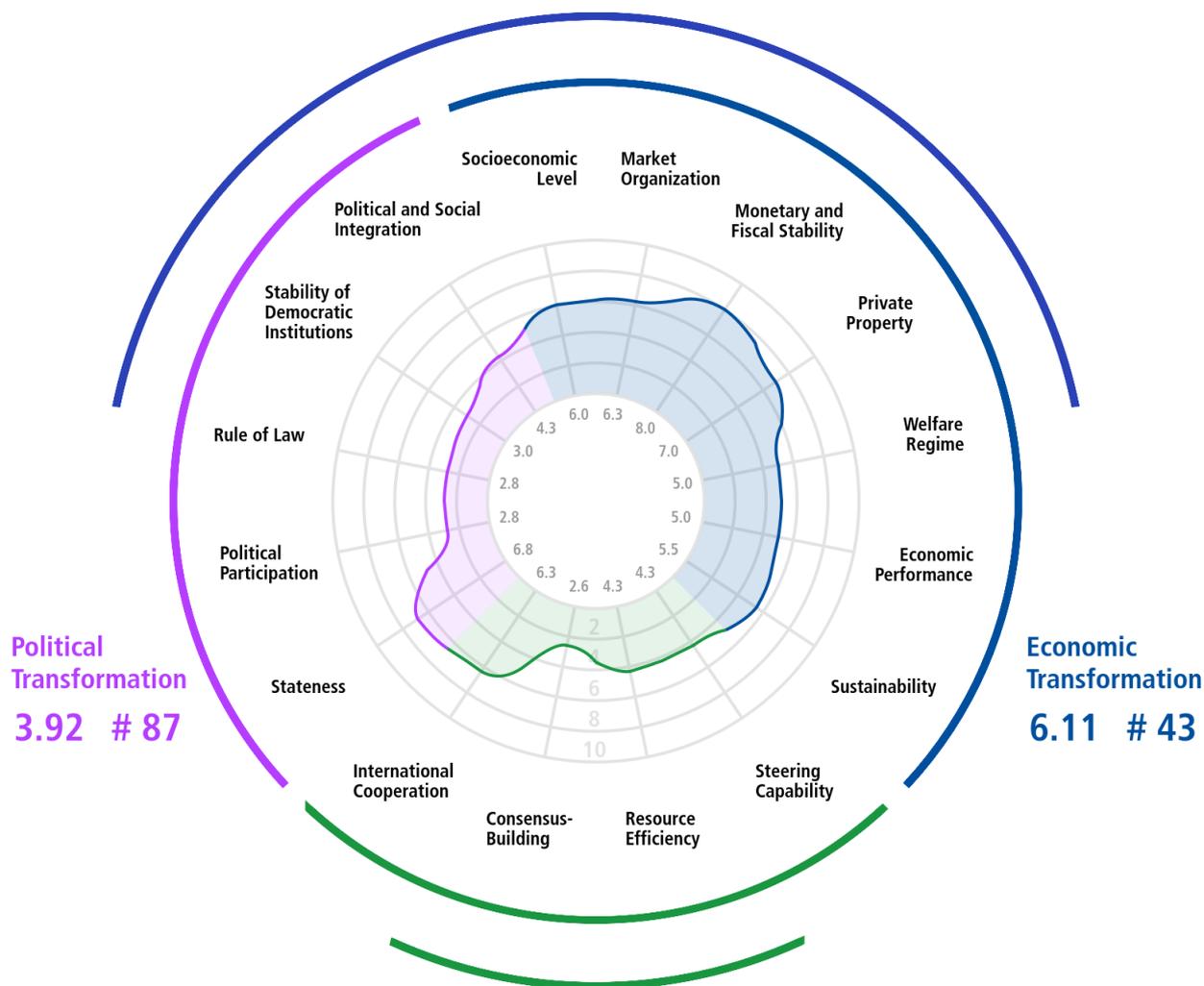


Thailand

Status Index

5.01 # 70

on 1-10 scale out of 137



Political Transformation
3.92 # 87

Economic Transformation
6.11 # 43

Governance Index

3.92 # 99

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	71.7	HDI	0.798	GDP p.c., PPP \$	24708
Pop. growth ¹	% p.a.	0.0	HDI rank of 193	76	Gini Index	33.5
Life expectancy	years	76.4	UN Education Index	0.728	Poverty ³	% 0.6
Urban population	%	54.3	Gender inequality ²	0.288	Aid per capita \$	1.2

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

During the period under review, political space began to expand, but the economy remained weak. Elections in May 2023 were won by the progressive Move Forward Party, which sought reforms to the monarchical and military systems. The legal foundation for the elections was the 2017 junta-imposed constitution, which allowed for a junta-appointed Senate that could help the lower house select the prime minister. This Senate refused to select Move Forward Party leader Pita Limjaroenrat as prime minister, which prevented Move Forward from taking the premiership. Subsequently, Srettha Thavisin, the candidate representing former Prime Minister Thaksin Shinawatra's Pheu Thai Party and the runner-up in the election, won the senators' approval, and Pheu Thai entered into an agreement with conservative parties to form a coalition. Move Forward was not included, leaving it in the parliamentary opposition. In August 2023, Thaksin returned to Thailand and was immediately transported to a hospital. Then, in late August, the monarch reduced Thaksin's eight-year sentence to one year, and in August 2024 he was completely pardoned.

In August 2024, Srettha was removed from office by the Constitutional Court for malfeasance and replaced by Thaksin's daughter Paetongtarn. Also in August of that year, the Constitutional Court dissolved Move Forward, claiming the party jeopardized the constitutional monarchy, and banned its executives from politics for 10 years. Days later, Move Forward regrouped as a new party, the People's Party.

In June 2024, the Senate's constitutional ability to help select prime ministers came to an end. That month, there was a new selection process to elect a new Senate. The process is extremely complicated and prone to manipulation. The result favored the conservative Bhumjaithai Party, led by Anutin Charnvirakul.

Both Pheu Thai and the People's Party have sought to amend the 2017 constitution to require just a single popular referendum to approve amendments. However, the Senate, influenced by the Bhumjaithai Party, has refused to agree to the changes.

Meanwhile, since assuming power in 2016, King Maha Vajiralongkorn, titled Rama X, has amassed more authority within the palace than was true of his father, though he is less popular. The king today exerts enormous power over the military and police. The annual October 1 military reshuffle produced a new lineup favored by the palace, with arch-royalist (and potential coup-maker) Pana Klaewblaudtuk appointed as army commander and likely to remain in that post until 2027.

Human rights violations and impunity remain widespread. Regarding human rights violations, in 2024, the state filed at least 1,302 politically motivated cases against 1,956 individuals. As for impunity, in October, Thailand's judiciary dismissed charges against security officials implicated in the deaths of 78 Muslim protesters because a 20-year statute of limitations had expired and the suspects had not been arrested.

Despite the waning of the pandemic in 2022 and the appointment of an elected civilian government in 2023, Thailand's economy remains weak. Economic growth, based partly on tourism, is still recovering. As of early 2025, Paetongtarn remained prime minister, but her father, Thaksin, was dominating the government. Nevertheless, Thailand was informally under the sway of the king.

History and Characteristics of Transformation

Autocratic legacies have dominated Thai history, reflected in the state's control of society, politics and the economy. Thailand remained an absolute monarchy until 1932, when a coalition of military officials and civilians seized power, leading to the establishment of a military-led state. Any efforts at democratization (e.g., 1975, 1988) were cut short by military coups. A massacre of pro-democracy students by security forces on October 6, 1976, came to be seen as a symbol of authoritarian forces' continuing dominance over any efforts to move Thailand toward democratization.

Since 1980, the monarchy and the military have dominated Thailand in a power partnership, with the military as the junior partner. In 1992, a military crackdown on Thais protesting against the autocratic system ultimately led to a flawed electoral democracy. That system produced the 1994 laws that initiated a process of political decentralization, though a 2006 military putsch ended the democracy. That coup ousted Thaksin Shinawatra, an elected prime minister who had challenged the monarchy and military's informal control over politics.

Since the late 1980s, the economy has been driven by an export-oriented industrialization relying on low-cost labor, relaxed investment laws and tourism. In 1997, a financial crisis caused the economy to collapse, though the crisis contributed to the election of Thaksin, who implemented welfare policies.

Despite the emergence of the military junta from 2006 to 2008, which enacted a new constitution that weakened political parties, a pro-Thaksin party won the December 2007 election. In December 2008, seeking to force this party from office, Thailand's arch-royalist elites turned to a strategy of "lawfare," using an anti-Thaksin judiciary to dissolve the pro-Thaksin party for supposedly violating the constitution. Days later, senior military officials, together with representatives from the king's Privy Council, helped form an anti-Thaksin coalition government. Under this government, in 2009 and 2010, pro-Thaksin demonstrations were violently disrupted. Subsequently, the pro-Thaksin Pheu Thai Party, led by Thaksin's sister Yingluck, won a landslide victory in the 2011 elections. Her government implemented a new round of welfare reforms. However, protests against her grew, and she was perceived as a tool of her brother. In 2014, the judiciary voided a February election and forced Yingluck out of office on a technicality. Then, on May 22, 2014, the military ousted the elected government in a coup, Thailand's 14th putsch since 1932.

From 2014 to 2019, the National Council for Peace and Order (NCPO) junta administered the country as a martial-law regime, temporarily designating military courts as the highest courts in Thailand, imprisoning dissenters and censoring telecommunications. In terms of the economy, the junta relied on foreign tourism while promoting foreign investment in megaprojects, erecting special economic zones and accelerating the extraction of natural resources. The junta oversaw the royal succession and coronation of King Maha Vajiralongkorn (2016 – 2019), the enactment of the country's 20th constitution (proclaimed in 2017; it created a junta-appointed Senate), and the 2019 election. That election was overseen by an Election Commission appointed by the junta, while the appointed senators participated in selecting the prime minister. These factors helped the NCPO junta leader General Prayuth Chan-ocha remain in office as elected prime minister. Prayuth's government (2019 – 2023) imposed an emergency decree to address the COVID-19 pandemic and quell growing student demonstrations. By 2023, those protests had been repressed. However, Prayuth's government became increasingly unpopular for several reasons. First, the economy continued to worsen under his administration. Second, he was associated with the COVID-19 pandemic in Thailand. Third, Thais were simply exhausted by Prayuth's nine years in power. Fourth, there was an increasing divide between Prayuth and his Deputy Prime Minister General Prawit Wongsuwan.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Few challenge the state's monopoly on the use of force, but there are two exceptions. First are factionalized Malay-Muslim insurgents, who are active in the three southernmost provinces of Thailand, where most of the population is Malay-Muslim. This conflict is more than a century old, but gathered new force in 2004, when incidents of violence grew precipitously. Since 2004, thousands of civilians, members of the Thai security forces and presumed insurgents have been killed, and many more have been wounded. The economic costs of the conflict have exceeded \$8 billion. The state has been unable to quell the insurrection. Though incidents of violence have decreased since 2011, they have continued to occur on a weekly basis, successfully challenging the state's monopoly on the use of force. The other area where the Thai state does not have full control is along parts of the Thai-Myanmar frontier; the February 2021 coup in Myanmar increased violence within that country, which has spilled over into Thailand as insurgents and refugees have fled across the border. In one incident in 2022, a Myanmar fighter plane crossed into Thai airspace while pursuing rebels. In another in 2024, Thailand's army found itself in a standoff with Myanmar-based United Wa State Army soldiers in Thailand's Mae Hong Son province, which borders Myanmar.

Thailand is a multiethnic country, though its elites have generally succeeded in constructing an identity of "Thainess" to coalesce all ethnic groups under the monarchy. Nevertheless, challenges in achieving unity have led to forced assimilation and the denial of citizenship rights. Some groups have refused to accept assimilation. About 1% of Thais are northern ethnic minorities. While Thailand has citizenship laws for them, the application process is complex, and some Thai officials are prejudiced.

