SCHOOL OF
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Master's Programme in Economic Growth, Population and Development

"Thailand's Positive Transformation amidst Failed Political Consolidation"

- The historical struggle for democracy and its impact on economic development since 1970 -

by

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By utilising a narrative analysis, this qualitative study takes a historical perspective on the impact of political unrest and political violence on Thailand's economic development from 1970 to 2020. The study identifies the key state actors in Thailand's political sphere as well as their relation to each other. Furthermore, the study classifies five 'eras' in the reviewed period, and identifies distinct characteristics and development outcomes for each era based on the literature. Then, the study includes the results of a comparative analysis between the time periods and a variety of economic indicators to qualitatively review the impact of political instability. The study finds that Thailand was more sensitive to political unrest and violent incidents in the 1970s-1990s. However, with globalisation and the necessity to navigate the country out of several financial crises, Thailand re-structured its economy and consequently became less sensitive to internal conflicts that could halt economic activities from the 2000s and onward. In addition, the study finds that as long as the traditional elite maintains political- and economic power, Thailand's institutions will continue to be extractive and halt not only economic development but also improved living standards for Thais. The study concludes that political unrest and –violence is unlikely impacting Thailand's economic development in the short run, but that political instability over the long-term is unsustainable for Thailand's future.

[Thailand] [democracy] [economic development] [violence] [politics] [authoritarianism]

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[To my mother] ขอบคุณที่แม่ให้ชีวิตที่ดีจนหนูไม่คาดฝันว่าจะมี ทุกอย่างที่แม่เคยอยากทำ ทุกอยากที่แม่เคยอยากมี ตอนนี้หนูมีทุกอย่าง ขอบคุณที่แม่ทำให้มันเกิดขึ้นทำให้หนูเป็นคนที่โชคดี.

- June

Table of content

Figure 1. Political/governance regions of Thailand. Source: Martin & Ritchie (2020)

1 Introduction

"Thailand is different from other countries.
If something cannot be solved, the military will solve it."

- Prime Minister and former General Prayuth Chan-Ocha (Bangkok Post, 2015).

For decades, scholars have argued that "good" institutions are a necessity for long-term sustainable growth (North, 1991; Acemoglu & Robinson, 2012). Such institutions can be made possible by political centralization so as to establish law and order, a foundation of secure property rights, and an inclusive market economy (Acemoglu & Robinson, 2012). Thus, in order to achieve such growth and create the best possibilities for long-term development, many developing countries embark on a democratisation journey. However, looking at history, democracy comes at high costs such as violence, political instability and social unrest (Gerring, Thacker & Strom, 2012; Acemoglu, Naidu, Restrepo, Robinson, 2019). As such, challenges and impeding factors faced by developing democracies have been a growing field of interest in the scholarly world (Barsh, 1992; Gerring, et al., 2005; Gerring, et al., 2012; Benhabib, et al., 2013; Lipset, 1959). However, the link between democratisation and economic development in terms of a nation's economic performance have not been studied as widely, and there is, therefore, a gap in this area that could benefit, specifically, from case studies.

One such is this thesis which wishes to investigate Thailand. Thailand has experienced a significant economic growth over the past 50 years. Actually, Thailand had the fastest growing economy in the world between 1986 and 1990 (Warr and Bhanupong 1996), and was deemed one of the East Asian miracle economies by The World Bank (The World Bank, 1993). This still echoes into present day as Thailand is regarded as Southeast Asia's second largest economy (The World Bank, 2021). Yet, despite that the country has seen structural transformation, where productivity and labour move from agriculture to industry and then to service sector (Lewis, 1954), Thailand is seeing a stagnation in its structural transformation. As structural transformation has been the paradigm that economists have been using to explain economic development paths of countries (Andersson & Axelsson, 2016), it is interesting to gain insights into the causes that halts Thailand's economic development.

As the country navigates modern challenges and wishes to take a more active role in the global political arena, Thailand, like so many of its neighbours, is on a democratisation journey. However, despite its implementation of a range of democratic institutions such as constitutions, political parties and elections, Thailand is still not there (Chambers & Waitoolkiat, 2020). The nation has continuously experienced multiple military interventions and coup d'états, political

mudslinging, waves of violence, the authority of the monarchy, a reoccurrence of street protests, and repeated civilian uprisings in its journey of democratisation (AFP, 2019; Chambers & Waitoolkiat, 2020; Chaisukkosol, 2012). As a result, Thailand has had over thirty military coups or coup attempts since it became a constitutional monarchy in 1932, and have only had 25 years of intermittent, elected civilian rule (Tamada, 2019). Yet, it wasn't until the 1970s that Thailand began experiencing higher occurrences of political unrest, including several violent incidents (Keyes, 1989). Therefore, this is the starting point of this study. At the time, the unrest began with dissatisfaction with the elite bureaucracy and a demand for including the constitution as an element in Thai nationalism (Keyes, 1989). Since then, dissatisfaction with elite military rule, coercive violence and human rights violations from state actors as well as the monarchical system make up the main reasons for continued violence today present day (Kongkirati & Kanchoochat, 2018).

With Thailand's latest policy strategy named "Looking to the Future," the Thai government wish to promote social well-being by reducing social disparity and income inequality (Thailand Now, 2022). At the same time, the nation wishes to deepen and broaden its relations and cooperation with all countries within the bilateral, regional, and multilateral frameworks (The Royal Thai embassy, 2022). Thus, while aspiring to participate in the global community, Thailand is battling its societal foundation at home. With its military governance and its monarchical system, the country seems to be a remnant from the past; military-led governments have basically disappeared and are deemed unacceptable in regions, including Asia, all over the world (Chaisukkosol, 2012). Thus, could this be a reason for Thailand's transformation stagnation?

As structural transformation is a proxy for a nation's economic development, the overarching problematisation is the relationship between political unrest and -violence during the democratisation process and economic development. If the two are related, it could be assumed that Thailand's insistence on traditional values come with a high price. By taking a historical perspective on Thai political history, this study can contribute with contextualization of political challenges and economic consequences of the democratisation process.

Based on the above, this thesis will answer the following research question:

"How has political unrest and -violence impacted Thailand's economic development from 1970-2020?"

In order to structure my analysis, I am following these three sub-questions:

1. What has the process of elections, coups and demonstrations looked like in the past 50 years in Thailand?
2. Where can this process be seen in the economic performance?
3. Which understanding of the relationship between political violence and the democratization process in Thailand can be forwarded to policy makers?

1.1 Purpose of the study

With this research, I wish to understand if there has been an impact of political unrest and political violence on Thailand's economic development over the past 50 years, from 1970-2020. The main purpose of the study is to contribute with contextualization of the political and societal challenges and economic consequences that may arise in a specific case of a democratisation process in order to support policy makers and governmental institutions to make the best decisions for developing economies. As most case studies about the democracy in Thailand has dealt with the social- and political consequences of violence during democratisation, this study also hopes to add an economic dimension, specifically an economic development perspective, to the body of academic research.

