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Thailand's Hectic Politics: From Srettha Thavisin's Dismissal to Paetongtarn Shinawatra's Prime Ministerial Bid

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There seems to be never a dull moment in Thai-style democracy. The world has witnessed two historic events within the nation in the course of a single week: the dissolution of the Move Forward Party¹ (and its succeeding reincarnation, the People's Party) and the dismissal of former Prime Minister Srettha Thavisin² from the office, whose administration lasted just short of a year. These events are not political accidents but rather the predictable outcomes of distinctive characteristics of Thailand's political system. There are three immediate implications following this event: first, the seemingly unchecked power of the Constitutional Court to meddle with democratic processes; second, the urgency to elect the 31st Prime Minister and the subsequent formation of a new cabinet among the members of parliaments in the lower house; and third, the possible unwanted consequences on the country's economy.

Thailand's deeply ingrained power structures and institutional design directly cause the country's ongoing political unrest. The military, courts, and bureaucracy are examples of the traditional power institutions that coexist in a delicate balance with elected leaders in Thailand's political system. This structure ensures that political movements and elected governments perceived as

¹ Jintamas Saksornchai. "Thai Court Dissolves Progressive Move Forward Party, Which Won Election but Was Blocked from Power." AP News, August 7, 2024. <u>https://apnews.com/article/thailand-move-forward-constitutional-court-dissolution-e50be1a85aa69f0e3baf4eb0c1bb2ed2</u>.

² Patpicha Tanakasempipat and Suttinee Yuvejwattana, "Thai Prime Minister Srettha Thavisin Ousted by Constitutional Court over Ethics Violation," TIME, August 14, 2024, <u>https://time.com/7010847/thailand-srettha-thavisin-prime-minister-removed-constitutional-court-ethics-violation/</u>.

threats to the Establishment can be contained or removed through ostensibly legal means. As a result, the cycle of elected governments being ousted by judicial decisions or military coups is not an aberration but a predictable and recurring feature of Thailand's political landscape.

The Constitutional Court's verdict to dismiss Srettha, citing ethical breaches in his cabinet appointments, has raised concerns about the court's expanding role in shaping Thailand's political future. This move underscores the court's seemingly unchecked power to interfere with the country's democratic processes, often in ways that appear to favor conservative elements within Thai society.

The court's ability to remove elected officials based on arguably subjective interpretations of ethical standards poses questions about the balance of power in Thailand's political system. The situation highlights the urgent need for constitutional reform in Thailand. As pointed out by some politicians, including Parit Wacharasindhu of the People's Party, there is a growing call for a review of the roles and powers of the Constitutional Court and other independent bodies.³ The goal would be to ensure that these institutions are subject to democratic accountability and that their powers are appropriately balanced against those of elected officials.

The ruling Pheu Thai Party, which has the most elected MPs in the present coalition, is in a hurry to name a new prime ministerial candidate in the wake of Srettha's dismissal. According to media reports, the party was initially torn between two options: Paetongtarn Shinawatra, the 37-year-old daughter of former Prime Minister Thaksin Shinawatra, and Chaikasem Nitisiri, a 75-year-old party veteran and former Justice Minister. After the meeting concluded, the Pheu Thai Party and its coalition partners made a decisive move by nominating Paetongtarn Shinawatra as their candidate for the role of Thailand's 31st prime minister.⁴

This decision, made by the government coalition, followed an earlier vote by Pheu Thai MPs⁵ that favored Paetongtarn, while the more senior party member, Chaikasem Nitisiri, was reportedly favored by Thaksin, former PM, and the coalition partners.⁶ As the House prepares to vote on Friday, Paetongtarn's nomination sets the stage for what could be a historic moment in Thailand's political landscape, potentially ushering in the country's youngest prime minister and the third member of the Shinawatra family to hold the position. This development adds another layer of intrigue to an already complex political situation as the nation watches to see how the opposition and other power brokers will respond to this bold move by Pheu Thai's coalition government.

³ Thai Enquirer, "X.com," (formerly Twitter), August 14, 2024, https://x.com/ThaiEnquirer/status/1823684684628549735

 <u>https://x.com/TnaiEnquirer/status/1823684684628549735</u>
⁴ Saksith Saiyasombut, "X.com," (formerly Twitter), August 15, 2024,

https://x.com/SaksithCNA/status/1824029184584475008.

⁵ Nation Thailand, "Pheu Thai Nominates Thaksin's Daughter as Its PM Candidate," Nation Thailand, August 15, 2024, <u>https://www.nationthailand.com/news/politics/40040605</u>.

⁶ Saksith Saiyasombut, "X.com," (formerly Twitter), August 15, 2024, https://x.com/SaksithCNA/status/1823961207776464966.