The Nationality Act (2008) grants the state total authority to revoke the citizenship of naturalized citizens. A 2012 amendment to the Nationality Act grants citizenship to only about 17,000 people identified as "displaced Thais." Meanwhile, ethnic

Question
Score

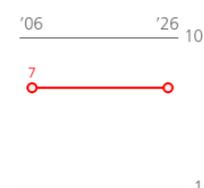
Monopoly on the
use of force

7



State identity

7



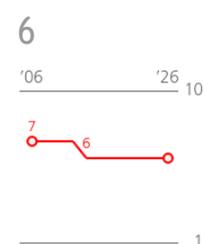
minorities remain vulnerable to human trafficking. This was evident in 2013 and 2015, when members of Thailand’s military were implicated in trafficking Rohingya people. Attempts by the Thai state to “Thai-ify” the Deep South region, where Malay Muslims dominate the population, have ranged from violent repression to the imposition of Thai culture and education. Since 2004, when the insurgency intensified, nearly 7,640 people have been killed and more than 14,000 wounded. During the height of the COVID-19 pandemic, ethnic minorities living in border regions suffered discrimination due to being suspected of transmitting COVID-19. Along the 2,401-kilometer Thai-Myanmar border, large numbers of migrants and refugees from Myanmar have either sought Thai citizenship or tried to continue living in Thailand.

The 2017 constitution permits freedom of religion and bans religious discrimination. However, in practice, Buddhism pervades Thailand as the dominant religion. The Thai king must be Buddhist, and the state allows only Buddhist national holidays, subsidizes only Buddhist institutions and has banned insults to Buddhism. Meanwhile, the government limits the number of foreign non-Buddhist missionaries allowed into Thailand. State authorities allied with mainstream Buddhist groups (particularly Theravada Buddhism) have been accused of intimidating non-traditional Buddhist groups (for example, Dhammakaya) and coercing Malay Muslims and their Pondok schools in Thailand’s Deep South. At the same time, Thai authorities continue to encourage interfaith dialogue. Only Buddhism may be taught in public schools.

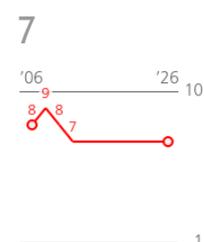
Administrative state structures provide basic public services nationwide. In 2024, 100% of the Thai population had access to a water source, while 99% had access to basic sanitation, 26.3% to safely managed sanitation and 99.3% to electricity.

The state’s basic administrative functions generally operate more efficiently in urban centers than in rural areas of provincial Thailand. The reach of the judicial system, tax authorities and law enforcement, as well as the administration of communication, transport and basic infrastructure (such as water, education, health), extends throughout the country, but is most accessible (and offered in sufficient quantity and quality) in Bangkok and provincial urban areas. Thailand’s bureaucracy is highly centralized. Corruption and lethargy are endemic among bureaucrats. Thailand’s generally efficient yet autocratic administrative structure allegedly helped it manage the COVID-19 pandemic. During this period, powerful people obtained higher-quality COVID-19 vaccines faster than others. This period also saw basic infrastructure services limited or disrupted. Although cuts in services occurred during the COVID-19 era, services have returned since the end of the pandemic response and the beginning of the elected civilian government in 2023.

No interference of religious dogmas



Basic administration



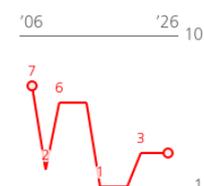
2 | Political Participation

Elections are held in Thailand, but they have not been free and fair. This is because the 2019 and 2023 general elections were overseen by the Election Commission, whose commissioners were appointed by the military junta (2014 – 2019). The Constitutional Court, whose members were appointed by the junta, ruled on the constitutionality of election laws. The same junta created a political party, Palang Pracharat, to compete in the 2019 election, which it won. The junta's 2017 constitution mandated that a junta-appointed Senate would participate in the selection of a prime minister, increasing the chances that the junta's preferred candidate would win. The senators were drawn from among a group of junta loyalists. Provincial authority elections were held in December 2020. Subdistrict and mayoral elections were held in 2021, and Bangkok's gubernatorial election was held in May 2022, all supervised by the junta-appointed Election Commission. Nevertheless, the landslide winner of the Bangkok election was Chadchart Sittipunt, an independent candidate not favored by the military. He is a source of nascent hope for Thai democrats. Although the same Election Commission oversaw the 2023 general election, voting irregularities were minimal. The election winner was Move Forward, a party seeking reforms in the military and the monarchy. The second-place party was Thaksin Shinawatra's Pheu Thai Party, which is disliked by the country's aristocracy. The two parties backed by the military – Palang Pracharat (led by Deputy Prime Minister and General Prawit Wongsuwan) and Ruam Thai Sang Chart (General Prayuth's party) – ended up joining a coalition government led by Pheu Thai.

Thai politics and state power are dominated by the monarchy and military, both of which operate within multiple enclaves of authority that are largely unmonitored by law. In particular, the monarchy has sustained its power following the accession of the rather unpopular King Rama X in 2016. The king is assisted by the Privy Council and the Office of the Royal Household, bodies which enjoy near impunity under the law. The current Senate was selected in a non-transparent process that, in June 2024, resulted in an upper house influenced by the conservative Bhumjaithai Party. All election commissioners, Constitutional Court judges and other independent monitoring agency heads are appointed in consultation with this Senate. Former junta leader and Prime Minister General Prayuth Chan-ocha became a member of the king's Privy Council in late 2023. In October 2024, appointments to lead the military and police were considered favorable to the palace. Elected civilian representatives exist in the lower house of parliament and at the local level, though their authority is limited by the dominance of the monarchy and military.

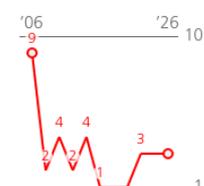
Free and fair elections

3



Effective power to govern

3



Political and civil society groups are accorded inconsistent rights depending on whether they are perceived as a threat to Thailand’s aristocracy and military. The junta (2014 – 2019) variously applied the Martial Law Act, an emergency decree and junta orders to muzzle the association and assembly rights of regime opponents. Following the 2019 elections, which resulted in a slight widening of the political scene, the state still sought to deny association and assembly rights to people accused of violating Section 112 of Thailand’s Criminal Code (*lèse-majesté*). The state also sought to deny these rights by instituting an emergency decree from March 2020 to September 2022, citing the need to prevent the spread of COVID-19. Beginning in July 2020, security forces imprisoned or used excessive force against peaceful protesters belonging to groups participating in the Ratsadorn (The People) pro-democracy movement. By 2024, these youthful protesters had been successfully repressed. The state also crushed demonstrations by farmers, unions, ethnic minorities and refugees. Finally, the state has used decrees to prevent assemblies of Malay-Muslim protesters in Thailand’s Deep South region, where a secessionist movement has been brewing since at least 2004. The state has used various laws to quash opposition, including the Martial Law Act, the emergency decree, Criminal Code Section 112, the Public Assembly Act and the newly amended Communicable Diseases Act.

Association /
assembly rights

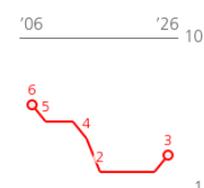
2



During the period under review, the state relaxed the dictatorial repression of the freedom of expression that had been maintained under the military junta (2014 – 2019) and during the period of COVID-19 (2020 – 2022). Still, freedom of expression remained limited. During the review period, numerous cases of *lèse-majesté* (insults to the monarch, queen, heir-apparent or regent) were filed, each carrying a penalty of up to 15 years in prison. In 2024, at least 273 individuals in 306 cases were charged with *lèse-majesté*, and 1,302 politically motivated cases were filed against a total of 1,956 individuals. In three such cases of note, the youth Netiporn Saneesankhom died in detention after staging a prolonged hunger strike; lawyer Anon Nampa was sentenced to 16 years in prison (with more charges pending); and Move Forward Party lawmaker Chonticha Jaengraew was sentenced to two years. Then, in June 2024, former Prime Minister Thaksin Shinawatra, who had been released on parole following six months in a Bangkok hospital given apparent poor health and advanced age (in what has been speculated was a “deal” between Thaksin and the palace), was himself indicted on *lèse-majesté* charges, with a trial set to begin in July 2025.

Freedom of
expression

3



The state’s “Anti-Fake News Center” closely monitors media for any violations of these laws, which can result in multiyear prison terms. These laws have promoted self-censorship across all forms of Thai media. At least one Thai corporation has used criminal defamation lawsuits to intimidate employees and journalists critical of its activities. Finally, there has been at least one case of a so-called strategic lawsuit against popular participation (SLAPP suit) in which arch-royalists brought legal action (which could have resulted in imprisonment) against a left-wing academic

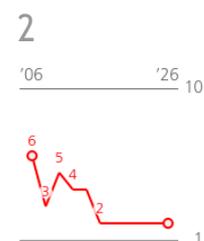
aiming to silence or discredit him. Currently, the structure of the media system does not permit expression of a plurality of opinions because it is subject to state censorship.

3 | Rule of Law

Thailand's constitution requires a formal separation of powers and checks and balances among a prime minister-led cabinet, a parliament and a judiciary, although all operate under the powerful monarchy. However, as mandated by the 2017 junta-enacted constitution, members of the Senate have been selected since 2024 in a system of limited vote that gives voters little choice, the process is not transparent, prone to manipulation and includes vote-buying by candidates. This Senate helps appoint the heads of "independent" monitoring agencies, as well as judges in all of Thailand's courts. The Constitutional Court, the members of which were appointed in this manner, dissolved the reformist Move Forward Party in August 2024. The coalition government (2019 – 2023) was dominated by the army and, hence, the executive. Although there has been an elected civilian government since the 2023 election, the military functions independently of it, while the Constitutional Court can force out an elected government if it deems that government to have engaged in malfeasance. The only real power possessed by the lower house of parliament is the extent to which it budgets for the military and other state institutions, although a military coup (a common occurrence in Thailand) could overthrow any recalcitrant legislature. In the end, almost all executive, legislative and judicial decisions must be endorsed by the monarchy.

Thailand's judiciary is divided into the Constitutional Court, the Courts of Justice, the Administrative Court and the Military Court. Aside from the Constitutional Court, each branch has an appeals court and a supreme court. Members of Thailand's monarchy cannot be judged in court. Since 1997, several "independent" monitoring organizations have overseen the judicial system. The judicial system and the independent agencies have been extremely politicized, and have been widely perceived as tools of arch-royalists since the 2006 coup. Since 2006, they have consistently ruled in favor of traditional (pro-monarchical) interests. The judges currently serving on Thailand's Constitutional Court were nominated by the junta (2014 – 2019). The Constitutional Court has appeared partisan, as seen in its recent history. In 2019, it dissolved the pro-Thaksin Thai Raksa Chart party and disqualified opposition leader Thanathorn Jungroongruangkit as an elected member of parliament. In early 2020, it dissolved the Future Forward Party, of which Thanathorn had been party leader. In late 2020, it ruled that Prime Minister Prayuth had not violated the law by residing in military housing, despite his retirement from military service. In 2022, it ruled that Prayuth had to follow the 2017 constitution and serve only eight years as prime minister, but that his tenure began when that constitution was promulgated (in 2017), meaning that Prayuth could continue as prime minister. Following the 2023 election victory of the progressive Move Forward Party (Future

Separation of powers



Independent judiciary



Forward's reincarnation), the Constitutional Court suspended party leader Pita Limjaroenrat in July. Then, in August 2024, the court dissolved Move Forward and dismissed Pheu Thai Party (PTP) Prime Minister Srettha Thavisin for ethics violations. Military courts have been regularly used since the 2006 coup to stifle and punish political dissent. However, the administrative courts have appeared to be more impartial and less subject to political biases.

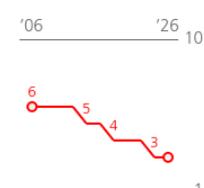
In Thailand, the prosecution of public officeholders who break the law and abuse their positions has always taken place in a partisan manner. Since the 2006 coup, all malfeasance cases brought against opponents of Thailand's entrenched arch-royalist order (such as Thaksin) have resulted in convictions.

In January 2023, the Supreme Court found a member of parliament from the pro-Thaksin Pheu Thai Party guilty of demanding a bribe. Until 2023, former Prime Minister Thaksin, who had been convicted of malfeasance, lived in self-imposed exile. Between 2020 and 2024, individuals considered to be opponents of royalty (Thanathorn and the leadership of the Future Forward Party; Pita and the leadership of the Move Forward Party) were forced to step down from elected office. Meanwhile, cases against arch-royalist politicians met with little success. Leaders of the junta (2014 – 2019) who were alleged to have engaged in corruption never faced trial or investigation. Key members of the arch-royalist Palang Pracharat Party escaped prosecution for crimes, though lesser figures have been punished (e.g., the 2022 conviction of Pareena Kraikrupt). In August 2023, though Thaksin had been found guilty of malfeasance, he was partially pardoned by the king in what was rumored to be a political "deal" between the palace and Thaksin. He was fully pardoned in 2024. Since then, corruption cases against Pheu Thai lawmakers have diminished in frequency. For example, in 2024, a Pheu Thai legislator received a suspended sentence for corruption. Thaksin's sister, former Prime Minister Yingluck, is expected to return to Thailand in 2025 amid expectations that she might also be pardoned by the king. Because of the dearth of any effective and transparent anti-corruption policy (especially one that would apply to senior military or military-associated figures), Thai citizens lack access to information about potential activities implicating powerful politicians and military officials in corruption. As for public procurement, powerful political figures have avoided criminal penalties despite investigations by the independent State Audit Commission.