1.2 Structure of the Thesis

This paper is divided into seven chapters. The first chapter has presented the reader with an introduction to the topic of the thesis, the problematisation of the Thai case as well as the research question the study aims to answer. The second chapter provides background knowledge about Thailand and contextualises the backdrop of the study. The chapter introduces an overview of the key state actors in the Thai political arena, a short summary of Thailand's structural transformation, and the baseline perception of Thailand's political stability. The third chapter introduces the theoretical framework summarizing the body of literature about democracy and violence in the democratisation process as well as specific studies on Thailand. It also presents the theory used for the analysis. Chapter four provides the methodology of this study and introduces the collected data, explains the method framework used for the analysis and informs on the limitations of this study. Chapter five presents the most important findings from the comparative analysis, chapter six discusses the results and provide ideas for future research, and chapter seven concludes.

2 Background: Defining Thailand

Up until 1949, Thailand was named Siam (The Royal Thai Embassy, 2021). However, as part of a modernisation and nationalistic ideology, the then prime minister decided to change the name to The Kingdom of Thailand, commonly known as Thailand (Keyes, 1989 (Sombatpoonsiri, 2020). Thailand is located in mainland Southeast Asia with Myanmar, Laos, Vietnam and Cambodia neighbouring its borders. The country's geographical area is 513,120 km^2 (Our World in Data, 2022), covering the country's five regions (see figure 1).

Since the 1970s, Thailand's population has grown from 7 million to 44.8 million in 1980, to 69.9 million in 2020 (The World Bank, 2021). The population growth has been skewed towards the urban areas and, especially, the capital Bangkok. For example, Bangkok is more than 30 times larger than the next largest city in Thailand, Chiang Mai (Sulistiyanto, 2002). Despite the vast size of the city, Bangkok cannot handle the population growth without geographical consequences. Due to the massive population concentration, Bangkok is sinking a little every year (Ganjanakhundee, 2021). This causes the city to flood more severely than other cities in the country (Keyes, 1989). Evidently, the flooding not only creates infrastructural challenges, but also tension in the population. The disparity between Bangkok's challenges and those in the rest of the country only increases over time and is causing political divergence (Ganjanakhundee, 2021).

Historically, Thailand is the only country in the Southeast Asian region which has never been colonised (Sulistiyanto, 2002). Instead, Thailand has allied with Western nations in times of conflict such as Great Britain during the colonial period (18^{th} and 19^{th} century), Japan (and Germany) during World War II, and the USA during the Vietnam War (Keyes, 1989). Trade relations, especially with the British, have had a massive influence on Thailand's modernisation process and development (Sulistiyanto, 2002). In 1855, King Mongkut signed a trade agreement, the Bowring treaty, with the British Imperial government. With the Bowring treaty, economic activity expanded as it helped Thailand export many of its primary products such as rice, sugar, rubber, teak and tin (Sulistiyanto, 2002).

At this point in time, Thailand was ruled by an absolute monarchy in which political power solely rested in the royal families and the elites (Sulistiyanto, 2002). With the expansion of economic activities, the influx of foreign traders from Europe and China increased, and consequently, a small group of the royal family, Europeans and Chinese came to dominate the economy (Sulistiyanto, 2002; Keyes, 1989). The rising economic power of this group contributed to the decline of the ordinary Thai's business activities, which caused a disappointment among educated Thai people, and also an emergence of a strong nationalist sentiment (Sulistiyanto, 2002).

2.1 A unified nation: Thailand's nationalism

The Thai nationalist sentiment has been a growing project for decades. Prior to 1949, when Thailand changed its name, the individual ethnic groups living within Siam's borders were acknowledged with each of their ethnic languages, their various cultural traditions and branches of religion, albeit the majority were Buddhist (Keyes, 1989). However, as a response to the increasing communist influence from China, the growing number of affluent Chinese businesses in the country and the rise of globalisation, the Thai government wanted to emphasize Thailand as a unique and modern state, ready to enter the global order as a united entity (Keyes, 1989). Accordingly, the government strongly promoted a unification of the people under one ethnic term; "Thai" (Keyes, 1989, p. 203). The construction of a Thai nationalistic census has since been led by many political actions such as exercising control over the Buddhist order to promote just one branch of Buddhism, (Keyes, 1989), creating the state-wide system of mass education with colloquial Thai as the only language allowed (Hicken, 2004), manipulating the mass media and control content (Sombatpoonsiri, 2020), and creating public holidays that celebrate the Thai nation's existence (Keyes, 1989).

In the process of uniting the country, many has failed at the attempt of becoming the nation's leader. Often the elite rulers were centralized in Bangkok and, thus, not in touch with the greater population and the rural citizens in particular (Keyes, 1989; Sombatpoonsiri, 2020). The divide still exists today and highlights yet another disparity between the capital and the rest of the country. Nevertheless, when the king became involved in promoting the nationalistic census under the ideology "nation, religion and the king", the Thai people converged in a way that had never been seen before (Keyes, 1989). This began in the 1960s, when then King, Bhumipol Adulyadej, visited the rural population and the outskirt villages as the first monarch to ever do so (Keyes, 1989). This happening is noteworthy to Thai political history, as it signifies the role of the monarchy in unifying the country under a nationalistic discourse (Winichakul, 2014). Today, an existing nationalist logic states that a Thai must naturally be a royalist, and, therefore, a non-royalist cannot be a Thai (Winichakul, 2014, p. 80).

2.2 The Thai state

Today, Thailand is a parliamentary democracy with a constitutional monarchy (The Royal Thai Embassy, 2021). The legitimate power of the state is based on the king who is considered the *head of state*. Yet, the Thai monarch might reign, but he does not *rule*. He conducts his role in accordance with the country's constitution and remains above partisan politics (The Royal Thai Embassy, 2021). Instead, most power of the state is exercised by the prime minister, who is the *head of government,* and the Council of Ministers (parliament) (The Royal Thai Embassy, 2021). The administration of the state is carried out by members of the civilian and military

bureaucracies who is collectively known as the officials or "servants of the crown" [*kharatchakan*] (Kanchoochat, Aiyara & Ngamarunchot, 2021) (see figure 2).

