

Individual Essay

To what extent does the existence Thai military coup regime undermine the Thai economic development and what are the possible solutions to such problems?

Reacting to a corrupting Thai government in 2014, the Thai military junta demonstrated a coup to take over the government, declaring their initiation of governing Thai politics. Such demonstration was at first viewed as heroic but now poses an alarming problem in terms of the military's governance techniques, capabilities, creating political polarization, and the management of economic development. Through these factors, Thailand has lost its position of becoming the next ASEAN's economic region of integration, having foreign investments and foreign employment declined sharply over the last few years. This essay aims, however, not to criticize the currently ruling military government, but rather attempts to establish arguing points on how economic development has been lessened since the beginning term of the current government. Ultimately, the essay aims to suggest possible solutions to the mentioned economic problems of development.

To begin, Thailand has experienced more than 10 military coups over its modern history and while most of them were a result of political polarization, some of them were due to an economic problem. This is similar to the latest coup demonstrated by Prime Minister Prayut Chan-o-cha, who took over Yingluck's government in the popular demonstration in 2014. While this demonstration initially was deemed heroic since Bangkok has finally reached a peaceful period where the protests were put into rest, there is an inadequate discussion on how the military government can contribute to the long-term economic development. Since Thailand has a long perpetual and intimate relationship with the military, their involvement in the coups has always resulted in the establishment of the elite military coup culture, where pessimism has grown among the population. The claim that economic development has failed during the military regime is not entirely wrong because those who agree with this term might have looked at the GDP growth of Thailand instead of the inclusive development or the transition of the income group. While these components suggest the degree of economic development and the enjoyment of the population of an increasing living standard, they are also key ingredients for consolidating a democratic society and culture. On the other hand, the establishment of a military regime has given rise to the elite society in exploiting the society for their agendas, which essentially leads to political and

economic polarization within the Thai society (Farrelly, 2013). Along with this discussion is the loss in civil liberties, an essential component of economic development, where the restriction of freedom of speech has been raised since the beginning of the government's term. This point verifies the earlier mentioned one that the ingredients for consolidating a democratic culture in Thailand have been lessened. The loss of the idea of collective action of the society conveys that the attempt to democratize the Thai society has failed or at least overlooked by the military.

However, the elite coup culture and its failure to establish democracy can be explained with an optimistic tone through the speculation that the coup has roots from the attempt to globalize Thailand. The country has been undergoing several political transformations and faced several geopolitical challenges for every government that has been elected (Setboonsarng, 2020). Its short-term government fails to support long-term development goals that need to be demonstrated by the same government. In some governing terms, the economy is somewhat static and such an issue requires political parties that are professionalized to run for the government as well as solve the political conflicts (Keefer, 2011). Such a failure to collectivize the society is similar to every other country that attempted to consolidate democracy in their society, henceforth it has been suggested that if given a sufficient amount of time, this process of social transformation will be achieved ultimately.

The existence of the military coup does not seem to have any alarming problem until its poor organizational structure and its development of the popular sector are identified. This leads to the disengagement among the social workers and the business and industrial association who played a significant role in proposing policies necessary to improve the trade opportunity and society as a whole. The industrial and farmers association is certainly proactive in terms of socio-economics and socio-politics, considering that they have often participated in the protest of the rice, sugar, and rubber price adjustment. Such protests are not seen as an economic rivalry but an attempt to negotiate between two demanding economic parties. These protests have driven the Thai economy to the place it is today. However, recently, a rise in Multi-National Corporation (MNCs) has disengaged business associations and sectoral associations, especially in the major manufacturing assemblies like cars, chemicals, and electronics. With the rise in MNCs, the role of public officials and the sectoral association has reduced and the circumstances for the engagement among the society members to negotiate for the investment has shifted to that of between the Board of

Investment and the MNCs. Although it is not clearly highlighted, the reduced role of the sectoral association in the farming and manufacturing sectors makes the farmers less active in the economic and political role, thereby de-democratizing society.