Thai constitutions have guaranteed rights and liberties to Thai people, but these have been ambiguously codified in law. However, junta-passed constitutions (such as the latest 2017 charter) have granted immunity to junta leaders for violating civil rights during their time in power (as during the latest period, from 2014 to 2019). During the COVID-19 pandemic (2020 – 2022) and student demonstrations, the state used restrictions on civil liberties ostensibly to create order during the pandemic, but also to repress protests, thus restricting the freedom of assembly and controlling the dissemination of information. Police arrested protesters for violating the Computer

Prosecution of office abuse

3



Civil rights

3



Crimes Act, the Lèse-Majesté Law, the Sedition Law, the emergency decree and the Communicable Diseases Act. The use or threatened use of these laws served as a justification for state repression of dissenters protesting physically, in regular media or on social media. The laws diminished personal liberties, equal access to justice and due process under the law for government opponents. Since 2020, at least 1,956 individuals in separate 1,302 cases have been charged for participating in public assemblies or expressing their political opinions. Meanwhile, at least 259 people were charged in lèse-majesté cases (insults to the king, queen, heir-apparent or regent, which carry a prison sentence of up to 15 years) in 2024. The parliamentary committee on amnesty for political dissidents presented its final report in October 2024. While the majority of legislators voted in favor of the report, they opposed extending amnesty to individuals accused of lèse-majesté. Furthermore, in Thailand's Deep South region, where an insurgency has been ongoing since 2004, overlapping application of the emergency decree and the Martial Law Act has left civilians in that region without most civil rights protections. Thai society generally accommodates LGBTQ+ behavior and participation. Same-sex marriage became legal in January 2025. Thailand thus became the first Southeast Asian country and the second Asian country, following Taiwan, to legalize same-sex marriage.

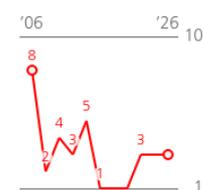
4 | Stability of Democratic Institutions

During the review period, Thailand was under a non-democratic regime, in which some democratic institutions existed but authoritarian institutions exerted enormous power over them. The 2019 general election was not fully free and fair because it was overseen by an Election Commission and Constitutional Court appointed by the junta from 2014 to 2019. The country has a weak elected lower house and an appointed upper house (Senate) whose members do not represent the will of Thailand's majority. Despite the existence of elections and legal and constitutional rights, democratic institutions are unstable, ineffective, and unable to deliver elected civilian control over the monarchy and the military. Although this pseudo-democratic system allows for elections (including the 2023 general election, which produced an elected civilian-led government), the overwhelming influence of the monarchy and the military prevents further democratic gains.

The notion of democracy has been highly contested, especially since the 2006 military coup in Thailand. The military junta (2014 – 2019) abolished Thailand's defective democracy of 2008 to 2014, replacing it with autocratic rule. In 2018, the junta demonstrated that it would use the facade of democratic institutions (endorsed by the monarchy) to continue its rule by establishing a proxy political party (the Palang Pracharat Party) that reflected arch-royalist notions of democracy. The junta-appointed Election Commission helped this party achieve victory in the March 2019 general election, after which junta leader General Prayuth was selected as prime minister (thanks to votes by the junta-appointed Senate). However, voting behavior

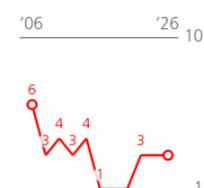
Performance of democratic institutions

3



Commitment to democratic institutions

3

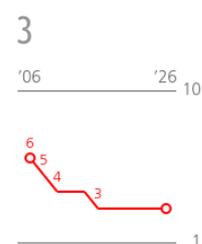


in that election showed that a growing number of Thais wanted political reform. Many youthful voters were encouraged by the relatively successful showing of the progressive Future Forward Party in the 2019 election – though the Constitutional Court dissolved this party in 2020. Since July 2020, large numbers of youth-led demonstrations have vociferously called for democratic reforms and even reform of the monarchy. By 2021, these protests had erupted in violence and led to multiple imprisonments. In the May 2023 election, three notions of democracy competed, each represented by a different party: arch-royalist democracy (Ruam Thai Sang Chart; Palang Pracharat), populist democracy (Pheu Thai) and progressive democracy (Move Forward). In this election, the earlier popular support for the dissolved Future Forward had shifted to that party’s successor, the Move Forward Party. The election results indicated that Move Forward won. However, like Future Forward, Move Forward was dissolved (in 2024) by the Constitutional Court. Meanwhile, the earlier popularity of ex-Prime Minister Thaksin’s Pheu Thai Party (reflecting a notion of populist democracy), which came in second place in the election, was tested in August 2023 when Thaksin influenced it to enter into a coalition with arch-royalist political parties – against progressive election winner Move Forward (which then went into the parliamentary opposition). In 2024, although Thais still broadly accept notions of democracy, this acceptance is unstable, as the monarchy and the military continue to exercise veto power over the political landscape.

5 | Political and Social Integration

Traditionally, Thailand’s party system has been unstable, under-institutionalized, highly fragmented, polarized, factionalized and fractionalized. Parties are often short-lived and are generally driven by elites with shallow roots in society. Rank-and-file members have little influence over party decisions. Party switching is common, and party operations generally lack transparency. Sustaining a free and open party system has been difficult given that the country has experienced multiple coups. There have been 20 constitutions, and both the monarchy and the military have influenced each. Under the last military junta (2014 – 2019), parties were forbidden from holding meetings or engaging in political activities. The junta-devised electoral formula made it impossible for parties to win a majority of seats in the lower house. It also exacerbated party divisions and intraparty factionalism. The 2019 election produced an equilibrium among parties in the lower house (there are no elections or parties in the Senate). This equilibrium was divided between the junta-created Palang Pracharat, which formed a ruling coalition with smaller party allies on one side, and the pro-Thaksin Pheu Thai and allied parties on the other, which formed the opposition. Three medium-sized parties existed between these two groups: the Democrats and Bhumjaithai Party (which joined the coalition) and Future Forward (which joined the opposition). In February 2020, Future Forward was dissolved by the junta-appointed Constitutional Court, and succeeded by the smaller Move Forward Party. Provincial-level elections held in December 2020 did not require

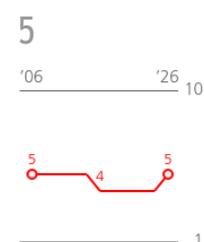
Party system



candidates to belong to parties. In the run-up to the 2023 general election, parliament passed rule changes to benefit large parties at the polls. At the time, 76 political parties had been registered with the Election Commission. Major parties competing in the election were Thaksin's Pheu Thai Party, Palang Pracharat Party (led by Deputy Prime Minister General Prawit Wongsuwan), Ruam Thai Sang Chart (formally linked to Prime Minister General Prayuth) and Bhumjaithai Party. Following the 2023 election, a ruling coalition government was formed. As of 2024, that coalition remained in office. Led by Pheu Thai, it contained 11 parties, with seven holding ministerial portfolios. The Move Forward Party, though it won the election, was forced into the parliamentary opposition. In August 2024, Move Forward was dissolved by the Constitutional Court. It regrouped days later as the People's Party. Pheu Thai will likely continue leading the government until the next election, which will be held in 2027 at the latest, unless the judiciary or military overturns the government.

The strength of societal organizations and interest groups has varied by sector. Before the 2014 coup d'état, politically based social movements – specifically the pro-Thaksin United Front for Democracy Against Dictatorship (UDD) “Red Shirts” and the anti-Thaksin People's Democratic Reform Committee (PDRC) – acrimoniously opposed each other. Business associations, especially the Thai Chamber of Commerce and the Federation of Thai Industries, have been effective at influencing state policy. Labor unions have been mostly unsuccessful. There are several environmental, women's, LGBTQ+ and ethnic minority interest groups (which also act as non-governmental organizations). The alliance of groups that forced pro-Thaksin governments from power in 2006 and 2014 included societal groups such as “Yellow Shirts,” the PDRC, the Democrat Party, some NGOs, some professional associations and business elites. During the 2019 general election, the UDD supported the pro-Thaksin Pheu Thai and Pheu Chart parties, while anti-Thaksin interest groups backed the conservative Palang Pracharat and Democrat parties. Urban youth, organized into pro-democracy interest groups, supported the Future Forward Party. Following its 2020 dissolution, young people began demonstrating in favor of democratic, military and monarchical reform. At least 13 groups were formed, demonstrating primarily in Bangkok, Chiang Mai and other urban centers throughout the country. Many of these groups existed during the 2023 general election. The explosive growth of social media usage over the past decade has vastly expanded the number of new digitally mediated social organizations, thereby enlarging the civic space. Specifically, the post-2020 youth-led protests used social media to spread information about their cause. In 2022, the Thai parliament was considering a bill to control foundations and associations, but it had not yet become law. In January 2025, the same-sex marriage law, passed in 2024, was enacted. Various civil society groups advocating for LGBTQ+ rights played a crucial role in this legislative success.

Interest groups

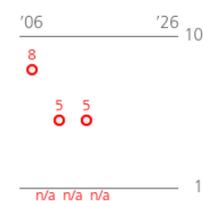


Thai society and its elites are split over democracy, with the urban middle class less supportive and the rural poor generally favoring less military intervention in democracy. Polls connected to right-wing societal groups found strong popular support for and high levels of satisfaction with the junta (2014 – 2019). The junta claimed popular legitimacy in 2016 because of the passage of a referendum on a military-supported constitutional draft, in which opponents were prevented from campaigning against the draft. Intensifying civilian preference for a return to democracy pressured the junta into holding a general election in March 2019. Anti-Thaksin Thais (generally from the urban middle and upper classes) supported the formation of an elected government led by former junta leader Prayuth. Since July 2020, demonstrations demanding more democracy in Bangkok and other parts of Thailand have indicated that popular approval of the current state of democracy in the country has diminished considerably. However, as evidenced by some polls, Thais remain divided over Prayuth’s regime. The COVID-19 pandemic convinced some Thais of the need for a strong regime in power, such as that of the current prime minister, while others want more accountability. The 2023 election, won by the reformist Move Forward Party, suggested that most Thais preferred a move toward a more progressive direction in Thailand. Other Thais remained enamored with Thaksin and his Pheu Thai Party. Still other Thais support hard-right parties such as Ruam Thai Sang Chart, Palang Pracharat and Bhumjaithai. In 2025, Pheu Thai continued to lead a ruling coalition in Thailand, with the aforementioned conservative parties undergirding it. A bare majority of Thais support the monarchy, despite the way the system has undermined democratic norms and procedures.

In Thailand, the family and clan are at the center of social behavior and collective action. Dense social networks have given rise to political parties, business associations, unions, NGOs and student groups. The military junta (2014 – 2019) promoted social enterprises and social capital as part of its 20-year national strategy, called “Thailand 4.0.” The junta created a revolving fund to promote social enterprises, financed in part by profits generated by the social enterprises themselves. Under the Prayuth-led government (2019 – 2023), the state intensified efforts to encourage greater social capital-based relationships, viewing social capital as a way to fill the gap left by weak public sector accountability. Consecutive national economic and social development plans (including the current one) have sought to harness social capital as a means of bolstering development. The Thai Social Enterprise Office (TSEO), created in 2010 to provide backing for social enterprises, has been revitalized since the 2019 election. In 2019, the government created the Social Enterprise Promotion Act, which offers tax relief for corporations establishing social enterprises and tax incentives for social investment. By 2023, Thailand had well over 120,000 social enterprises. Since taking office in 2023, the Pheu Thai-led government has pushed for social enterprises that positively impact communities. Additionally, good governance has encouraged consumer and partner confidence.