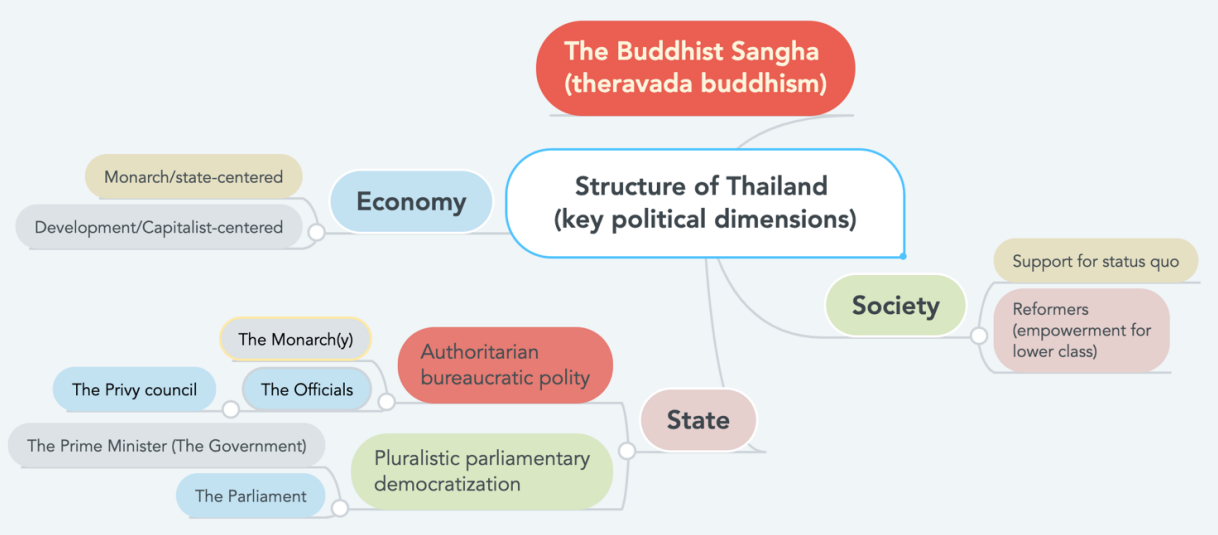

Figure 2. Structure of the Thai state by its key political dimensions and their main political actors. Source: Author's own compilation.

Since 1970, Thailand has had many prime ministers, both elected democratically and appointed by the king or the privy council (AFP, 2019; ANFREL, 2011). Today, Thailand's prime minister (PM) is former general Prayut Chan-ocha who was appointed to the position by the king after a military coup d'état in 2014, but who was also elected as PM in 2019 (Sripokangkul, Crumpton & Draper, 2022). Today, Thailand's monarch is King Maha Vajiralongkorn Bodindradebayavarangkun, also known as Rama X. He inherited the throne after his father's, Rama IX's, death in 2016 (Selway, 2022). Rama IX, also known as King Bhumipol Adulyadej, reigned in Thailand for seven decades, from 1946-2016 (Selway, 2022).

Within the structure of the Thai state, the military also plays a significant role; especially because they have monopoly on using (armed) force in the country (Chambers & Waitoolkiat, 2020). The military as an institution has been found to be driven by corporate, economic, and political interests (Ukrist, 2008, p. 136). However, the individual military official is found to be driven by a strive for personal power (Ukrist, 2008). This has been proven times over when both active and retired military officials lead the king's moves when he intrudes into politics (Chambers & Waitoolkiat, 2016, p. 428). Furthermore, the military has become a leading filer of lèse majesté[1] complaints. Such legal positioning has helped the military accrue legitimacy with the monarchy and obtain greater political rights within the state (Chambers & Waitoolkiat, 2020). The military's security mission is to "protect the monarchy" as stated in the Royal Decree (The Ministry of Defence, 2014). This notion has consequently made the Thai military

[1] [1] *Lèse-majéste is a french term that means "to do wrong to majesty" (Wikipedia, 2022). The lèse-majesté law as a part of Thailand's Criminal Code is intended to give protection to the reputations of the king and king heir. Those who defames, insults or threatens the monarchy can be punished with imprisonment from three to 15 years* (Reuters, 2020).

being described as a *monarchized military* (Chambers & Waitoolkiat, 2020). Evidently, the term reflects the extent to which the military depend on a discourse of royalism to maintain its power (Tamada, 2019).

Overall, the actors within the Thai state can be divided into two branches; the authoritarian bureaucratic polity with the monarchy and the military in a supporting symbiosis, and the pluralistic parliamentary democracy on the other (see figure 2). The parliamentary democracy strives to have a popularly elected prime minister and a democratically elected parliament to govern the nation.

2.3 Structural transformation

Looking at the Thai economy over the past 50 years, Thailand's major transformation has happened in specific periods, most significantly in the 1980s, early 1990s and 2010s (see figure 3). Structural transformation is the process of workers moving from low productivity to high productivity activities, and is regarded as an essential ingredient of inclusive growth (Lewis, 1954).

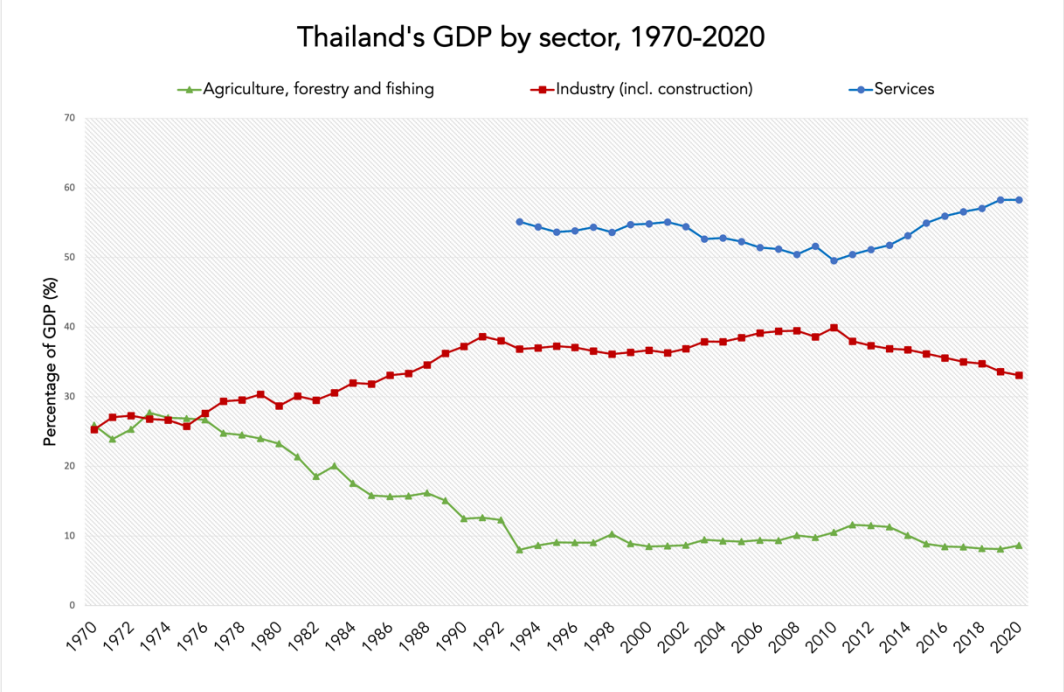

Figure 3. Thailand's GDP by sector, 1970-2020. Source: The World Bank (2020).

