn Shinawatra, a member of a family with a key vote in Pheu Thai, apologised to voters for reaching out to politicians supporting the military, something the party had ruled out before the elections. Importantly, on the day Thavisin obtained parliamentary support to form a cabinet, Thaksin Shinawatra, Paetongtarn's father and former prime minister who was removed from power by the military in 2006 in the previous coup, returned to Thailand after 15 years. He was sentenced to a total of eight years of imprisonment, including for abuse of power. He probably made a deal with his long-time rivals—the army and the conservative establishment—as evidenced by the king's decision in early September to reduce his sentence to one year. Due to Thavisin's lack of political support, in practice it is Thaksin Shinawatra who will likely decide government policy.

Thailand's International Position. Thailand plays an important role in the Indo-Pacific, including in the economic sphere. It is a founding member of ASEAN, its second-largest economy (after Indonesia) and the fourth member state in terms of population (almost 72 million inhabitants). It occupies an important place in international production networks, for example in the automotive and electronics industries, which is supported by its participation in RCEP. Some industrial activity is transferred by companies from China to Thailand, as a result of, among others, the U.S. maintaining punitive tariffs on China or disrupting supply chains during the pandemic. The country is also a popular tourist centre, also among travellers from Poland. In 2019, about 40 million people came there, and the tourism industry accounted for about 12% of the country's GDP. The number of arrivals dropped dramatically during the pandemic, but is gradually recovering—over 11 million arrivals were recorded in 2022, and this year Thai authorities expect around 25 million tourists.

Thailand is also an important element of the security system in the region. It is one of two treaty allies of the U.S. in ASEAN (along with the Philippines), with which it conducts annual multinational military exercise Cobra Gold. At the same time, since 2014 it has maintained close relations with China. This was facilitated by Thailand's lack of direct involvement in the disputes in the South China Sea. China is also its largest trading partner and an important investor, for example, as part of the Belt and Road Initiative, a railway route from China's Kunming to Singapore is being built, part of which runs through Thailand. This country also plays an important role in the context of the crisis in neighbouring Myanmar, including in the field of migration. So far, the military cabinet has had little involvement in the political solution to the crisis, including due to both governments taking power as a result of a coup.

Thailand is also becoming an important partner for the EU, especially in the field of trade and investment, which is expected to increase the <u>EU's</u> influence in the region. This is evidenced by signing of the EU-Thailand Partnership and Cooperation Agreement at the <u>EU-ASEAN Summit</u> in

December 2022 and the resumption in March this year of talks on a free trade agreement (FTA), which were suspended after the coup in 2014. However, in recent years there have been ongoing disputes with the EU over respect for human rights and the rule of law in Thailand

Conclusions and Perspectives. The results of the May elections showed the public's willingness to change the situation in Thailand and remove the military government from power. The takeover of power by part of the current opposition, led by PT, may mean, among other things, more active socioeconomic policy. However, the inclusion of pro-military parties in the government coalition means only partial democratisation and will probably reduce the scope of changes, including abandoning changes to the regulations regarding insulting the monarch. The constitutional changes proposed by the PT before the elections, which would limit the influence of the army, are also uncertain. The formation of a government with pro-military politicians, as well as possible attempts to disband Move Forward (as was already the case with opposition parties in the past), may trigger social protests, especially among supporters of the Move Forward hoping for deep reforms. The ruling coalition may turn out to be unstable due to the need to reconcile the demands of as many as 11 parties, which, together with potential protests, would pose a challenge to the country's stability. In such a case, army intervention cannot be ruled out, as in 2014.

In foreign policy, one can expect an orientation towards obtaining economic benefits while balancing relations with the superpowers. The new government will strive to maintain good relations with China to develop trade, and may also strengthen relations with the U.S., which constitutes a counterweight to China in the security sphere, by possible participation in the American-led IPEF. The Thavisin government's policy in ASEAN may be active, including trade facilitation and greater support for the organisation's policy towards the crisis in Myanmar than before. However, the presence of pro-military parties in the ruling coalition will continue to limit Thailand's willingness to put pressure on the junta. Any government policy resulting in social unrest may have a negative impact on the stability of the region and Thailand's cooperation with foreign partners.

Pro-democratic changes may favour the development of relations with the EU, including more dynamic negotiations on the FTA. The EU can emphasise the importance of continuing talks, among others, in progress in respecting human rights. Intensifying EU-Thailand economic relations would be beneficial for Poland, for example, in terms of diversification of export markets. The new Thai government may also promote economic integration in the Indo-Pacific, including the country's accession to the CPTPP agreement. Thailand's ambivalent position towards Russia's aggression of Ukraine is unlikely to change, although the importance of maintaining the international order based on law may be emphasised more often as a gesture towards the West that may help attract investment.