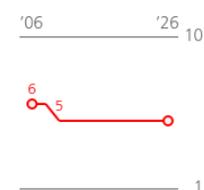
Approval of democracy

n/a



Social capital

5



II. Economic Transformation

6 | Level of Socioeconomic Development

Since 2012, Thailand’s socioeconomic development conditions have improved significantly, as indicated by the UNDP’s Human Development Index (HDI). In 2022, Thailand achieved a HDI score higher than its pre-pandemic level. Thailand’s 2022 HDI score was 0.803, up from 0.797 in 2021 and above the pre-COVID-19 score of 0.801 in 2019. This placed Thailand in the “very high human development” category – ranking it 66th out of 193 countries and territories in the 2022 index. When disaggregated by gender, the HDI score for Thai women (0.807) was higher than that for men (0.798). Nevertheless, women have less access to education and a lower per capita income than men. Despite Thailand’s notable overall human development progress, inequality and environmental concerns persist. Thailand’s HDI score declines by 15.2% to 0.681 when discounted for inequality. Furthermore, the country’s HDI falls by 6.6% to 0.750 after adjusting for its carbon dioxide emissions and material footprint.

Meanwhile, Thailand’s GDP per capita (adjusted for purchasing power parity) was \$21,112.64 in 2023, up from 2020 and continuing annual increases since 2009. However, income inequality has intensified. The World Bank’s Gini index score for Thailand was 34.9 in 2021, the most recent figure available for this measure.

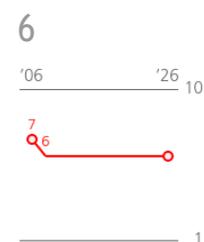
The persistently high level of inequality is so deeply ingrained that it marginalizes particular segments of society, limiting their access to adequate education and health care. Many Thais continue to suffer poverty, social exclusion or discrimination because of gender, ethnicity or geographic location. In 2022, Thai women continued to suffer considerable inequality. Thailand scored 0.310 on the Gender Inequality Index, ranked at 74th place worldwide.

In 2021, according to the World Bank, 0.6% of Thais lived on less than \$3.65 a day, while in 2022, according to the Asian Development Bank, 5.4% lived below the national poverty line. According to the World Bank, the country’s poverty headcount ratio was 6.3% in 2021. This figure remains valid in 2025.

As the country’s population grows (reaching 71.8 million in 2023), socioeconomic challenges remain most acute in the Deep South region, where insurgency has hindered development efforts, as well as among Malay Muslims; among ethnic tribal groups in the north (many of whom lack citizenship); and in areas in the country’s populous northeast, where 66% of impoverished Thais live.

Question
Score

Socioeconomic
barriers



Economic indicators		2021	2022	2023	2024
GDP	\$ M	506194.7	495644.7	515906.3	526411.3
GDP growth	%	1.6	2.6	2.0	2.5
Inflation (CPI)	%	1.2	-1.6	8.5	1.4
Unemployment	%	1.2	0.9	0.7	0.7
Foreign direct investment	% of GDP	3.0	2.4	1.3	1.9
Export growth	%	11.1	6.2	2.4	7.8
Import growth	%	17.9	3.4	-2.5	6.3
Current account balance	\$ M	-10722.5	-17161.8	7411.6	11335.7
Public debt	% of GDP	58.3	60.5	62.3	63.2
External debt	\$ M	196675.7	201050.8	193626.2	-
Total debt service	\$ M	16298.7	26939.9	41608.9	-
Net lending/borrowing	% of GDP	-7.1	-4.9	-2.3	-
Tax revenue	% of GDP	15.1	15.1	15.4	-
Government consumption	% of GDP	18.2	17.7	16.6	16.7
Public education spending	% of GDP	3.0	2.6	2.5	-
Public health spending	% of GDP	3.6	3.9	-	-
R&D expenditure	% of GDP	1.2	1.2	-	-
Military expenditure	% of GDP	1.4	1.2	1.2	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

In Thailand, market competition operates within an institutional framework. In 2025, Thailand streamlined the process of starting a Thai limited liability company so that it now takes three to five days at a cost of 3% of the country's per capita gross national income (GNI). However, according to a survey by the Asia Securities Industry and Financial Markets Association (ASIFMA), Thailand fell three places from 2022 to rank 12th among Asia-Pacific nations with regard to the ease of doing business.

According to the International Labour Organization, 62.6% of the overall workforce was in informal employment in 2023, primarily in the manufacturing, services and agriculture sectors. Thai taxpayers bear the tax burden that informal sector workers avoid. In December 2023, Thailand's tax-to-GDP ratio was 13.2%, down from 16.7% in 2022, according to the OECD (2024).

Although Thailand belongs to the International Competition Network, large firms dominate its economy and enforcement is inadequate. As a result, the efforts of the Trade Competition Commission (TCC) have been hindered.

According to the TCC, the number of complaints about unfair trade competition has risen annually since the Trade Competition Commission was established as an independent agency on October 5, 2017.

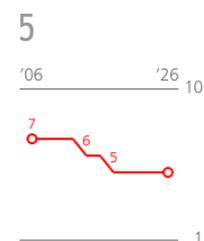
In 2022, the Trade Competition Commission issued new guidelines on unfair trade practices. These included 1) explicit principles describing free and fair trade; 2) adjusted criteria for determining superior bargaining power; and 3) a new list of unfair conduct and prohibited behavior. The goal of the guidelines was to close large merger-and-acquisition legal loopholes.

In 2023, the TCC imposed fines on real estate developers for failing to submit merger notifications within the statutory period.

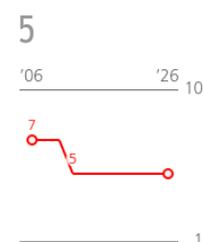
In April 2023, the TCC found 20 ice factory operators guilty of agreeing to increase the price of tube ice. The operators collectively had a market share of more than 10%. In 2024, the TCC reviewed 17 cases, including cases on business mergers, unfair trading practices and cartel behavior.

In 2025, the TCC reported that the number of business mergers had reached a record high in 2024.

Market organization



Competition policy



As of 2025, Thailand had 15 free-trade agreements (FTAs) with 18 countries, including bilateral and regional agreements. That year, Thailand was also expected to sign an FTA with the European Free Trade Association, which currently includes Iceland, Liechtenstein, Norway and Switzerland. Thailand is also negotiating FTAs with the European Union, the United Arab Emirates, Sri Lanka and Bhutan; enhancing FTAs with South Korea, India and Peru; and improving trade ties with the United Kingdom. Thailand is also a member of China's Regional Comprehensive Economic Partnership (RCEP) and has had a bilateral FTA with China since 2003. Though the United States and Thailand have a 2002 Trade and Investment Agreement, negotiations for a Thailand-U.S. FTA have stalled. In 2020, Thailand lost U.S. Generalized System of Preferences (GSP) benefits worth \$1.3 billion.

In 2025, there were fears that the incoming Donald Trump administration might impose sanctions on Thai exports to the United States partly because of Thailand's trade surplus with the United States. Although Thailand has expressed interest in joining the Comprehensive and Progressive Agreement of the Trans-Pacific Partnership, it has not done so. In 2022, Thailand became a member of the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting. This move is intended to harmonize interstate trade transactions.

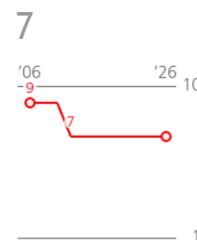
Trade barriers continue to hinder efforts to further liberalize foreign trade. Thailand is also a member of the U.S.-led Indo-Pacific Economic Framework. In 2025, Thailand became a partner country within the BRICS group of states, implying Thailand might support the BRICS group's move to support a currency other than the U.S. dollar for trade purposes. This policy could lead the United States to raise tariffs on BRICS countries, including Thailand.

The country maintains high tariffs on agricultural products, motor vehicles and distilled spirits. In addition, significant non-tariff barriers include licensing requirements, burdensome import regulations, price controls and high excise taxes stemming from a complex tax structure. As of 2025, Thailand was not a member of the World Trade Organization (WTO) Agreement on Government Procurement, though it participates in the Working Group on Transparency in Government Procurement.

In 2022, Thailand and the United States signed the U.S.-Thailand Communique on Strategic Alliance and Partnership, which included efforts to prevent trade disruption and to promote digital trade.

In 2025, China remained Thailand's top trading partner, a status aided by the Thai-China FTA and the RCEP framework.

Liberalization of
foreign trade



Thailand's banking system and capital market are oriented toward international standards. In the wake of financial reforms, Thailand's banking sector is more stable than banking sectors in many developing and advanced countries. According to the Bank of Thailand, in the third quarter of 2024, the ratio of non-performing bank loans (NPLs) to all loans increased to 2.97, which was attributable to a decline in the loan base and a rise in non-performing status among business and consumer loans.

Although economic stagnation has continued in Thailand in the period from 2024 to 2025, there has been no banking crisis. The bank capital-to-assets ratio continued to decline, from 10.7% in 2021 to 10.3% in 2022. In the third quarter of 2024, loan growth in the banking system contracted 2% year-over-year, and lending more broadly expanded at a slower pace, according to the Bank of Thailand.

The state has sought to enhance banking transparency. In 2025, Thailand had 11 commercial banks (six controlled by the state), all of which were listed on the Stock Exchange of Thailand (SET), which ensured banking transparency for these listed institutions. The Bank of Thailand requires all Thai commercial banks to disclose important financial information to the public, especially data on non-performing loans. International banks operating in Thailand are strictly regulated by the state. Total SET market capitalization grew to THB 17.2 trillion as of December 30, 2024. The average daily turnover on the SET in 2024 was THB 53.7 billion, a decline from previous years.

In 2024, the government was frequently at odds with the central bank, which kept Thailand's key interest rate above 2.5% throughout the year, the highest level in a decade. In 2025, the central bank began lowering its rate to about 2% to align it with the government's inflation target and Thailand's GDP growth rate. The central bank also announced a bond issuance program for 2025, reducing the maximum auction size for three-month bills to THB 70 billion per auction.

8 | Monetary and fiscal stability

Amid investor uncertainty about the 2023 political climate in Thailand and the nature of the incoming Pheu Thai-led government's populist policies, the Stock Exchange of Thailand (SET) lost 15.2% of its value by year's end. In 2024, the SET continued to perform poorly compared with other markets in Asia and Association of Southeast Asian Nations (ASEAN), struggling with underperforming market indexes and declining trading volumes. The SET's outlook was additionally marred by multiple high-profile financial scandals, leading to a substantial loss of investor confidence and market instability. Factors such as global economic uncertainties, local political instability and concerns about regulatory effectiveness compounded the market's woes. In 2025, weak SET performance continued. This negative performance could be seen in the SET Index, which fell from 1,686.66 in December 2022 to 1,415.85 in December 2023, and further to 1,400.21 in December 2024. In January 2025, it reached 1,354.3.

Banking system

8



1

Monetary stability

8



1

The average inflation rate in Thailand during the period from 2015 to 2025 was 1.3%. Recently, consumer price index (CPI) inflation has shown considerable volatility, with a rate of 1.23% in 2021, a steep rise to 6.08% in 2022, a drop to 1.23% in 2023, a further decline to 0.54% in 2024 and a forecast uptick to 1.22% in 2025. Between 2023 and 2025, the Bank of Thailand employed monetary policy to target price stability, aiming to keep headline inflation low. Its monetary policy had three objectives: medium-term price stability with an inflation rate between 1.0% and 3.0%, sustainable growth and financial stability. The bank has also set a medium-term target rate of 1.0% to 3.0% for headline inflation in 2025.

Under the post-2023 Pheu Thai-led government, the Bank of Thailand and the Ministry of Finance have disagreed over economic policy, with the government arguing that the bank has kept inflation too low and the Thai baht excessively strong, which has hindered economic growth. The government has also opposed the bank's decision to keep the policy interest rate at 2.25%, arguing that inflation should be kept at a higher, more reasonable level to better benefit Thailand's economy.

Since taking office in 2023, the Pheu Thai-led government has publicly feuded with Bank of Thailand Governor Sethaput Suthiwartnarueput over monetary policy. Sethaput's term was set to end in 2025, with the government expected to nominate a Pheu Thai loyalist to succeed him (although there were two other nominees).

Thailand's real effective exchange rate was 124.6 in October 2024, up from 119.6 in November 2023 and 117.5 in 2022. In late 2024, the baht depreciated against the U.S. dollar, especially after the U.S. Federal Reserve Board signaled a change in monetary policy (shifting toward interest rate cuts) and following the election of U.S. President Donald Trump.