The 1980s especially saw a great economic transformation due to a rise in technological adoption and thereby a rise in productivity (The World Bank, 1993). This resulted in labour shifting to the non-agricultural sectors where, especially, manufacturing was promoted by the state (Keyes, 1989). The industrial sector has seen somewhat stable growth and comprises 30%

of GDP today (The World Bank, 2021). Yet, the industrial sector has only increased its share of GDP overall by 10% since the 1980s, and has even declined in the past decade. Thus, the contribution to GDP today is the same as in the 1990s. This could indicate that labour is stuck in the sector and that it needs to increase productivity to release labour to the service sector.

In addition, the agricultural sector hasn't decreased its share of GDP since the beginning of the 1990s (The World Bank, 2021). However, as Thailand historically is one of the world's few net food exporters, the sector continues to be a key source of export revenue. Thus, the steady 9% of contribution to GDP in the past 25 years (see figure 3) reveals that the sector might just have increased its productivity. The assumption of growing productivity in the agricultural sector can be substantiated by the increase of GDP contribution from the service sector, indicating that labour might have moved here. In 2020, services comprised almost 60% of GDP. Thus, since 1970, it is clear that labour has shifted from non-productive to productive activities and Thailand has seen some structural transformation.

2.4 Violence and political unrest in Thailand

Over the past 50 years, Thailand has experienced several military coups d'états, demonstrations and uprisings that have turned both violent and lethal (Keyes, 1989; Anderson, 1991; Chambers & Waitoolkiat, 2020). All of the coup d'états have differed greatly in how they have started and progressed, actors involved and what impact they have had on the country's political history. Some have been mainly internal to the military, generated by the ambitions and fears of groups and individuals within the military hierarchy and a few have altered the course of the country's political history (see Appendix A for an overview of elections, coups and protests).

A look at the World Bank's World Governance Indicator *Political Stability and Absence of Violence/Terrorism* provides an overview of Thailand's political stability over the past 25 years.

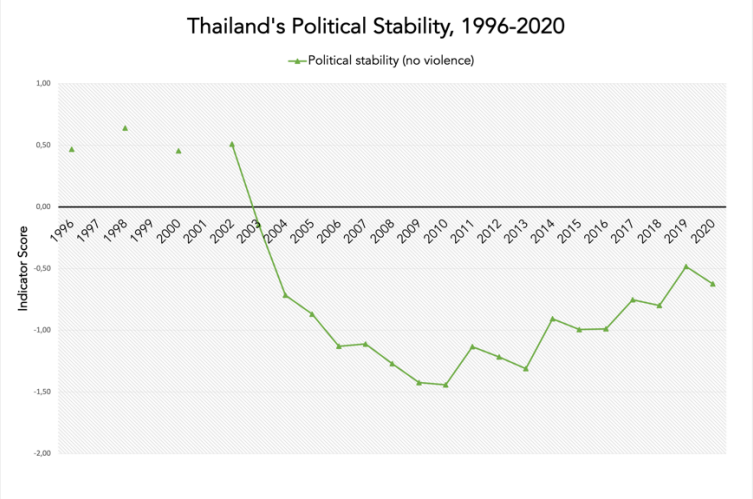

Figure 4. Thailand's Political Stability, 1996-2020.
Source: The World Bank (2020)

A standard definition of political instability is the propensity of a government collapse either because of conflicts or rampant competition between various political parties (Shirley, 2005) . The occurrence of a government change increases the likelihood of subsequent changes, thus causing political instability to be persistent (Kaufmann, Kraay, & Mastruzzi, 2010). Looking at the graph above (figure 2), it reveals that Thailand is performing very poorly in having a stable political environment.

Overall, the political unrest in Thailand is related to the population's criticism of the government (Surachart, 2020), questioning of the monarchy (Winichakul, 2014) and a general strive for becoming a parliamentary democracy without corruption (Sombatpoonsiri, 2020). This direct criticism and questioning of status quo cause violent clashes between state actors and various civil groups and brings forth a wide range of contentious issues such as matters related to the nation's future both economically, politically and socially and the future of the monarchy (Surachart, 2020). As incidents of violence has especially tainted electoral processes, the strive for democracy has so far followed an unruly path.

3 Theoretical Framework

3.1 Democratisation

In the scholarly body of work related to democracy, there has for a long time been a controversy over the question of whether democracy enhances economic growth, or if it is economic growth that affects democracy. Thus, scholars have set out to investigate the direction of the relationship and tried to identify which factors play a role in the result.

One of the research branches is that of the relationship between income per capita and democracy. Here, it is found that enhancing democracy is pro-poor as the development of a democracy will lead to higher social spending and this in turn will enhance the welfare of the poor (Acemoglu, Johnson, Robinson, & Yared, 2008; Fortunato, 2015). However, others argue that it is not only for the poor that democracy can improve life, but it can do so for everyone else too, and as such, democracy can enhance the living standards in a nation (Saha & Zhang, 2017).

A larger branch of democracy literature investigates democracy's effect on growth (Gerring, et al., 2005; Barsh, 1992). Here, it has not been found to have a direct significant effect on economic growth, but instead influencing indirect factors which then impact economic development. This outcome can be seen in the shape of accumulation of human capital (Saha & Zhang, 2017), increased schooling, lower income inequality and higher economic freedom (Barsh, 1992), stimulating economic reforms (Fortunato, 2015) and reducing social unrest (Acemoglu, Naidu, Restrepo, & Robinson, 2019). Furthermore, democratic elements, such as electoral competition, serves to ensure the efficiency of policies that serve to ensure equal access to public goods and services, and thereby, impacts a nation's economic development (Rodrik & Wacziarg, 2005).

Overall, the main claims about democratisation contests a positive effect as it has the capacity to create conditions for lasting peace and generate economic growth (Barsh, 1992; Rodrik & Wacziarg, 2005; Acemoglu, et al., 2019). Reversely, economic growth is said to have positive effect on democracy as well (Lipset, 1959). Lipset (1959) contest that economic development is actually a prerequisite for democracy which is an idea belonging to the classical theory of modernisation. The classical theory suggests that all societies, as they grow, are headed toward a more modern, developed, and civilized existence, and, as such, authoritarianism as a political regime is just a passing stage towards democracy, but only as long as the economy is growing (Lipset, 1959). This perspective is supported by evidence that violent turnover between autocrats, such as coups, revolutions and assassinations, represents one of the most common

precursors of democratization (Miller, 2012). Overall, this line of argument then indicates that as countries develop economically, in one way or another, for example by increasing inequality or lack of freedom, the things we redeem as "good" in society, such as democracy, human rights, civil liberties, and secure property rights, will always follow as long as there is economic growth (Lipset, 1959; Miller, 2012).