The problem with the Thai sectoral organizational structure also extends to weaknesses of the popular sector, in which the farmers association is highly inferior to the peak associations who might take control or exploit their superior position for personal agendas. Although it has been mentioned earlier that Thai farmers are politically and economically active, considering their involvement in the sector strikes, their presence in the weak organizational structure often allows them to be exploited by a more elite group. This problem has, furthermore, not been recognized by the Thai state. When the military regime took over the Thai government, the most prioritized issue that needed to be fixed as a macroeconomic arena as well as a rapid economic growth. In fact, almost every government that was newly elected had to be achieved in order to make their governing term promising to the public speculation. However, the emphasis on exports and the establishment of the MNCs factories in the regional area led to the service sector being saved for the domestic market. Moreover, strict regulation and licensing make it difficult for foreign investors to establish their company, which discourages people from investing ultimately. Despite this, the attraction of urban employment, which rewards the population with higher wages comparing to rural employment, has triggered an alarming rate of rural-urban migration. This is not entirely bad since the triggering of the service sector will also drive an economic transition. However, at the same time, it also means that the labor supply for the agricultural sector is decaying, creating an unstable flow of labor force, and highlighting a failure to collectivize the society since both of the groups fail to come to a mutual conclusion of interest. Lastly, Thailand's manufacturing sector has and can never reach a stable rate of growth because it is partly associated with the repressive law of anti-union measures, which decreases an incentive of the labor to become associated and collectivized. In addition, the migration of the rural population to urban regions reduces the labor supply of the manufacturing sector. This makes the industry rely mainly on the migrant laborers who provide national income majorly in the field of car assemblies, electronics, and rubber. The reliance on migrant labor means that the current labor has lost an incentive to improve their technical as well as technological skills, which are the necessary part of reducing the cost of production and increasing the labor's productivity. This summarizes that the loss of interest in increasing one's productivity implies a decline of an industry.

This issue is directly associated with the government who acts as an essential developer of the political economy because the institutional and structural factors are imperative in improving both public and private sectors through imposing good policies. In order for the firms and their labor to perpetuate their productivity, they need to be financially and technically assisted. This is essentially provided by an improvement of the research and development (R&D), education of the children, and technological innovation. New methods of production are required to match the current economic circumstances, for instance, online sales are widely promoted amid the coronavirus pandemic where social distancing has inhibited people from socializing at the shopping malls. As the company realizes this through information dissemination by the government, their financial situation can be improved through the adaptation of the economic situation. This idea of a good flow of information and its dissemination is essentially in the heart of democratic society, which is why political-economic development relies greatly on the institutional structure and how it contributes to the responsibility for the populist policies. Thai economy, however, is greatly complexing because it is a wide split between the rich and the poor and it is somehow surprising, though saddening to hear, that low- and middle-income populations can never escape its economic level. While the population in other countries has somehow managed to transit economically, moving from low to middle-income groups, the Thai population is said to be stuck in the “income trap”. Some has suggested that it is a socio-economic structure that is partly responsible for this phenomenon since the Thai economic conflict between local and urban economy, formal and informal employment, and the government’s interest between the rural and urban regions has split Thai economy into two different components. To solve such problems, it would be difficult to impose any active solution since while the social stability has lost its balance, unequal distribution of income has increased gradually. The poorer population furthermore has not received an adequate population compared to those who live in the urban region where educational opportunity is served more widely. From the perspective of economic development, education is the root of any improvement in both personal and social outcomes. It is a tool that facilitates one’s incentive to contribute to the economy and avoids committing crimes, which reduces social security. Education also means that more population can participate in the service economy which makes up the largest component of the economy. This can only be made possible if the political economy is in the good shape because it represses the political turbulence, which leads to the collectivization of the society and continuous improvement of the economic policies along with the terms of the government.

To summarize, the political and economic turbulence in Thailand is partial, if not majorly, responsible by the Thai military coup for two reasons, its contribution to the organizational structure's weakness and its tackling of the wrong economic problems. A constant political transformation has posed a challenge for the Thai government to successfully solve the economic problem, let alone generating economic growth and sustainable development. This is because this issue is deeply rooted in the problem of the Thai socio-economic structure where the society is split by two opposing economic components like the urban and the regional areas or the conflicting target policies on the poor or the rich. This disallows the population from the low- to middle-income groups from escaping the income trap and thus, they cannot move to the higher income group. To achieve this, it has been suggested that the government should promote equal opportunity and access to education. This means that the regional and the urban population should have access to education of the same quality including the facilities and the human resources. All of these solutions are based on the way to democratize society, in which the idea of collectivism is promoted. This is believed to improve the population's living standard and can be achieved only if the institution and the structural fundamentals of Thai politics function well.

References

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