The government's budgetary policies have generally promoted fiscal stability. Thailand posted a current account surplus of \$2.0 billion in 2024, down from \$7.4 billion in 2023. The 2023 balance represented a sharp improvement from deficits of \$15.7 billion in 2022 and \$10.3 billion in 2021, with the varying figures reflecting economic damage from the COVID-19 pandemic and the economy's recovery from it.

Government consumption as a percentage of GDP decreased from 18.2% in 2021 to 16.6% in 2023. Meanwhile, total reserves increased from \$231.7 million in 2021 to \$208.3 billion in 2023.

Public debt increased from 49.5% of GDP in 2019 to 58.4% in 2021, 61.34% in 2023 and 64.02% in 2024. It was projected to amount to 66% of GDP in 2025. External debt increased from \$192.1 billion in 2022 to \$201.0 billion in 2024.

Thailand currently has no outstanding debt to the International Monetary Fund. Total central government debt grew from 58.5% of GDP in 2021 to 61.2% in 2023. Total debt service to the IMF decreased from 5.1% of GDP in 2019 to 3.4% in 2020.

Fiscal stability



Furthermore, net lending/borrowing fell from -4.5% of GDP in 2020 (as a percentage of GDP) to -2.2684% in 2023, reflecting a slow recovery from the COVID-19 pandemic. Following mass flooding in 2024 and amid rising levels of household debt, the government engaged in fiscal stimulus to help poor Thais and assist (e.g., provide loans to) small and medium-sized companies. The country's trade deficit of \$600 million with the United States in October 2022 shifted to a trade surplus of \$224 million in 2024.

9 | Private Property

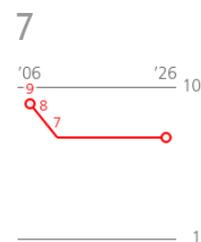
Property rights and property acquisition are generally well protected. Foreigners are not allowed to buy or own land in their own name but they can lease land for up to 30 years. Thai condominiums can be purchased by foreigners in Thailand as long as not more than 49% of the total residential area of the entire condominium complex (not exceeding five rai) has already been purchased by foreigners. In 2018, new laws required residential landlords to follow terms and conditions aimed at eradicating rogue practices, so tenants would no longer be victims of unfair contracts. A 2019 law requires individuals, corporate entities, and beneficiaries of land or buildings to pay land and building tax. In 2022, the Prayuth government proposed allowing foreigners who invest at least THB 40 million in government bonds for three years to buy houses and up to one rai (0.395 acres) of land.

In 2024, the Pheu Thai government proposed allowing foreigners to hold long-term land leases of up to 99 years. Such a policy would make Thailand more welcoming, particularly to Chinese investors. Beijing has purchased similar leases in Laos, for example. Still, many Thai economic nationalists oppose making it easier for foreigners to obtain private property rights in Thailand.

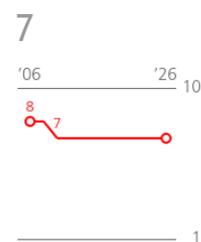
Thailand maintains laws that protect and regulate private companies, including the Thai Civil and Commercial Code, the Licensing Facilitation Act and the Labor Protection Act. Courts have the authority to resolve legal disputes involving private companies. Despite the public sector's significant presence, private firms play a crucial role in Thailand's economy. Privatization efforts have faced opposition from civil society and other deeply entrenched vested interests. The state has enacted laws that prohibit the privatization of state enterprises deemed to be of strategic importance, such as the Electricity Generating Authority of Thailand (EGAT) or the Water Works Authority (MWWA).

Following the 2023 election, the new Pheu Thai-led government continued most of its predecessor's conservative business policies, though it promised to help the people. The government has not recriminalized marijuana-related businesses and has sought to legalize casinos and liberalize liquor laws. Critics have argued that the government is prioritizing the interests of large corporations.

Property rights



Private enterprise



Private enterprises can compete on an equal market playing field with the country's more than 50 state-owned enterprises though some exceptions exist, such as with regard to fixed-line operations in the telecommunications sector.

In 2025, the government was seeking ways to make Thailand more attractive to foreign private enterprises, for example by attempting to pass laws allowing foreign companies to lease land (especially in the Eastern Economic Corridor) for up to 99 years.

Meanwhile, the politically powerful Chidchob family (a principal supporter of the Bhumjaithai Party) is engaged in a dispute with the State Railways of Thailand over the ownership of swaths of land in Buriram province. At the same time, there are allegations that Thaksin Shinawatra's family has abused its investments in the Alpine Golf Course.

10 | Welfare Regime

Thailand has a modest welfare program. Since 2022, life expectancy at birth has been 79.7 years. Public health expenditure from domestic sources rose from 2.9% of GDP in 2018 to 3.1% in 2021. Thailand has multiple pension funds for people older than 60, but the schemes are insufficient, paying monthly amounts ranging from THB 600 to THB 3,000. Noncitizens have limited access to Thailand's social safety net.

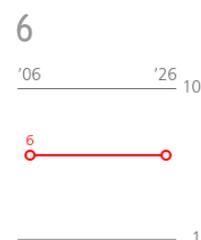
In 2002, Prime Minister Thaksin Shinawatra introduced a health care program that required all Thais to pay only THB 30 (\$1) at the hospital for most procedures. As of 2025, the program remains in effect. It covers 76% of the population but accounts for 40% of all public health care spending.

The post-2023 Pheu Thai government sought to strengthen the THB 30 program by digitalizing access, making it more convenient for patients by linking all medical files and related patient data across hospitals. Pheu Thai also pushed to further increase the monthly child welfare support payment for social security fund subscribers in an effort to encourage Thais to have more children and prevent a possible future labor shortage.

In September 2024, the Pheu Thai government altered its original campaign pledge to give all Thais age 16 and older THB 10,000 in a so-called digital wallet. After criticism, the government diluted the proposal so that 14.55 million citizens – including 12.4 million welfare card holders and 2.15 million people with disabilities – would receive THB 10,000 in cash.

Also in 2024, the state issued a series of regulations to implement the Employee Welfare Fund. The fund provides financial support to employees in response to a termination of employment, death or other circumstances specified by the Employee

Social safety nets



Welfare Fund Committee. Contributions to the fund were set to begin October 1, 2025. Two ministerial decrees followed on November 22, 2024 – one setting the withholding and contribution rates and the other outlining minimum levels of financial assistance due in cases of termination of employment or death.

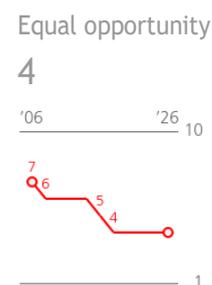
On January 1, 2025, an increased daily minimum wage took effect, with the amount of the increase depending on the province.

Thailand remains a country in which equal opportunity is persistently denied on the basis of gender, sexual orientation, religion, ethnicity, race and political preference. In particular, women and minorities receive less institutional assistance with regard to accessing public services or serving in public office than do men. The number of women in the labor force has grown each year, and in 2023, women accounted for 45.67% of the total labor force. Nevertheless, women in general tend to be relegated to lower-paying jobs or employment in the informal sector.

Thailand's Gender Inequality Index score for 2022 declined by 0.003 relative to 2021, and the country was ranked 74th globally out of 193 countries. Meanwhile, Thailand's ranking in the Global Gender Gap Index improved from 79th place in 2022 (with a score of 0.709) to 74th in 2024 (0.720, fifth in Asia).

According to the latest data from the World Bank, the adult literacy rate (age 15 and above) in Thailand in 2022 was 91.1%. Since 2022, the female-to-male enrollment ratio has been 1.0 at the primary education level, 1.0 at the secondary level and 1.3 at the tertiary, indicating that more girls than boys are going on to higher levels of education. However, in 2023, gross enrollment ratios show lower overall enrollment at higher levels, with a ratio of 103.0 at the primary level, 110.0 at the secondary level and 46.18 at the tertiary level. According to a Grant Thornton survey (2024), Thailand ranked at third place worldwide in terms of women's representation in executive leadership positions, with 41% of top executive positions held by women, and the highest percentage of companies globally with female CEOs or managing directors (42%). Nevertheless, according to U.N. Women (2024), women account for only 23.9% of high-ranking civil servants, although women outnumber men in the bureaucracy. Meanwhile, women hold only 16.2% of the seats in parliament's lower house, well below the global average of 24.9%, and only 10% of seats in the Senate. Women head 8% of the country's provincial administrative organizations (PAO) and 6.45% of subdistrict administrative organizations (SAO).

Ethnic minorities such as "hill tribe" people, migrant workers and refugees from neighboring countries are stateless, face discrimination and often lack the ability to vote (despite having citizenship). In many cases they are unable to attend school or access public health care. Thai labor laws, which govern both regular and irregular migrant workers, still do not align with International Labour Organization standards. According to a 2022 Freedom House report, ethnic minorities, stateless residents and Malay Muslims in Thailand continue to face political marginalization. In 2024, the



Thai government approved an accelerated pathway to permanent residency for nearly half a million such stateless people in Thailand, affecting 335,000 longtime residents and nearly 142,000 of their children. In 2024, the United States Trafficking in Persons (TIP) report placed Thailand in its Tier 2 category for the third consecutive year. Tier 2 means the state does not fully meet the minimum standards for the elimination of forced labor among migrants and human trafficking, but is making significant efforts to do so.

11 | Economic Performance

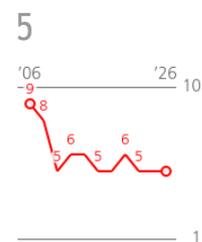
During the period under review, economic performance was dynamic. GDP declined from \$506.3 billion in 2021 to \$495.65 billion in 2022, then grew to \$514.9 billion in 2023. GDP grew by 1.6% in 2021, then 2.5% in 2022 and 1.9% in 2023. GDP per capita (adjusted for purchasing power parity) increased from \$20,281 in 2021 to \$22,214 in 2022 to \$23,423 in 2023. The GDP per capita growth rate fluctuated from 1.4% in 2021 to 2.3% in 2022, falling to 1.7% in 2023. The inflation rate rose from 1.2% in 2021 to 6.1% in 2022, and fell again to 1.2% in 2023. The unemployment rate decreased from 1.2% in 2021 to 0.9% in 2022, and remained under 1% in 2023 and 2024. Meanwhile, foreign direct investment (FDI) as a percentage of GDP fell from 3.0% in 2021 to 2.3% in 2022 to 0.6% in 2023. The sum of net lending/borrowing moved from -5.4% of GDP in 2020 to -7.5% in 2021 and back to -5.1% in 2022. Tax revenue fell from 14.5% of GDP in 2020 to 14.3% in 2021, then rose slightly to 14.4% of GDP in 2022. Gross capital formation amounted to 28.6% of GDP in 2021, declined to 27.8% in 2022 and further to 22.6% in 2023. The country's current account deficit rose from \$10.3 billion in 2021 to \$15.7 billion in 2022, but the country again shifted to a surplus of \$7.4 billion in 2023. Thailand's continuing low levels of unemployment have assisted the economy. Meanwhile, the latest ILO figures on Thailand's informal employment (2018) place this at a share of 65% of all employment, though this is out of date.

After the 2019 election, most foreign investors and trading partners that had reduced their dealings with Thailand after the 2014 coup returned. Since 2020, China and Japan have competed to be Thailand's largest foreign investor.

The COVID-19 pandemic disrupted Thailand's economy in 2020, as did the massive flooding in 2024. According to the Asian Development Bank (ADB), the post-pandemic Thai economy began to grow in 2022, as reflected in private consumption, which rose by 7.1% in 2023, up from 6.3% in 2022 and 0.6% in 2021.

This was a key driver of the country's economic growth, in addition to a rebound in tourism and government policies to stimulate spending. At the same time, real public sector consumption grew by 3.2% in 2022, then diminished to 0.2% in 2023. The government has sought to use stimulus policies to expand consumption growth. Still, the 2024 mass flooding greatly harmed the agriculture, industrial and tourism sectors,

Output strength



as well as many households. In late 2024, the World Bank forecast that the Thai economy would grow by 2.4% in 2024 and 3.0% in 2025, down from earlier, more optimistic projections of 2.8% and 3.0%.

12 | Sustainability

The 1992 National Environmental Quality Promotion and Protection Act requires environmental impact assessments (EIAs) for 35 types of projects to minimize adverse environmental impacts. A 2018 amendment to the act, aligning it with the 2017 constitution, imposes penalties for developing projects without EIA approval. However, the amendment appears ineffectual and has been criticized as “an investment promotion law in disguise.”