3.2 Critique on democratisation

Despite the many studies about the positive mutual effect between democracy and economic development, there are those that have found opposite evidence. Here, studies claim that there exists no positive correlation; neither between regime type and economic development (Benhabib, et al., 2013; Miller, 2012), nor between democracy and economic growth (Ross, 2006; Gerring, et al., 2005) or between regime type and various measure of human development (Ross, 2006). Yet, some scholars find evidence for it being the distinct characteristics in the democratisation process that makes the difference, for example, the nation's level of growth which can turn negative once a moderate amount of political freedom is attained (Barro, 1996).

This is supported in a more recent study which suggests that countries which are not fully democratic can show good economic performances. However, once they have achieved good economic results, the country rarely changes their institutions (Moral-Benito & Bartolucci, 2012). The real-world evidence for this is supported by the East Asian Miracle countries. Here, the most dramatic improvement in economic growth and human development have transpired under authoritarian rule (Gerring, et al., 2012).

3.3 Democratisation in Thailand

The key elements of Thailand's political struggle have been the military, monarchy, bureaucracy, a powerful capitalist class, a politically active middle class and repressed subaltern classes. As relatively stable elements in the political landscape, these groups have constantly tussled over conceptions of law, representation and political space, often in a context of wide-ranging debates about democracy, constitutions, elections and redistribution. Each of these institutions has been subject to considerable research, theorising and analysis (Maisrikrod, 2007; Khidhir, 2020; Surachart, 2020; Chambers & Waitoolkiat, 2020).

Since Thailand established a constitutional monarchy in 1932, scholars, journalists and others have labelled Thailand's politics and government in various ways. These include *Thai-style democracy* (Maisrikrod, 2007; Ivarsson & Isager, 2010), *military dominated* (Kongkirati & Kanchoochat, 2018), *flawed democracy* (Khidhir, 2020), *failed democracy* (Pithaya, 2020), *a hybrid regime* (Surachart, 2020) and latest *electoral authoritarianism* (Sripokangkul, et al.,

2022). The political turmoil that has characterised Thailand over the past seven years has given way to a flood of analysis that has sought to shine light on the main actors engaged in the conflict (Winichakul, 2014; Surachart, 2020; Sombatpoonsiri, 2020).

The power of the military has specifically been subject to investigation in a wide body of research on Thailand. Chambers & Waitoolkiat (2016) investigates the relationship between the military and the monarchy and their role in Thai politics. They uncover how military autonomy has been supported by the palace for the past few decades, as well as how the military over time, especially since the 1980s, has withdrawn from supporting the democratically elected government (Chambers & Waitoolkiat, 2020). The study concludes that the monarchy and military have monopolised the Thai political space (Chambers & Waitoolkiat, 2020, p. 430). It is also found that the military has re-exerted a position of political and governing supremacy to manipulate the state institutions that are related to democracy such as the constitution, design of the legislature and electoral processes (Sripokangkul, Crumpton, & Draper, 2022).

Other scholars have found that democratization in Thailand is frequently linked to greater human rights violations and large-scale violence (Kongkirati, 2013). This is confirmed by the 2008 Human Rights Watch report that documents the global phenomenon of election-related violence perpetrated in various forms, not only conducted by ruling parties but also by state officials, opposition parties and their affiliated organizations (Human Rights Watch, 2008). They find that the common goal of the exercised violence is to change, manipulate and/or distort the outcome of an election.

3.4 Theory on violence and democracy

Some scholars contest that violence is not only compatible with democratization, but is an *essential* component of democratic development as the world history has seen in the past 135 years (Miller, 2012). Thus, it is in between the incidents of political conflicts that there are opportunities for development, and even furthering of democracy in nations where it doesn't exist. Other scholars argue that violence occurs when conflict has reached a certain *temperature*, thus that violence is a degree of conflict (Schmidt & Schröder, 2001) and that violence can be a *form* of conflict that has the capacity for transformation (Demmers, 2017).

As shown, economic growth and political stability are deeply interconnected. On the one hand, the uncertainty associated with an unstable political environment may reduce investment and the pace of economic development. On the other hand, poor economic performance may lead to government collapse and political unrest. Thus, it all comes down to the institutions of the nation.

3.5 Institutional theory

First, institutions are defined as the "humanly devised constraints that structure human interaction", including formal constraints such as constitutions and laws and informal constraints, such as norms, conventions and self-imposed codes of conduct (North, 1991, p. 3).

Thus, for democracy to emerge and determine economic growth, it is said that a country needs to have "democratic institutions" in place (North, 1991). Democratic institutions give people the power to control and discipline the government to ensure policy implementation that will favour the whole population (North, et al., 2009). Democratic institutions can thus contribute to reducing transaction costs, reducing information asymmetries of political organization and income inequality (Acemoglu & Robinson, 2012) and it assist in creating *fair* economic growth (Persson & Tabellini, 2009), or even enable higher-quality growth (Rodrik, 2000).

Having democratic institutions can reduce political violence and maintain political stability as they actively demand democratic participation from the populace (North, Wallis, & Weingast, 2009; Bardhan, 2005; Acemoglu, Johnson, & Robinson, 2004). However, it is also argued that democratic institutions cannot survive in the long-run if they exist in a nondemocratic regime (Acemoglu, et al., 2008).

Building on that, Acemoglu, Johnson and Robinson (2004) present the concept of good economic institutions. They define them as those institutions which are centred around the security of the property rights, as well as economic resources which are equally distributed among the population. The authors consider the following to be necessary conditions for good economic institutions to develop:

- The higher level of balance of power in society;
- The existence of means in society to limit the rent-seeking behaviour from the elite;
- The distribution of political power by a wider segment.

Central to their theory is the link between inclusive economic and political institutions and prosperity. Inclusive economic institutions that enforce property rights, create a level playing field, and encourage investments in new technologies and skills are more conducive to economic growth than extractive economic institutions that are structured to extract resources from the many by the few and that fail to protect property rights or provide incentives for economic activity. Inclusive economic institutions are in turn supported by, and support, inclusive political institutions, that is, those that distribute political power widely in a pluralistic manner and are able to achieve some amount of political centralization so as to establish law and order, the foundations of secure property rights, and an inclusive market economy (Acemoglu & Robinson, 2012). Extractive economic institutions are synergistically linked to extractive political institutions, which concentrate power in the hands of a few, who will then have incentives to maintain and develop extractive economic institutions for their benefit and

use the resources they obtain to cement their hold on political power (Acemoglu & Robinson, 2012).

