

Thailand 2014



Total: 52.12

Quick facts

Population:	67.74 million
Population growth:	0.35 %
Unemployment rate:	0.7 %
GDP:	673 billion \$
GDP growth rate:	2.9 %
GDP per capita:	9900 \$

Political Freedom

Free and Fair Elections : 6.07

With regard to the free and fair elections category, Thailand has certainly been one of the most troubled Asian countries in the past year. The elections in 2011 saw the populist opposition Phuea Thai party win a majority of 265 seats in the 500-seats parliament, making its leading candidate Yingluck Shinawatra (the sister of former prime minister Thaksin Shinawatra) Thailand's first female prime minister. Yingluck and the Pheu Thai Party enjoyed wide support from the rural population in the North and Northeast of the country. The elections were considered as free and fair.

In November 2013, the Yingluck government presented a draft law which would have granted amnesty to a number of political leaders and activists who were involved in a months-long political turmoil in 2010. But opponents of the bill considered it an attempt to allow for the return to Thailand of Thaksin Shinawatra who fled the country to avoid a jail sentence for abuse of power while in office. A wave of public protests began.

Led by Suthep Thaugsuban, a former deputy prime minister, the protests soon spread from the capital Bangkok across the entire nation. Eventually, Yingluck withdrew the amnesty bill but the protests continued and demands for her resignation widened. To counter the pressure on her government, Yingluck asked the King for permission to dissolve parliament and to hold a fresh election. The date was set for February 2014.

Suthep called for a nationwide boycott of the elections. Many of his supporters followed his call and not only abstained from voting but disrupted procedures on election day by blocking polling stations and thus preventing thousands of voters from exerting their right to vote. Several re-runs were necessary but due to the course of events the elections can be neither considered free nor fair. In March 2014, Thailand's Constitutional Court invalidated the election results, due to the fact that the election process could not be completed within one day. Another court ruling ousted Yingluck Shinawatra as care-taker Prime Minister.

In a coup d'état in May 2014, the military led by army chief General Prayuth Chan-ocha took over the government, ending the months-long stand-off between the political factions. Prayuth was formally appointed prime minister in August 2014. He has announced that elections will take place at the end of 2015. Whether these will be free and fair cannot be predicted at this point.

Absence of Unconstitutional Veto Players : 4.17

Until 1932 Thailand was an absolute monarchy. Since then the country has seen 12 coup d'états and several coup attempts by different players. The rivalry between representatives of different political viewpoints is so strong that even elected governments face the risk of being overthrown. Military and police traditionally have a strong role.

Opposition leader Suthep can also be regarded as veto player, as he held no elected mandate by the time he sought public support to demand the withdrawal of Yingluck Shinawatra and her Pheu Thai Party from politics.

Freedom of Press : 3.6

With regard to press freedom, Thailand scores among the lower ranks in the Asian region. The latest events surrounding the political turmoil and takeover of power by the army, press freedom has suffered further setbacks. Prayuth Chan-ocha, the prime minister, has warned that all media reporting that may incite further division or turmoil in the country would not be tolerated. Authors of such content will face legal consequences.

Even before the coup, strict media laws have been in place. A large number of websites are blocked, most of them with either political or sexual content. One of the most serious crimes - insulting or defaming the Thai monarchy including all members of the royal family - is regulated by a strict lèse majesté law.

Rule of Law

Independence of the Judiciary : 4.66

The Thai judiciary is fairly independent. But the courts often play a decisive role in determining the outcome of political disputes, as witnessed during Thailand's most recent political crisis. This has led to complaints of judicial activism and political bias. Nevertheless, in non-political cases, the judiciary is rather impartial and well balanced. Occasionally, bribery allegations occur.

Corruption : 3.5

Recent internal turmoil in Thailand has been characterized by accusations and counter-accusations of corrupt practices which continue to undermine government legitimacy. Corruption exists in both the private and public sectors, but particularly where the two meet.

The main perceived source of corruption in Thailand is considered to be money politics, stemming from the high degree of interconnectedness between the business and political sectors. An example of this is the nationalization of the rice export industry and accusations of nepotism and closed auctions.

Protection of Human Rights : 3.97

Thailand is the regional hub for human rights non-government organisations, civil rights groups and environmentalists of Southeast Asia. They are permitted to conduct their work relatively free of harassment and intimidation. However, this is not an adequate representation of the status of human rights more broadly. Freedom of expression is still highly restricted.

Minorities lack protections and rights under the law (many in the north and northwest are ineligible to vote) and refugees and asylum seekers are regularly forcibly repatriated to their countries of origin (most commonly Myanmar and Laos). Inequality in the workforce remains high, as does levels of human trafficking and sexual abuse. Trafficking and abuse of migrant workers from Myanmar, Laos, and Cambodia remains a serious issue. In the south, the conflict between insurgents and government forces continues.

Economic Freedom

Security of Property Rights : 5.14

Private property is generally adequately protected. But the legal process can be lengthy and court rulings are sometimes influenced by illegal means. Intellectual property rights are not properly protected. Despite efforts during recent years of the Central Intellectual Property and International Trade Court product piracy persists. Another concern is that the government may disclose trade secrets to protect public interest, a term which can be broadly defined.

Size of Government: Expenditures, Taxes, and Enterprises : 7.35

Government spending, which includes consumption and transfer payments, stands at 23% of GDP. This is mainly due to various generous government subsidy schemes.

Thailand has a top income tax rate of 37%, which is rather high. Its corporate tax rate has fallen to 20% (down from 23%). Other taxes include value added tax and property tax. The reduction of employers' social security contribution rate has made paying taxes less costly for businesses. Overall tax revenue accounts for about 16% of GDP.

Regulation of Credit, Labour, and Business : 6.75

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 takes 28 days and 4 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 300 baht took effect in January 2013.

Freedom to Trade Internationally : 6.91

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. Import bans and restrictions and opaque customs valuations continue to add to the cost of international trade.

With the ASEAN Economic Community (AEC) a single regional market of more than 600 million people will be created by the end of 2015. The AEC will provide for a free flow of goods, services, investment capital and skilled labour.