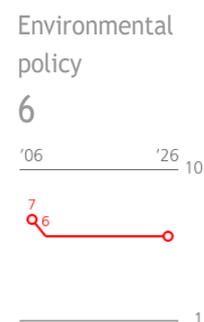
Since 2021, the Prayuth government and then the post-2023 Pheu Thai-led government have continued to pursue a China-supported special economic zone in the Chana district of Songkhla province, despite multiple protests arguing that the project will decimate the environment.

Beginning in October 2022, the Ministry of Interior began imposing several new obligations on factory operators engaged in managing chemicals, including the need to report chemical quantities, label chemicals, prepare chemical documents at work sites, and train workers.

To some extent, the post-2023 Pheu Thai-led government has been proactive in addressing environmental problems. In 2024, officials met to address the issues of climate change, illegal hazardous waste disposal and reductions in greenhouse gas emissions. The country’s first-ever Climate Change Act took effect in late 2024 after years of delays. According to some analysts, the law represented a significant step toward improving the country’s efforts to tackle global environmental problems such as global warming. However, critics castigated the law as favoring big business while failing to engage with civil society, local communities and smallholders.

The Pheu Thai government has been relatively silent about controversial mining operations, even though it previously criticized the former Prayuth government’s involvement in them. In 2025, only the People’s Party has been willing to criticize business operations that harm the environment, risking defamation lawsuits in the process.

Most recently, in 2025, the Federation of Thai Fisherfolk Association (FTFA) submitted a petition to the Senate to restrict night-time fishing methods that have harmed marine ecosystems and depleted fish resources.



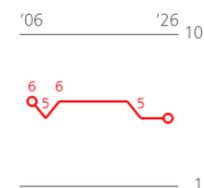
The Thai public education system offers nationwide coverage and is mostly free. School attendance is nearly universal. Thailand's rating on the U.N. Education Index has improved almost every year since 2013. According to the latest UNDP figures, the country's score reached 0.727 in 2022. In 2022, according to the most recent World Bank data, the adult literacy rate (among people age 15 and above) was 91.1%. Meanwhile, 2023 World Bank data indicated that gross enrollment was 103% at the primary level of education, 110% at the secondary level and 49% at the tertiary level (schooling is mandatory in Thailand up to ninth grade). Thailand's education spending has tended to exceed that of many comparable nations.

In 2019, the Ministry of Education was restructured to enhance efficiency, with tertiary education placed under a new Ministry of Higher Education, Science, Research and Innovation. The Thai education budget has doubled since 2002. However, according to the World Bank, since the 2014 coup, funding for education as a percentage of GDP has decreased each year, falling from 3.7% in 2014 to 3.0% in 2021, 2.6% in 2022 and 2.3% in 2023. Education funding has continued to decline since then. For the 2024 budget, the Ministry of Education received \$9.5 billion while the Ministry of Higher Education, Science, Research and Innovation was allocated \$3.8 billion.

The quality of public education varies significantly across the country, with the highest-quality schools concentrated in Bangkok and a few other major cities. The largest obstacles to education are in the far south, where violence has hindered schooling, with insurgents specifically targeting and shooting teachers in the region. The latest scores from the Programme for International Student Assessment (PISA) in 2022 and the 2023 Ordinary National Educational Test (O-Net) show that Thai students generally score below the world average. The 2018 Equitable Education Fund Act established a THB 1 billion startup fund and set the primary goal of reducing educational inequality in Thailand. However, it may face challenges in achieving its objectives due to potential conflicts within the Ministry of Education. The most recent figures on research and development indicate that Thailand allocated 1.21% of GDP to R&D in 2023, and it is targeting spending of 2% of GDP for R&D by 2027. R&D spending has steadily increased since 2008. In 2023, Thailand ranked 43rd of 132 countries on the World Intellectual Property Organization's Global Innovation Index, the same rank as in 2021 and 2022. The presence of national research universities, with eight major universities in Thailand (primarily located in Bangkok) focusing on national-level R&D, have helped concentrate state investment in R&D. However, funds have also gone to other universities in major cities, while provincial universities have had difficulties in accessing R&D funds. In 2023, among ASEAN member states, Thai investment in R&D trailed only Singapore and Malaysia as a share of GDP.

Education policy /
R&D

5



Governance

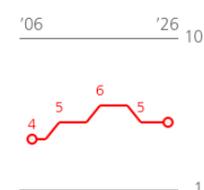
I. Level of Difficulty

There are four deeply entrenched structural constraints that affect governance in Thailand. First, socioeconomic development is geographically imbalanced, with wealth concentrated in Bangkok rather than in provincial Thailand, with the northeastern region and the far south being comparatively poor. According to the World Bank (2024), 79% of the poor live in rural areas, while the Bangkok Metropolitan Region accounts for roughly 50% of GDP and receives up to 70% of total government expenditure. Second, there is an enormous cleavage between the “wealthy and well-born” and the middle class on the one hand (mostly Thai/Sino-Thai) and the lower classes on the other (tending toward Thai-Lao and other ethnicities). This cleavage has been intensified by the economic fallout of the COVID-19 pandemic. Third, there are class-based structural constraints; the country’s entrenched domination by the monarchy, the associated aristocracy and senior military officers has created significant obstacles to a deeper and more sustainable democratic transformation. Finally, the COVID-19 pandemic represented a disruptive shock to Thailand in the period from 2020 to 2022 that was still being felt in 2025. The timing of access to effective vaccinations depended on economic class. COVID-19 led to an excess death rate of 0.3%. It also contributed to an economic contraction of at least 6.5%, a 1.3% reduction in private consumption, and a substantial increase in unemployment. The pandemic thus limited economic transformation.

There has long been an antagonistic relationship between civil society and the state in Thailand, especially regarding the environment, land titling and issues of democracy, owing to deeply entrenched historical legacies of autocracy. Modern Thai civil society evolved during brief periods of political openness (1944 – 1947 and 1973 – 1976). For the most part, the state has allowed NGOs to develop from 1980 to the present. However, interference by the military, co-optation by the state, internal malfeasance and poor administration have hindered the development of Thai civil society. In 2021, new rules were approved, enabling the state to monitor and approve the registration of NGOs. At that time, there were 86 local and 25,000 international NGOs established in Thailand, though many were unregistered or received foreign financing, or both. Some function more as charities and have linkages with the monarchy, such as the Thai Red Cross Society. When active anti-government student demonstrations began in Thailand in 2020, at least 13 youth-led civil society groups

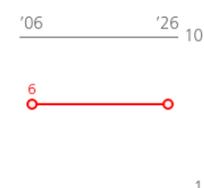
Structural
constraints

5



Civil society
traditions

6



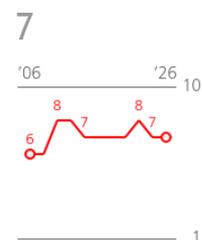
formed. By 2025, most of these had been repressed by the state. Indeed, in 2025, because of the overarching influence of the monarchy and military across Thai society, civil society operates in a fragile environment.

Thailand is experiencing three acrimonious, entrenched conflicts. At the national level, there is a socioeconomic and political conflict between opponents (predominantly arch-royalists) and supporters of populist Thaksin Shinawatra and his family. Rural residents and the lower-middle class strongly backed the former prime minister, while the upper-middle class and elites vehemently opposed him. The post-2023 coalition government encompassing Thaksin's Pheu Thai and conservative political parties diminished tensions between these two sides. As the review period closed in 2025, it appeared that arch-royalist demonstrations against the Pheu Thai-led government could begin.

The second national-level conflict has been between youth-led demonstrators and the military-dominated government, with protesters demanding reforms to the government, military and monarchy. Partly because of these protesters' criticisms of the monarchy, social trust in the monarchy and in traditions of a civil society centered on the monarchy have seemed to weaken. A combination of state repression and the results of the 2023 general election led to the protests subsiding, at least temporarily. This is in part because some of the protesters' modest demands were brought into the Thai lower house due to the victory of the Move Forward Party (which regrouped into the People's Party).

A third conflict has been the Malay-Muslim insurgency in Thailand's southernmost provinces of Yala, Narathiwat and Pattani. This has contributed to increasingly hard-line stances by Malay-Muslim insurgents against southern Buddhists (and vice versa), resulting in heightened violence between Buddhists and Muslims in that region. In early 2025, dialogue between the insurgents and the Thai state was continuing, though the two sides were also persisting in using violence. The incidence of violence has generally declined since 2011, however.

Conflict intensity



II. Governance Performance

14 | Steering Capability

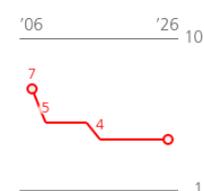
Thailand's executive under the civilian Pheu Thai government elected in 2023 has prioritized at least eight objectives. First, as a driver of reform, it has sought to sustain populist policies such as the Digital Wallet initiative, which was designed to provide THB 10,000 to every Thai citizen, while also maintaining welfare policies from previous Pheu Thai governments such as cheap housing, certain types of debt relief for the poor, a minimum wage, welfare cards and subsidies for new mothers. Second, the government, now as a defender of the status quo, has appeared to give preferential treatment to a few dominant corporations, including the Charoen Pokphand Group (CP), the TCP Group, Gulf Energy and Thaksin's InTouch Holdings (all status quo actors). This has been seen in the state's awarding of concessions and contracts. Third, the superficially conservative government claimed to support the monarchy (Thailand's principal status quo actor), but this was in part to avoid being forced from power by the partisan judiciary. Fourth, the government continued the previous government's policy of trying to jump-start the economy using megaprojects and foreign investment, primarily from China and Japan. In this regard, it continued to promote the Eastern Economic Corridor project in eastern Thailand and the Southern Economic Corridor project in southern Thailand. Despite this, Thailand's economy remained weak amid comparatively high rates of inflation. Fifth, the government attempted to present itself as a supporter of democracy, for example, by promoting by-elections and provincial administrative elections in 2024. Sixth, the regime oversaw efforts to carry out a national strategy spanning 20 years (2018 – 2037). Though the strategy is vaguely worded, it establishes several mandates that elected governments over the next two decades must follow (or potentially be forced from office), including large budgetary allocations to the military. Seventh, the government continued the previous pro-military government's policy objective in the Deep South region to engage in repressive counterinsurgency tactics while also pursuing dialogue. Eighth, the government increased security measures along the Thai-Myanmar border amid a surge of refugees from that war-torn country.

Although the Thai state has sought to enhance its strategic capacities by prioritizing and organizing its policy measures (e.g., gaining and organizing expertise, engaging in evidence-based policymaking, conducting regulatory impact assessments, and creating strategic planning units) in areas such as anti-corruption and pollution control, these goals have been hindered by powerful economic interests.

Question
Score

Prioritization

4

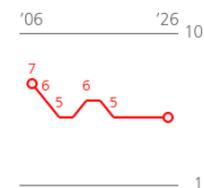


The 2023 election facilitated policy implementation because the newly elected government was more accountable and transparent than the previous military-dominated government from 2019 to 2023. However, as the new government took office, its ability to establish policy clarity and consensus diminished because of the presence of several political parties within the ruling coalition, which included Pheu Thai as well as conservative parties such as Bhumjaithai, Palang Pracharat and Ruam Thai Sang Chart, as well as the numerous intraparty factions within the dominant Pheu Thai Party. Consequently, there was a plethora of policies discussed, promoted or opposed by different member parties of the ruling coalition, making policy implementation occasionally difficult. An emphasis on strong defense spending, inherited from the junta (and reinforced by pressure from the military on Pheu Thai), was effectively implemented because of the military's enormous influence over the government. The Pheu Thai-led government also sought to improve policy implementation in the insurgency-prone Deep South by merging the region's allocation of resources across ministries. Other policies that were effectively implemented included the prioritization of alliances with large-scale domestic and foreign investors (especially those from China and Japan), the consolidation of the Eastern Economic Corridor, and the establishment of more free-trade zones along the country's borders. Continuing earlier projects, the Paetongtarn-led government sought to advance megaproject plans set for completion as far away in time as 2030. It is also working to implement policies to enhance the country's market economy.