3.6 Research gap

As established in the literature, many developing countries have been coping with intense political conflict and violence at every turn of their democratic process. However, little is known about how democracies can be set up to avoid or mitigate such a serious problem, or even how problems following political unrest may impact the trajectory of a country's economic development. By analysing Thailand as a case study of a democratic process through an institutional lens, this study adds to a small selection of recent literature about the violence in Thai politics and how the nation's political instability may impact economic development.

Moreover, the study also contributes with new insights to the field as the time frame includes the past decade, which has not been studied severely. Recent studies have investigated the impact and meaning of political unrest on social and political affairs and the consequences it has for the Thai people's freedom. Thus, this study fills in a period gap as well as a gap of literature linking the democratisation process directly to economic development.

4 Methodology

4.1 Research Design

In this thesis, I set out to explore the connection between Thailand's economic development and political unrest and violence that has taken place in the country throughout the past five decades. During the study, the ontological position is *constructionism.* Constructionism asserts that social phenomena and their meanings are continually being accomplished by social actors, and thus are in constant revision (Bryman & Bell, 2007, p. 23). The epistemological position of the study is *interpretivist*, meaning that the researcher produces an *interpretation* of a phenomenon (Bryman & Bell, xx). By doing so, it is possible to gain an understanding of the social actors' perspectives in the context of the conditions and circumstances they are in (Ritchie, Lewis, Nicholls, & Ormston, 2014).

In order to answer the research question, I apply a qualitative research design. In a qualitative study, the data is reported in words rather than numbers which allows for detailed and rich descriptions of the studied phenomenon, also called *thick descriptions* (Bell, et al., 2019). I then apply a case study approach which is often conducted when an explanation of a research issue and understanding of it needs to be holistic, comprehensive and contextualized (Ritchie, Lewis, Nicholls, & Ormston, 2014, p. 67). A case study approach enables the researcher to conduct an in-depth exploration of an individual unit and its specific processes, activities and events (Cresswell & Creswell, 2018, p. 183). Thus, it is beneficial for analysing the case of Thailand's political and economic landscape.

4.2 Data

Through the course of collecting data, I gained hold of material that covers a time frame of more than 40 years (1980-2022). The aim of collecting this data was twofold: 1) showing the historical trajectory of Thailand's political and economic landscape and 2) interpreting the role of political unrest and violence in Thailand's development process.

As there is a rich and diverse pool of information and scholarly work about Thailand, this thesis solely relies on secondary data. The collected literature and data that constitute my full data pool can be described by 5 five categories:

1. relevant literature (from reputed Journals, found in Scopus and EBSCO)
2. grey literature (e.g. unpublished reports, thesis, working papers)
3. institutional reports (from The World Bank, ILO, The United Nations, etc.)
4. governmental reports and documents (from ministries and state departments)
5. media (online newspapers, business magazines, blogs)

For collecting the data, I used acknowledged databases made available by Lund University and used both general and specific keywords for my search. In addition, I looked for market- and business data, statistics, and economic indicators by using Google's search engine and international organisations' websites and databases. Here, I explored the databases from established institutions, including The World Bank, ILO, The United Nations and Freedom House. I also investigated Thailand's governmental websites and both local and international newspapers.

4.3 Method of analysis

In the case study, I follow the data analysis approach from Creswell & Creswell (2014, p. 193). The steps include *organising*, *segmenting*, *coding* and *preparing* the collected data for analysis. As the data used for this study consists mainly of texts and tables of data, it is quite dense and rich which requires me to "winnow" the data. "Winnowing" the data is a process of focusing on some of the data and disregarding other parts of it (Guest, MacQueen & Namey, 2012 in Cresswell & Creswell 2018, p. 192). The purpose of this is to aggregate the data into a small number of themes (Creswell & Creswell, 2018). I use Microsoft Excel to create an overview of the text material and, here, identify the general idea or key point from each individual source. Here, I also consider the credibility of the source. This procedure takes place simultaneously with collecting more data. Afterwards, I divide the source material into themes based on the ideas that I identified and colour code each theme in order to distinguish them. Creswell & Creswell (2018) suggest 5-7 themes. During the coding process, I generate a description of each theme that I use to structure the analysis.

In order to get an overview of Thailand's political history, I create a timeline based on the literature. For the timeline, I follow the steps by Creswell and Creswell (2018) as previously mentioned, and write key words and -sentences for each year and happening, as well as colour code the specific period according to the characteristics of the timeframe. This timeline is used as the basis for my analysis and can be seen in Appendix A. Furthermore, I also create an overview of the structure of the Thai state and its various actors in the key political dimensions: *economy, state and society*. With the vast amount of literature, the overview helps the reader understand the dynamic between state actors which is essential for the analysis. The overview was presented in section 2.

To present the analysis, I apply an *analysis narrative* as described by Levi & Weingast (2016). This method involves several steps. First, a narrative is used to elucidate the principal players, their preferences, the key decision points and possible choices, and the rules of game in a textured and sequenced account. Then, a model to present the sequence of actions is build which also includes the predicted outcomes. Lastly, an evaluation of the model is needed. This can be done through comparisons and testing the implications the model generates (Levi & Weingast, 2016). The first step of the analysis narrative is presented as the background section of Thailand, as this is where the reader is introduced to the key actors in the Thai political arena. Step two constitutes the analysis where the sequence of actions is presented, as well as a comparison with economic indicators and the predicted outcomes. Lastly, the discussion provides the third step of the analysis narrative which is where the results are discussed and related to the literature.

4.4 Validity and Reliability

In qualitative studies, validity means that the researcher checks for the accuracy of the findings by employing certain procedures (Creswell & Creswell, 2018, p. 199). In order to live up to this, I use the procedure of triangulation. To ensure triangulation, I examine the evidence from the sources, assess the number of peer reviews, and use it to build a coherent justification for themes. If themes are established based on converging several sources of data, the process can be claimed as adding to the validity of the study (Creswell & Creswell, 2018, p. 200). In addition, I use *thick description* to convey my findings. When qualitative researchers provide detailed descriptions of the setting, the results become more realistic and contextualised and thus adds to the study's validity (Cresswell& Creswell, p. 200).

Furthermore, I acknowledge that I, as a researcher, bring bias to the study. As my family background is Thai, I have a pre-dispositioned opinion about Thailand's history of economic development as well latent views and attitudes towards the different stakeholders and actors involved in the political and social landscape. By clarifying my bias, I am aware of how the results may be affected and, in that way, add to the validity of the study.

Lastly, qualitative reliability indicates that the researcher's approach is consistent across different researchers and among different projects (Gibbs, 2007 in Creswell & Creswell, 2018, p.199). By attaching the created timeline and structured literature overview in its colour-coded edition for other researchers to follow, I hope to add to the reliability of the study.

