

Thailand 2012



Total: 53.3

Quick facts

Population:	67.09 million
Population growth:	0.54 %
Unemployment rate:	0.7 %
GDP:	609.8 billion \$
GDP growth rate:	0.1 %
GDP per capita:	9500 \$

Political Freedom

Free and Fair Elections : 5.71

Thailand's most recent general election took place in July 2011 and swept the populist Puea Thai Party to a majority of 265 seats in the 500-member parliament. Yingluck Shinawatra, sister of the controversial ex-prime minister Thaksin Shinawatra, became Thailand's first female prime minister. Although the elections were free and fair for the most part, some instances of vote buying, smearing of rival candidates, and threatening of law enforcement agencies were reported.

In theory, the Thai Constitution provides for universal suffrage. In practice, however, there are exceptions. Buddhist monks, for example, cannot cast a ballot. Members of certain ethnic minorities, such as the hill-tribes in northern Thailand, are also deprived of their right to vote as they are not acknowledged as Thai citizens.

In addition, the 2007 Constitution introduced the undemocratic provision of an only half-elected Senate, with the other half of which to be appointed by a special committee. The right to stand for election is also constrained. With some exceptions, only citizens with a bachelor's degree or higher may contest an election, which effectively excludes about 95% of the population from running for political office.

Political pluralism and participation in Thailand are largely unrestricted. A host of NGOs address the interests of various groups including farmers, women, students and workers. However, reports suggest that NGOs working on sensitive political subjects are not free from harassment.

Absence of Unconstitutional Veto Players : 4.17

The army, though not vested with any constitutional or electoral mandate, is still of great political significance and certainly qualifies as an unconstitutional veto player. The clout of the army was made obvious on several occasions during the last few years. In late 2008, the military leadership refused to disperse protesters of the People's Alliance for Democracy, a royalist political group, who had hi-jacked Bangkok's two airports and the Government House in order to oust the then prime minister Samak Sundaravej. By contrast, in 2010, during the anti-government protests of the United Front for Democracy against Dictatorship, Thailand's rowdy Thaksin supporters, the army intervened on request of the prime minister at the time, Abhisit Vejjajiva. This shows that not every Thai government can rely on the armed forces to follow its orders. The army may interfere if it feels necessary, regardless of its constitutional mandate (or lack thereof).

Freedom of Press : 4

A great diversity of media, including radio, television, newspapers and internet forums, in Thailand makes up one of the most developed media structures in all of Asia. Reporters Without Borders, in its most recent report, ranked Thailand at number 137 of 179 surveyed countries - a considerable improvement compared to last year's ranking.

However, the strict *l'Ãse-majestÃ©* laws forbidding any criticism or sign of disrespect towards the royal family remain in place. These laws are more frequently misused to target scholars, activists and journalists who report on sensitive issues. In some cases, they are invoked simply to rid political competition.

Rule of Law

Independence of the Judiciary : 5.34

The 2007 Constitution restored Thailand's judicial independence and independent Constitutional Court. However, the Thai courts often play a decisive role in determining the outcome of political disputes, for example, in the ouster of the People Power Party government in 2008, generating complaints of judicial activism and political bias. Nevertheless, in non-political cases, the judiciary is rather impartial and well-balanced.

Corruption : 3.4

Corruption is prevalent both in the private and public sectors, particularly when business and government meet. The most common forms of corrupt behaviour include bribery, nepotism, facilitation payments and collusion. The country's political climate in recent years has been characterised by tension and instability, much of which is based on cases and accusations of

politicians' corruption which have called into question governmental legitimacy. Indeed, numerous lawmakers as well as politicians from major parties have been linked to corruption charges during their time in power. Thailand was ranked at number 80 out of 183 countries surveyed in Transparency International's 2011 Corruption Perceptions Index.

Protection of Human Rights : 4.22

While Thailand has restored the freedoms of expression and assembly in its 2007 Constitution, and is home to a large number of civil society groups and NGOs serving various interests, there are indicators showing that certain basic rights are far from being respected. For instance, there has been a surge in the use of "se-majesté" laws to silence critics in recent years, with 400 of such cases proceeding to trial in 2010 and 2011. A combination of martial law and emergency rule remains in effect in the four southernmost provinces. Thailand's hill tribes are not fully integrated into society and face restrictions on their freedom of movement. Many have not gained citizen status, which means they are ineligible to vote, own land, attend state schools or receive protection under labour laws. Thailand has not ratified United Nations conventions on refugees, and the authorities forcibly repatriate Burmese and Laotian refugees on a regular basis. While according to the laws women enjoy the same legal rights as men, they remain subject to economic discrimination in practice and vulnerable to domestic abuse, rape and sex trafficking. Thailand retains the death penalty, although the last execution was in August 2009.

Economic Freedom

Security of Property Rights : 5.35

Private property is generally adequately protected; however, the legal process can be lengthy, and judgements are sometimes influenced by illegal means. Registering property has become more costly as the registration fee has increased. The protection of intellectual property is deficient; product piracy is vibrant despite the efforts of the Central Intellectual Property and International Trade Court. Another concern is the possibility of government disclosure of trade secrets to protect any public interest that has no commercial objective. It is questionable to what extent related data are protected against unfair use.

Size of Government: Expenditures, Taxes, and Enterprises : 7.43

Government spending, which includes consumption and transfer payments, has risen to 20.4% of the GDP. A further rise is to be expected, mainly due to the implementation of various government subsidy schemes.

Thailand has a top income tax rate of 37%, which is rather high. Its corporate tax rate of 23% is at a comparatively average level. Other taxes include value added tax and property tax. Overall tax revenue accounts for about 15% of the GDP.

Regulation of Credit, Labour, and Business : 7.05

Sixteen commercial banks were operating in Thailand as of 2010. Capital markets are well developed; the stock exchange is vibrant and open to foreign investors. Credit is usually given on market terms.

Starting, running and closing a business can be done freely. Starting a business has been made easier with the introduction of a one-stop shop and now takes 29 days and 5 procedures. Getting a business license can be done in 8 procedures and 157 days. Declaring bankruptcy is an uncomplicated process.

Labour regulations are flexible. The non-salary cost of a worker is low, and firing one is easy. Regulations on working hours are business-friendly. A controversial rise of the daily minimum wage to Bt 300 will take effect in 2013.

Freedom to Trade Internationally : 6.63

As one of the founding members of the ASEAN Free Trade Area, Thailand has negotiated free trade agreements with Australia, China, India, Japan, and New Zealand. Yet, since the 2006 coup, the dismantling of certain trade barriers has come to a halt. In 2011, the United States and the WTO pointed out that high tariffs pose an obstacle to market access in a number of sectors.

Thailand's obstruction of efforts to protect intellectual property rights on an international basis has repeatedly placed the country on the Priority Watch List of the Office of the U.S. Trade Representative. Import bans and restrictions and opaque customs valuations continue to complicate its international trade.