In September 2024, Prime Minister Paetongtarn outlined 10 policies for immediate implementation. These were as follows: 1) restructure the debt system; 2) protect SMEs from unfair overseas competition; 3) promote mass transit development; 4) legalize the informal and underground economy to increase state revenue, which will be used to develop education, public health and public utilities; 5) stimulate the economy to build confidence, alleviate people's financial burdens and increase their career opportunities (in this regard, the government's priority is vulnerable groups. The Digital Wallet scheme was to be pushed ahead to increase access to funds for development in villages and other communities, and to enhance career opportunities); 6) promote modern agriculture under the concept "Market-Led Innovation to Increase Revenues," and reimplement the "Thai Kitchen to The World" policy in line with global demand for food security; 7) continue promoting tourism and carry forward the success of visa restructuring to better facilitate touristic experiences; 8) address illicit drugs in a rigorous, comprehensive manner; 9) improve the state's ability to fight crime, including online and transnational crime; 10) build capacity by improving social security for ethnic groups and stateless persons.

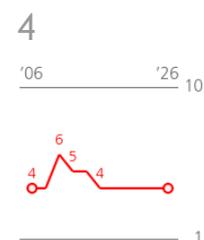
Implementation

5



In Thailand, learning from the past tends to be coincidental rather than institutionalized. During the period from 2020 to 2022, in its confrontation with pro-democracy demonstrators, the government does seem to have learned from the past. The use of violence against protesters in 1973, 1976, 1992, 2008, 2009 and 2010 – a practice that tainted the state’s image – was replaced by targeted arrests of protest leaders and the erection of barricades to keep protesters back. Regarding the Deep South insurrection, Thailand’s post-2023 government has continued the policy of the junta (2014 – 2019) and Yingluck governments, negotiating with the rebel resistance while also engaging in violent repression. In an effort to revive the economy after its pandemic-era decline, the government lifted COVID-19 restrictions in October 2022 and brought an end to its economic stimulus measures. This decision resembled the way in which the Thaksin government (2001 – 2005) responded to the 1997 Asian financial crisis. Finally, the post-2023 Pheu Thai government appears to have learned from the past in the sense that it has avoided the kind of confrontation with arch-royalists seen in 2014, when conflicts between that era’s Pheu Thai government and arch-royalists led to a military coup.

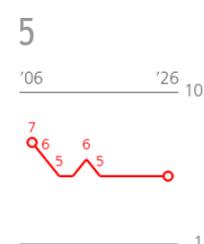
Policy learning



15 | Resource Efficiency

Thailand has an elected government that emerged from a fairly free general election in May 2023. However, Thailand remains disproportionately influenced by three dominant forces: the king (who holds the highest power); the army commander (who can lead coups); and politician-tycoon Thaksin Shinawatra, who indirectly dominates the lead coalition party, Pheu Thai.

Efficient use of assets



The post-2023 ruling coalition, led by the Pheu Thai Party, is first and foremost a grouping of pro-Thaksin politicians, although it also includes conservative politicians from Bhumjaithai, Palang Pracharat, Ruam Thai Sang Chart, the Democrat Party, Chart Thai Pattana, Prachachart and other micro-parties.

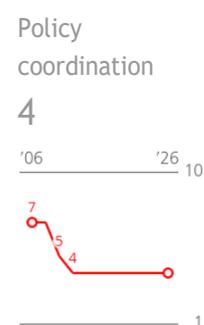
Thaksin’s Pheu Thai Party has allocated political appointments of ministers and public officials so as to appease intraparty factions and smaller coalition parties. Meanwhile, by May 2024, the Bank of Thailand’s foreign reserves had grown and stabilized at \$224.3 billion, the highest level since December 2023. In September 2022, Thailand’s public debt grew to \$242.9 billion (53% of the country’s nominal GDP). As of August 2024, Thailand’s public debt was THB 342.2 billion (THB 11.7 trillion), or 64.02% of the country’s GDP. This is below the fiscal sustainability threshold of 70%. In 2024, Thailand’s administrative structure remains highly centralized. There have been problems with the quality and cost of financial, organizational and human resources. Despite the economic difficulties produced by the COVID-19 pandemic, the government continued to increase the annual defense budget and has sought to continue purchasing expensive military hardware, such as three Chinese submarines. Under the post-2023 Pheu Thai government, resources

were pooled to launch a digital wallet program that would give every Thai THB 10,000. New measures in 2025 were to include 1) the “One District, One Scholarship” program to expand educational opportunities for underprivileged students; 2) the “One District, One Summer Camp” initiative to allow students to attend short-term overseas language training programs; 3) a development program to empower local communities; 4) the creation of a THB 5 billion fund to help medium-sized businesses; and 5) a “Homes for Thais” program providing high-quality, affordable condominium units with 99-year leases. Because of its comparatively efficient use of resources, Thailand attained its highest level in more than a decade on the Global Innovation Index (GII) 2024, ranked at 41st place among 133 countries.

Coherence has been difficult for government leaders in Thailand. Virtually all governments have either been highly factionalized (involving multiple parties and multiple intraparty factions) or have suffered from brief lifespans. Thai politics and culture are imbued with hierarchic-bureaucratic, informal-network and personalist styles which have influenced the level of coherence in Thailand.

In Thailand, coherence among actors within a single government or across successive governments has been difficult to sustain. Within the post-2023 coalition government, the two largest parties (Pheu Thai and Bhumjaithai) regularly clash over public policy. For example, Bhumjaithai was instrumental in legalizing marijuana, while Pheu Thai has sought to recriminalize it.

Meanwhile, the Pheu Thai-influenced Ministry of Defense and the armed forces have been antagonistic toward each other over defense rules and the defense budget. The navy has pushed to acquire Chinese submarines, while the cabinet and lower legislative house have not supported such procurement. The Pheu Thai government and the Bank of Thailand have also clashed over economic policy. Regarding Thailand’s Deep South counterinsurgency, in 2023/24 the Pheu Thai government and the military have differed over the extent of dialogue to pursue with the National Revolutionary Front (BRN) insurgents. However, the insurgency continues. Meanwhile, Thai royalists have tended to be at odds with the forces supportive of Thaksin, which has prevented coherence regarding the future of Thai public policy. Another source of friction has been between the military and the police in security operations. In an attempt to guarantee policy coordination between the current and future governments, the regime enacted a national strategy spanning 20 years (2018 – 2037) in 2018. Pheu Thai Prime Minister Paetongtarn was criticized by constituents in December 2024 for her government’s delayed reaction to flooding in southern Thailand.



Thailand has various organizations that rule on corruption. The principal organization tasked with combating corruption by high-ranking government officials and politicians is the National Anti-Corruption Commission (NACC), which is officially an independent state agency. The effort to combat corruption, as investigated by the NACC, is a priority under the national strategy (2018 – 2037).

In 2022, the NACC established a Corruption Deterrence Center (CDC). Given the NACC's tendency to side with military or establishment groups, the continued presence of pro-military nominees on the NACC clearly contravenes conflict-of-interest rules. In February 2024, the NACC said its CDC had identified 1,553 corruption cases with project values totaling more than THB 140 billion for the period between January 19, 2022 and the end of January 2024. It contended that the CDC's preventive measures had significantly reduced the number of extant corruption cases. The NACC has also cautioned that the Pheu Thai government's digital wallet scheme could offer scope for corruption.

In August 2024, the NACC ordered an ethics investigation into 44 former legislators from the dissolved Move Forward Party (MFP) who had signed an agreement to amend Section 112 (*lèse-majesté* law). If the case were to be deemed to have merit, and the Supreme Court were to find the defendants guilty, the 44 would be banned from politics for life. In December 2024, the NACC resolved to investigate several government officials who were accused of allowing Thaksin Shinawatra to stay in a hospital instead of prison from 2023 to 2024.

The NACC also investigates corruption by bureaucrats. In 2023, it identified damages totaling nearly THB 100 billion against state officials for dereliction of duty and THB 2 billion for graft.

Finally, the Election Commission of Thailand investigates party and campaign financing issues (for example, whether parties have established inactive branches or registered fake members).

16 | Consensus-Building

Relevant actors favor a democracy led by the monarchy. However, there continues to be significant polarization over the character of the country's political transformation. This divide involves perceptions of democracy itself, with some viewing it as majoritarianism and others rejecting that view. Conservative Thais support a superficial form of democracy dominated by a powerful monarchy and managed by the military. More progressive Thais want an embedded democracy with strong political parties. These divisions have not disappeared and are reflected in Thailand's lower house and in civil society. A second related issue concerns billionaire Thaksin Shinawatra. Conservatives fear that his political influence will destroy the Thai kingdom. Thaksin's Pheu Thai Party formed a coalition government in 2023 and was

Anti-corruption policy

4

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Consensus on goals

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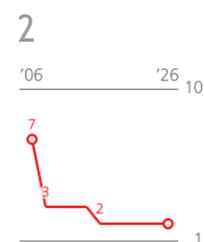
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still in office in 2024. However, Thaksin remains despised by conservative groups. A third issue pertains to the role of the military in Thai politics. After the end of the junta government (2014 – 2019), an increasing number of civilians grew wary of military rule. The subsequent coalition government led by General Prayuth Chan-ocha remained fractured, with each political faction pursuing competing goals. Beginning in mid-2020, regular large-scale demonstrations occurred, demanding Prime Minister Prayuth’s resignation. Since taking office in 2023, the Pheu Thai government has introduced legislation in the lower house that would formally weaken the military. But such legislation has never passed parliament, and could in any case be voided by another coup. A fourth issue concerns monarchical reform. As of the time of writing, the police, military and courts have temporarily suppressed the protests that emerged during the 2020 – 2022 period to demand reforms in this area. The Move Forward Party was dissolved in August 2024 because it demanded changes to the draconian lèse-majesté law. Fifth, there is a growing issue of instability, violence and crime along the Thai-Myanmar border. Myanmar is embroiled in civil war, while at times Thai security forces have turned refugees from Burma away. Finally, there is the issue of the seemingly endless insurgency in Thailand’s Deep South region. All six of these conflicts prevent Thailand from achieving consensus on the country’s appropriate path of political development.

Almost all leading political actors in parliament and civil society favor a market economy. Since Thaksin Shinawatra’s rise in 2001, there has been broad recognition of the need for social welfare policies. The return of a pro-Thaksin government in 2023 continued this trend, with the state favoring social welfare alongside a market economy. The Progressive Movement and Move Forward Party (reincarnated as the People’s Party in August 2024) have spearheaded a drive for greater transparency in the national budget. Critics of the monarchy (for example, young protest leaders Anon Nampa and Parit Chiwarak) publicly object to the generous public budget allocated to royal institutions.

As the review period closed in early 2025, Thailand appeared to be an electoral regime in which anti-democratic actors continued to hold most power. This perpetuated a long historical pattern in which the monarchy, the king’s Privy Council, the Royal Household, the military (and other security-related bureaucrats) and private sector interests opposed to democratic reform have held sway over the country. The government from 2019 to 2023 was a facade democracy; the Senate had been appointed by the junta, the ruling Palang Pracharat Party had been created by the junta, the election commissioners and heads of other “independent” monitoring agencies such as the Constitutional Court had been chosen by the junta, and the prime minister was the former junta leader. A new Senate was appointed in 2024, but its members were not democratically elected by the people. Even when they have been in office, elected civilians have had no genuine control over the monarchy or the military. The monarchy possesses complete formal and informal political power over all other political institutions. Besides being required to endorse almost all acts of

Anti-democratic actors



parliament, the monarch can also veto all laws, pardon offenders, dissolve parliament and enact emergency decrees. The king's political involvement generally occurs behind the scenes. The king's Privy Council and Royal Household also sit outside the control of democratic forces. The Privy Council chair and Royal Household chamberlains hold significant influence within the armed forces. The military's power was most recently illustrated in its coups of 2006 and 2014. Regarding anti-democratic private sector interests, the monarchy's Crown Property Bureau (CPB) is the majority shareholder in Siam Cement and other companies. It has never been audited. To ensure their own continued profits, leading non-royal private business interests all support the continued domination of Thailand by the monarchy and military.

In Thailand's Deep South, Malay-Muslim insurgents are not democratic actors; they use violence in their struggle against the Thai military, which in turn has employed brutal counterinsurgency tactics. The 2017 constitution retains supreme power for the monarch, who is aided by the military.

Thailand continues to face three specific political cleavages. The first is a deep cleavage based on geography and class; the second is a growing ideological cleavage; and the third pertains to ethnicity and religion.

The first is the cleavage between impoverished rural people in Thailand's populous north and northeast and the largely urban middle-class people, centered predominantly in the capital, Bangkok. The military, monarchy and metropolitan businesses are aligned with the latter population. This cleavage has revolved around support for or opposition to Thaksin Shinawatra, who, as prime minister, implemented several pro-poor policies that specifically appealed to the rural poor. The return of Thaksin's Pheu Thai Party to office in 2023 (following its second-place finish in the 2023 election) and its attempt to build a coalition with conservative parties represented efforts to overcome that cleavage.