4.5 Limitations

This study focuses its analysis on the period between 1970-2020. Some historical data prior to 1970 is mentioned, however only for contextualizing. The study, furthermore, only presents

selected economic indicators. Thus, there is only a focus on the *potential* economic impacts of political unrest. There are numerous other factors which can impact a given economy, and these are not considered in the study. It should also be added that political unrest or instability is difficult to measure or quantify, and so, this study relies on a variety of sources to derive as accurate an understanding as possible. The same applies to evaluating the tension between different political actors and the populace, including the population divisions. There are probably many factors, external and internal, that influence both political (in)stability and political tension, and this paper does not aim to provide definitive accounts of the determinants of either.

As this thesis is based on secondary data, it is important to point out that some areas of the collected material are not specifically focused on, or central to, the phenomenon of this study; not as it would have been had I collected primary data. This fact might limit the depth of the analysis in certain areas and could lead to misleading results (Ritchie, Lewis, Nicholls, & Ormston, 2014). To counter this risk, I assessed the quality of the original data collection method and ensured it was of "high" quality (e.g. academic articles with minimum 2 peer reviews and cited more than 5 times). However, this cannot be guaranteed. Lastly, I acknowledge that I might have missed out on important data from government reports and documents as they were written in Thai - a language I do not have written proficiency in.

4.6 Ethical considerations

Research involves collecting data from people, about people (Punch, 2014 in Creswell & Creswell, 2018, p. 88), and so, I anticipate the rising of some ethical issues. First, I need to consider the coding process where one keyword or idea is chosen to define the whole entity of the source (article, graph, etc), regardless of it having several points or findings. This could create a misleading interpretation different from the original author's intention. Second, this study explores the extrications of politics and economy of a culturally rich society in which monarchy and religion are fragile, and somewhat, risky, topics. I am therefore conscious about Thailand's law of lèse majeste, and will not side with any actors and do my best in disclosing both positive and negative results.

5 Analysis

In this section, I will provide a condensed overview of the Thai political history from 1970-2020 and what characterises the specific periods within the time frame. Within each section I present the results from a comparative analysis between various economic indicators and the time periods. Lastly, an overview of the results is presented in a summary table.

5.1 Pre-1970

In 1932, when Thailand was an absolute monarchy, the civilian and military bureaucrats challenged the king in a coup. This was just one military coup out of many to come, but more importantly, it was a transformational one. Because as a consequence, the country changed to a constitutional monarchy (Sulistiyanto, 2002). The set up was the beginning of a democratic process as indirect elections, a parliament, and a political party was introduced (Sulistiyanto, 2002). However, the system was overall militarist and authoritarian and continued as such up until 1970 (Keyes, 1989).

In 1970, people with business backgrounds had emerged in the political arena, challenging the dominance of the traditional bureaucrats and was for the first time elected into parliament (Sulistiyanto, 2002). At the same time, a part of the bureaucratic elite wanted radical change and increased influence on the economic and political direction of the country (Sulistiyanto, 2002). This development became the beginning of two branches in which Thai politics have developed to present day. First; a rise of a nationalistic, royalistic and pro-military census, and second; an intensified countertendency to the monarchy and military with a strive for democratic progress (Sombatpoonsiri, 2020). It is with this background the analysis of political violence and Thailand's economic development from 1970-2020 takes a point of departure.

5.2 An authoritarian regime

In the beginning of the 1970s Thailand saw a short period of democracy where the governments in power sought to tackle structural inequalities (Keyes, 1989). At the time, Thailand was an agrarian economy which depended heavily on its rice, maize, rubber, and other agricultural products (The World Bank, 1993). As such, about three-quarters of the Thai population derived its income from agricultural activities (The World Bank, 2021). Thus, the governments pursued

land reform in the countryside and improvement of wages and working conditions in Bangkok's emerging services and manufacturing sector (Keyes, 1989). However, lacking institutional power and bureaucratic follow-through while simultaneously manoeuvring the first of two oil shocks in the 1970s left the nation in an economic crisis and caused a severe depreciation in Thailand's strive for social reform and development (Hicken, 2004).

With the people's dissatisfaction over the democratic government's efforts, a military coup d'état, led by General Thanarat re-established military rule in Thailand and began what can be defined as an authoritarian regime (Keyes, 1989). With inspiration from premodern Siam, Thanarat abolished political parties and governed without a parliament (Baker, 2016). The time under his rule was characterized by strictly achieving national goals set by the general himself, including gaining control over the Buddhist sangha[2], adding restrictions to mass media and censoring and constraining newspapers and educational organizations (Baker, 2016).

However, with a strict authoritarian rule also came an emerging resistance to the government. This resistance was, specifically, driven by the student movement who were not afraid to express critique about the state (Keyes, 1989). In 1973, a demonstration of more than 400.000 people, led by the student-movement, revealed the people's discontent with the dominance of the ruling military elite (Keyes, 1989). As the military turned to coercive violence, the demonstration resulted in many deaths and is today considered the most violent demonstration since 1970 (AFP, 2019). The then King interfered in the political crisis to prevent serious civil strife (Keyes, 1989). This is said to have only increased the royalist sentiment in the Thai population (Winichakul, 2014). The King's direct involvement in politics in 1973 was thus just the beginning of his involvement in many more political situations (Winichakul, 2014).

As a result of the 1973 demonstration, the King appointed a new prime minister whose government focused on evolving the non-agricultural private sector (Keyes, 1989). This did not please the Thai farmers and they demonstrated for their interests in 1974 (Hicken, 2004). Major leaders and politicians affiliated with the farmers movement were assassinated after the demonstration, and it eliminated the farmers movement for a long time (Hicken, 2004). Later, it was concluded that despite the implementation of governmental programs which promoted agricultural development, the primary purpose of these programs had been national security rather than economic growth (Keyes, 1989). As a result, the agricultural sector fell significantly behind the non-agricultural sector in its contribution to GDP. This created a stagnation of labour spill over from agriculture to non-agricultural activities and thus for Thailand's structural transformation. Evidently, the labour force in agriculture in 1980 were almost the same as it was in 1950 (Keyes, 1989, p. 154).

As a consequence of the rising resistance and the following protests, a new election was held and a new constitution was implemented in 1974 which included the allowing of political parties. From 1974 to 1979, the Thai economy saw a period of positive and stable growth.

[2] Sangha is a Sanskrit word for "assemblage". Thus, the Buddhist Sangha means the Buddhist 'community' composed by the men, woman and children who follow the teachings of the Buddha, including monks and nuns (Wikipedia, 2022).

Nevertheless, that came to a halt when another military coup took place in 1979 and drove the country into political instability again.

Looking at Thailand's economic growth during the 1970s, it is seen that the years of decreasing growth are the same as the years where extreme political turmoil happened (1971, 1973/74, 1979). The decade generally shows a volatile growth (see figure 5) which corresponds with the elections (increase), coups and demonstrations (decline) that was seen in Thailand, and specifically Bangkok, in that period (see appendix A).