While the spotlight is currently on Pheu Thai's nominee, Paetongtarn Shinawatra, it would be premature to discount other candidates from the coalition, particularly Anutin Charnvirakul of the Bhumjaithai Party. Despite Pheu Thai's assertion of their right to the first nomination as the largest party in the coalition, the political landscape in Thailand is notoriously unpredictable. Anutin, with his strong conservative stance on protecting the lese-majeste law⁷, could emerge as a dark horse candidate who appeals to traditional power structures. His political influence should not be underestimated, even as he publicly backs Pheu Thai's nomination. In Thai politics, where allegiances can shift rapidly and unexpectedly, Anutin's position as a potential compromise candidate cannot be ignored if Paetongtarn fails to get enough votes as a candidate.

It's important to note a significant change in the upcoming prime ministerial selection process. Unlike the previous scenario faced by the Move Forward Party, the new senators in the upper house will no longer participate in choosing the prime minister.⁸ This change stems from the expiration of a transitional provision in the 2017 Constitution, drafted under military rule. Previously, this constitution required the prime minister to be approved by a joint vote of both the elected House of Representatives and the Senate, whose members were appointed by the military regime. This arrangement allowed senators to effectively block candidates they opposed, as seen in the case of the Move Forward Party. However, with this transitional period now over, the power to select the prime minister rests solely with the elected members of the lower house. The new senators' role will be limited to approving legislation passed by the House. Therefore, the Prime Minister candidate from the Pheu Thai Party would require 247 out of 493 votes to secure their premiership, with the current coalition parties possessing 314 votes.⁹

The sudden dismissal of Prime Minister Srettha Thavisin has also cast a shadow of uncertainty over Thailand's economic landscape. It could cause a cascade of negative effects that extend far beyond the immediate political turmoil. The prospect of prolonged coalition negotiations could create a power vacuum, stalling crucial decision-making processes and eroding investor confidence. This political instability will likely give foreign investors pause, potentially freezing new investments when Thailand desperately needs economic stimulation.¹⁰

⁷ Nation Thailand, "Bhumjaithai Will Support Pheu Thai's PM Nominee, but under Condition," Nation Thailand, August 15, 2024, <u>https://www.nationthailand.com/news/politics/40040597</u>.

⁸ Jintamas Saksornchai, "Thai Court Dissolves Progressive Move Forward Party, Which Won Election but Was Blocked from Power," AP News, August 7, 2024, <u>https://apnews.com/article/thailand-move-forward-constitutional-court-dissolution-e50be1a85aa69f0e3baf4eb0c1bb2ed2</u>.

⁹ Khaosod English, "X.com," (formerly Twitter), Khaosod English, August 15, 2024, <u>https://x.com/KhaosodEnglish/status/1824003756616507889</u>.

¹⁰ Patpicha Tanakasempipat and Suttinee Yuvejwattana, "Thai Prime Minister Srettha Thavisin Ousted by Constitutional Court over Ethics Violation," TIME, August 14, 2024, <u>https://time.com/7010847/thailand-srettha-thavisin-prime-minister-removed-constitutional-court-ethics-violation/</u>.

The situation is further compounded by the recent tensions between the government and the Bank of Thailand over monetary policy, which have unsettled markets.¹¹ These factors, combined with the potential delays in passing next year's budget, paint a worrying picture for fiscal policy and economic growth. The ongoing exodus of foreign capital from Thai stocks, with over \$3 billion withdrawn this year alone, underscores the market's unease.¹² As the SET Index continues to underperform globally, there's a risk of a self-reinforcing cycle of economic decline if swift political resolution and clear economic leadership are not achieved. The possibility of an interest rate cut in December, as suggested by some economists, indicates the perceived need for monetary stimulus to counteract these headwinds. There is also uncertainty as to whether the digital wallet scheme can proceed.¹³ All these factors underscore the urgent need for a stable government capable of navigating these complex economic challenges and restoring confidence in Thailand's economic trajectory.

Thailand is undoubtedly at a critical juncture, grappling with political upheaval, institutional challenges, and economic uncertainty. The recent events – from the dissolution of the Move Forward Party to the ousting of former Prime Minister Srettha Thavisin – demonstrate the fragility of Thailand's democratic processes and the unquestionable influence of traditional power structures. The need for comprehensive reform, addressing political structures and economic policies, has never been more apparent. The coming days and weeks will be crucial in determining whether Thailand can chart a course toward greater stability, democratic accountability, and economic resilience or will continue to be caught in political turmoil and economic uncertainty cycles.

¹¹ Thomas Kutty Abraham and Suttinee Yuvejwattana, "Inside the Battle between Thailand's Central Bank and Government," *Bloomberg*, June 30, 2024, <u>https://www.bloomberg.com/news/articles/2024-06-30/tensions-grow-between-thailand-central-bank-and-government-on-growth-inflation?embedded-checkout=true</u>. ¹² Ibid.

¹³ Nation Thailand, "Thaksin Tells Pheu Thai to Abandon Digital Wallet Scheme: Sources," Nation Thailand, August 15, 2024, <u>https://www.nationthailand.com/news/politics/40040599</u>.

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