A second cleavage is between support for more democracy on the one hand, and efforts to prop up a powerful king and monarchy on the other. The 2023 election saw electoral success for the Move Forward Party, which was a progressive, urban-based party, although it appealed to many Thais even outside the urban areas. It shared the views of youth-led protest groups that arose in 2020, which sought greater democracy and monarchical reforms, and was the successor to the Future Forward Party, which the judiciary dissolved in 2020. The judiciary then dissolved Move Forward in 2024, and it was again recreated as the People's Party.

Regarding the third cleavage (ethnic and religious), a long-simmering Malay-Muslim insurgency against Thai rule in three Deep South provinces has endured. The post-2023 Pheu Thai Party governments (first under Srettha Thavisin and then under Paetongtarn Shinawatra) continued to negotiate with insurgents while also using force. In 2025, incidents of violence in the conflict zone persisted.

Cleavage /
conflict
management

2

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The political leadership consults only with civil society groups that agree with its views. Civil society voices critical of the monarchy and military have consistently faced legal and informal persecution. The arch-royalist Constitutional Court eventually dissolved the progressive Future Forward Party in 2020. In July 2020, large, predominantly youth-led civil society demonstrations began occurring regularly in Thailand's urban centers. They demanded military and monarchical reform. The government responded to the demonstrations by using rubber bullets and water cannons, imprisoning protest leaders, and intimidating protesters' families. Following the 2023 election, won by the progressive Move Forward Party, its candidate was prevented by the appointed, arch-royalist Senate (which, before June 2024, was authorized to help the lower house select prime ministers) from becoming prime minister. In August 2024, Move Forward was dissolved by the judiciary, but it reformed days later as the People's Party.

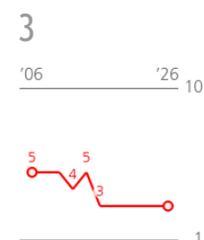
Although the state made few attempts to connect with civil society groups during the COVID-19 pandemic, civil society actors have become more important since the return to electoral governance in post-2023 Thailand. The civil society actors that matter are primarily connected to the royalty, though some are linked to the Pheu Thai Party, while others are connected to the progressive People's Party. There are also a few conservative groups in society. One that gained attention in late 2024 was that of Sonthi Limthongkul, the former head of the People's Alliance for Democracy, also known as the "Yellow Shirts."

Reconciliation remains challenging in Thailand. During the review period, the state continued to use a two-pronged policy against Malay-Muslim insurgents in Thailand's Deep South region, deploying military forces while also engaging in negotiations. Although the state has pursued dialogue with the chief insurgent group, the National Revolutionary Front (BRN), killings and related incidents in the region have continued, even as the number of incidents has fallen since 2011. The state also continued to spend money to improve the lives of those living in the Deep South.

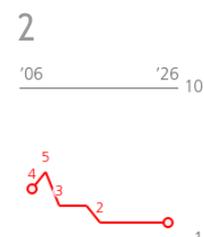
Meanwhile, the 2014 forced disappearance of Karen environmental activist Porlajee "Billy" Rakchongcharoen (blamed on state officials) and the killing of Lahu activist Chaiyaphum Pasae by the army remain unresolved, with justice seemingly elusive. In 2024, Aung Ko Ko was allegedly tortured and killed by Thai soldiers along the Thai-Myanmar border. There have been no investigations.

Against the backdrop of historical ethnic, religious and class injustices, Thailand's political leadership has sought to construct an ideology of obedience to the monarch as a means of ensuring loyalty to the state. Within the political elite, divisions persist regarding former prime ministers Thaksin and Yingluck Shinawatra. In parliament in 2023, bitter divisions between anti-Thaksin conservative parties and the pro-Thaksin Pheu Thai Party were put on hold as these parties formed a coalition to govern together. Meanwhile, there has been growing antagonism between the progressive Move Forward Party (which was dissolved and reformed as the People's Party in

Public consultation



Reconciliation



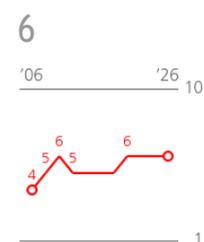
2024) and most other parties, which are more conservative. Youth-led organizations that demonstrated in favor of military and monarchical reform during the period from 2020 to 2022 had largely been suppressed by 2022. There is little, if any, effort to engage in reconciliation between these groups and the state, though these groups have supported the People's Party in parliament. A final area where reconciliation needs improvement is between the Thai government, led by the Pheu Thai Party, and nationalists who allege that this government is giving away areas of Thai sovereignty to Cambodia (half of Koh Kut island).

17 | International Cooperation

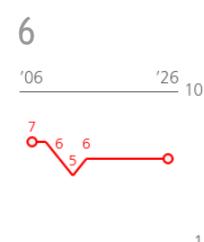
Since the dissipation of the COVID-19 pandemic in 2023, Thailand's political leaders have secured economic support from international partners to develop megaprojects aligned with the country's development strategies. As of early 2025, China and Japan were Thailand's largest foreign donors, investors and trading partners. China and Japan have each entered into multiyear contracts to build high-speed rail projects in Thailand. In China's case, Thailand must pay most of the rail construction costs, although Bangkok can borrow money from Beijing to do so. Both China and Japan have initiated projects in Thailand's Eastern Economic Corridor. In 2025, the Japan-dominated Asian Development Bank launched several projects, including projects to strengthen financial transparency in specific financial institutions and advance national financial literacy; implement flood management; and pilot public-private cooperation in the social sector. Meanwhile, China's Lancang-Mekong Cooperation Special Fund supported more than five business projects in Thailand in 2022. Over the last few years, Thailand has also received financial support from the World Bank for a variety of projects. Thailand's further democratization with the general election of 2023 returned the country to elected governance. This increased foreign donors' willingness to provide aid and invest in Thailand. Both the 13th National Economic and Social Development Plan (2022 – 2026) and the 20-year national strategy (2018 – 2037) encourage long-term foreign cooperation with the aim of pursuing various projects and improving Thailand's development policy framework. The United States, China and Japan have provided Thailand with financial assistance to develop the Thai economy, bolster Thailand's military and confront other development challenges.

Thailand's government has been a credible and reliable partner for foreign investors, upholding agreements and treaties while cooperating with most international organizations. In addition, the post-2023 Pheu Thai-led civilian government has eagerly supported the 2023 Thaksin-enacted Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) with Myanmar, Laos, Cambodia and Vietnam. In September 2024, Thailand hosted the Sixth Summit of the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC). During the review period, Thailand continued to be a credible partner for other states

Effective use of support



Credibility



of the Association of Southeast Asian Nations (ASEAN) in trying to broker a cessation of hostilities in Myanmar. However, the government has experienced three major problems with international credibility in recent years.

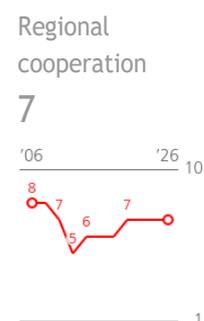
The first involves human rights. Although Thailand has to date ratified seven of nine core international human rights treaties, it has failed to meet acceptable human rights standards (for example, by jailing violators of the *lèse-majesté* law), damaging the country's credibility given the treaties it has signed. Human rights violations were on full public display in 2024 when Netiporn Saneesankhom, a youth arrested on charges of defaming the monarchy (*lèse-majesté*), died in detention after a prolonged hunger strike. Meanwhile, lawyer Anon Nampa, also charged under the same law, was sentenced to 16 years in prison (with more charges pending). It is thus almost preposterous that Thailand was elected to the United Nations Human Rights Council (UNHRC) on October 9, 2024, for a three-year term beginning in January 2025.

Second, regarding democracy, a military junta held power after the 2014 military coup until 2019, despite United Nations calls for an immediate restoration of the electoral process in line with internationally accepted democratic principles. Since 2019, the military and the monarchy have overshadowed weak electoral rule.

Third, Thailand's international credibility has been harmed by global perceptions that the Thai government is opaque and corrupt, has a shadow economy, and lacks accountability at a time when the Thai economy is weak. In late 2024, a Thai cabinet minister said that persistent corruption is harming Thailand's international credibility, especially given that Thailand's Corruption Perceptions Index score has stagnated at 35 or 36 out of 100, underscoring the need for significant reforms.

Thailand is a member of 14 FTAs and several regional organizations, including the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), the ASEAN Regional Forum (ARF), the Greater Mekong Subregion (GMS), the Lancang-Mekong Cooperation (LMC), and the Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMSTEC). It leads the Ayeyawady-Chao Phraya Mekong Economic Cooperation Strategy (ACMECS) and is a member of the China-led Regional Comprehensive Economic Partnership (RCEP) as well as the U.S.-led Indo-Pacific Economic Framework for Prosperity (IPEF).

Thailand's bilateral relations with its neighbors are currently stable, but there remains potential for conflict. One reason for this is that Thailand's borders with Laos, Cambodia and Myanmar are only partially demarcated and remain disputed. The insurgency in the south, along the Thai-Malaysian border, has also been repeatedly accompanied by disputes between the two governments. ACMECS is a Thai-led economic strategy to develop projects in neighboring Laos, Cambodia, Myanmar and Vietnam.



Within ASEAN, Thailand has been a major backer of the ASEAN Outlook on the Indo-Pacific, which seeks to encompass China and the United States, thus maintaining ASEAN centrality. Thailand has also been at the forefront of ASEAN's "Five Point Consensus" to seek peace in Myanmar, though it has not achieved success in this goal. In 2024, PTTEP, Thailand's main gas company, announced that its stake in Myanmar's Yadana gas fields had increased to 62.96%. Furthermore, Thai border and cross-border trade rose by 6.18% in the first 10 months of 2024 to reach THB 1.51 trillion. At the beginning of 2025, the most prominent investors in Thailand's Eastern Economic Corridor remained Japan and China.

Strategic Outlook

As the review period closed, Thailand was confronting a series of challenges that are both political and economic.

Politically, the 2017 constitution places limits on democracy, and amending the charter is difficult. Although Thailand's army is formally under the control of the elected civilian prime minister, it in practice answers only to the king or acts on its own whims. The king wields unchecked authority throughout the nation and has centralized his control over military and police units, even establishing a Royal Security Command that serves as an alternative army directly under palace jurisdiction. The state's repressive policies against pro-democracy demonstrators appear to have been temporarily successful. Though limited elected civilian rule could continue, increased pluralism seems unlikely despite the aspirations of protesters and progressive members of the lower house. More likely, Thai politics will continue to be dominated by an asymmetrical partnership between the monarchy and the military, with the latter subordinate.

Economically, Thailand's government is beset by the task of rejuvenating the economy amid the continuing aftermath of the COVID-19 pandemic, the 2024 mass floods and persistent economic sluggishness, while attempting to offer poorer Thais new forms of welfare assistance. The government should implement sturdier fiscal policies to raise wages, provide housing discounts, and further strengthen small and medium-sized enterprises. It should also engage in tighter monetary policies to stabilize the Thai baht, reinforce market equilibrium and foster improved banking transactions. The government and the central bank need to end their disputes and work more closely together.

The ongoing influx of Burmese refugees fleeing Myanmar's 2021 military coup and subsequent military-led actions has heightened economic, security and medical concerns along the Thai-Myanmar border and beyond. The Thai government needs to work more closely with NGOs and international organizations (rather than relying on the army) to address these refugees' problems.

In 2025, two influential figures dominated Thailand. First and foremost is the king. Second, Thaksin Shinawatra exercised informal control over the Pheu Thai-led government. Should Thaksin's daughter, Prime Minister Paetongtarn Shinawatra, be forced from office by a judicial decision, Bhumjaithai Party leader Anutin Charnvirakul (who is close to politician Newin Chidchob, senior army officials and the king) would likely become prime minister. If Thaksin Shinawatra appears to go too far in seeking power, the palace-influenced Constitutional Court could convict him of *lèse-majesté*, forcing him into exile. A military coup currently looks possible only if, in the future, the progressive People's Party wins a landslide general election or mass protests return.

Finally, Thailand's Deep South region continues to be affected by insurgency, characterized by persistent violent incidents. Effectively addressing the insurgency will require reducing the military's coercive role in the region and pursuing sincere negotiations that foster trust among all stakeholders.