

Practitioner's Perspectives

**Thailand's Current Socio-Politico-Economy:
Perspectives and Prospects***

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For almost two years, Thailand has become a country characterized by a relatively modest democratic system amidst the rapid political and economic development in the Indo-Chinese peninsula; Myanmar, Cambodia, Laos, and Vietnam. Additionally, the island nations in the Southeast Asian region, namely, Indonesia, the Philippines, East Timor and Brunei, far from the core interest of Thai businesses, have gradually continued to develop. Meanwhile, countries with economic stability and credibility, including Singapore, Malaysia, and Thailand, have been consistently affected by both internal and external influences such as deflation and continuously decreasing agricultural products price. Exports have also deteriorated. The value of the local currency decreased by over ten percent while the value of gold increased to a close proportion or more.

Southeast Asia region consists of variation of religions, beliefs and governing systems. Although there have been long attempts to integrate the economy, politics, and security of the region for more than half a century, the intentions were partially succeeded due to the multi-dimensional differences. Besides, the similarity of the economic background of this region, which emphasizes on producing and exporting labor-intensive agricultural products, resulted in a competition that lowers the integrative potential of the countries. Most countries in the region depend heavily on foreign influences for the development of high technology, while their research and development (R&D) expenditure remains relatively low compared to those of the developed nations. The outcomes of the development of material products in the world, including modern transportation systems, such as high speed trains, underground trains, super highways; the mass production of automobiles and the rapid development of other technologies; mobile phones, computers, do not yield much long-term self-capacity-improvement benefits to local residents. Multinational companies accessed the full benefits from the

sales of products and services, while the local residents in most countries receive labor wages, salaries and humble affordability to live their daily lives and to pay for their rents and household utilities each month.

The by-products of the “Tom Yum Kung” financial crisis in 1997 and the recent global financial crisis in 2009 have a role in influencing the perspectives of the middle class and elites in Thailand. The rise in conservative anti-government and anti-capitalism movements reflects the belief that the capitalism is the culprit of the political monopolization and/or the vice versa. This resulted in a nation-wide confrontation among the different groups, which continued to reoccur at least over past ten years since before the coup d’etat of 2006 until the present time. Since 2005 when the Thai Rak Thai political party won the general elections, with the large majority of supporting votes in the parliament, there has been an increasing fear that the country will be led to destruction. There were major coups in 2006 and 2014, bringing back Thailand to the basics of the traditional ways of governing and managing the country. This can be observed from the drafting of the new constitution, which reflects the preservation of the conservative administration for at least five or six years until 2021.

How Thailand’s socio-politico economic climate will turn out in the future depends much on a few remaining factors, namely the maintenance and the exercise of the strength and authority of the current leaders, the economic and business sentiment of the country and its ability to adapt to the “New Normal” settings; and last but not least, the tolerance of the general public. In simplicity, the survival of the Thai people, similar to all human beings in the world, is subject to the four basic needs: food, pills and medical facilities, clothing and shelter. The rising costs of these factors, while the general income of the majority of the population does not catch up with the rising costs, inevitably

causes hardship in everyday living. To put it simply in layman's observation, houses lower than five million Baht is harder to find in Bangkok these days; even a small townhouse costs two to four million Baht. Small sized studios of twenty to thirty square meters in the outskirts of Bangkok cost over 1 million Baht. The price of food, beverages, and medicine has doubled within the past ten years, in spite to the officially announced low inflation rate.

To this end, there are at least two key factors that determine the success and survival of the current administration. The first factor is the ability to reform the political system. Certainly, most of the Thais have not read the constitution. They also have no knowledge of the complicated legal system that seems irrelevant to their lives. Their more urgent concern is about daily living, wishing and praying to have a better life with enough food to eat, being able to send their children for good education, being able to take care of themselves and family in times of illness. All in all, they dream of a more dignified life in the future, whether being realistic or not. Reformers must take into account these basic factors into their constitutional drafting, and minimize all the other factors that are irrelevant to the beneficial causes of the people and the country.

The second factor is the speeding of the development of the nation's infrastructure. Thailand must accelerate its communication and transportation infrastructure projects. In fact, Thailand has initiated these types of projects several times before, such as the deep-sea port in Chabang district, petrochemical factories, oil refineries, or the mass transit system, and Suvarnabhumi airport. Thailand has large foreign currency reserve, a strong monetary system, and skilled labor force with the potential to develop further. Financial and economic advisors can provide appropriate guidance and recommendations to the administration so that they can command the rapid acceleration of these development

projects, which on the whole, will benefit the Thai population. Given the existing situation, the current administration should utilize this opportunity to hasten the progress of these infrastructure projects as in the reigning period of General Prem Tinsulanond three decades ago.

If we consider Thailand as a state under the current type of administration and situation, the country is not without an experience. Thailand had undergone this similar situation for about 84 years, almost a century, after moving from absolute to constitutional monarchy. We already have had 19 constitutions and dozens of coup d'états. Nevertheless, Thailand has been able to develop considerably in the Southeast Asia region. The success of Thailand's progress and development owes to the visionary leaders, strong and tolerant citizens, and assistance from ally countries. Whatever the governing system is, with less self-interested administration, if the citizens were able to unite in solidarity, Thailand will be able to steadily and sustainably progress in the future. It all depends on the Thai people to choose their path.