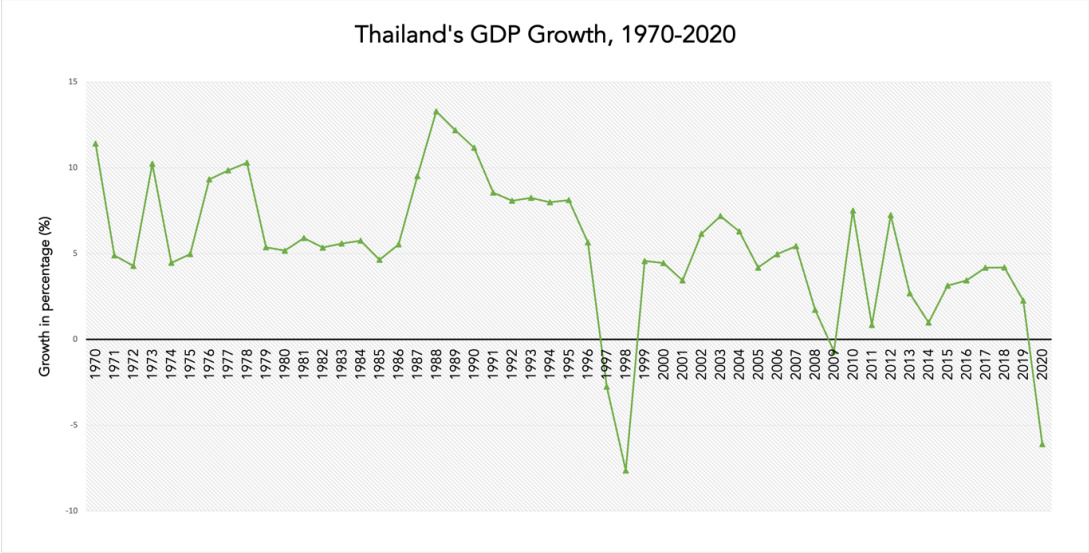

Figure 5. Economic growth in Thailand, 1970-2020. Source: Author's creation based on data from The World Bank (2020).

Overall, 1970-1980 was a decade of political instability as Thailand witnessed six prime ministers and growth rates that were held back by the oil crisis and political violence caused by shift changes of governments and protests against their rule (Sombatpoonsiri, 2020). Nevertheless, 'development' emerged as a political ideology and became a goal which all the governments pursued by focusing on a series of economic reforms (Keyes, 1989). Some of which caused a dissatisfaction with the farmers movement (Keyes, 1989), but which inevitably increased the level of exports of manufactured and agro-industry products, as well as boosted the tourism industry (Hicken, 2004).

As a result, Thailand's business sector expanded rapidly and the fiscal surpluses were used to finance rural roads, irrigation, power, tele-communications and other basic infrastructure (Hicken, 2004). Evidently, Thailand experienced a steady increase in GDP and GDP per capita throughout the 1970s. GDP per capita in 1970 was 192 USD and life expectancy was 59.4 years (Our World in Data, 2020). Over the next 50 years, GDP per capita would increase to 7158 USD (see figure 6) and life expectancy improve by almost 20 years reaching 77.8 (Our World in Data, 2020).

Figure 6. GDP per capita in Thailand, 1970-2020. Source: Author's creation based on data from The World Bank (2020).

5.3 Struggle for democracy

In the 1980's and 1990's, Thailand witnessed radically changing structures of politics. The nation went from a military-bureaucratic dictatorship to a parliamentary political system (Kongkirati, 2013). This happened as a gradual transfer of power from the traditional group of bureaucratic- and military leaders to new coalitions of national and provincial elites who most often represented the business sector (Kongkirati, 2013). This paradigm shift reoriented the country's industrialisation strategy and state–business ties (Kanchoochat, et al., 2021). For example, the government removed trade restrictions and promoted exports of labour-intensive manufactured products (Sulistiyanto, 2002). As the products found its way to a booming Japanese economy in the 1980s, it provided a growing number of jobs for Thai workers (Sulistiyanto, 2002). By the early 1990s, Thailand's economic performance was ahead of other countries in the region. Economic growth performed between 8-13% between 1988-1995 (see figure 5) and, consequently, Thailand was regarded one the East Asian miracle economies (The World Bank, 1993).

At the same time, Thailand saw an expansion of space for people in journalism, academia, activism and non-governmental organisations to mobilise and express their voices (Kongkirati, 2013). This amplified democratic actions such as protests, grass-roots mobilisations and political gatherings (Kongkirati, 2013). The protestors' opinions were manifolded, but specifically, people were unsatisfied with the usurpation of power by the military in the beginning of the 1990s, the monarchy's involvement in appointing several prime ministers after military coups and their violent enforcement of the lèse majéste law (Kongkirati, 2013).

Despite an expansion of a democratic sentiment, the political arena became infested with what has since been coined as "money politics" (Kongkirati, 2013). The definition reflects a political space full of heavy corruption cycles, unruly electoral campaigns with extreme cases of vote-buying, and abuses of power (Kongkirati, 2013). Consequently, it only fostered the public

discontentment with politicians, and revealed that democratic progress could also be sour and dishonest (Chambers & Waitoolkiat, 2020).

Thus, in 1997, a new constitutional reform was employed. It guaranteed citizens the right to unite and form associations, create farmer groups, non-governmental organizations, co-operatives, and unions (Chambers & Waitoolkiat, 2020). Thai people were allowed to undertake these ventures to "conserve or restore their customs, local knowledge, arts, or good culture of their community and of the nation" (MarketLine, 2019, p. 42). The 1997 constitutional reform was thus designed to clean up politics and curbing money politics (Chambers & Waitoolkiat, 2020). Scholars and political analysts expected electoral violence and -fraud to disappear or dramatically decrease under the new constitution (Chambers & Waitoolkiat, 2020). However, in some cases, violence and intimidation happened in an even greater extent by many candidates and political parties (Chambers & Waitoolkiat, 2020).

Nevertheless, the period from 1992 to 2006 is considered the longest period of democratic governance in Thailand and only came about as a result of the democratic development in the beginning of the 1990s (Chambers & Waitoolkiat, 2020). Today, the 1997 constitution is still considered the most democratic constitution in Thailand's history as it was created with the initiative of people from the middle-class, academics, bureaucratic elites and other groups of civil society (Kuhonta, 2014).

Thus, looking at Thailand's economic development during the 1980s and 1990s, it is evident that the highest growth rates in the nation's history were detected in these two decades. Evidently, GDP and GDP per capita was increasing steadily (see figure 6 and 9). It could, therefore, be assumed that because of the (somewhat) democratic governance and the consequent political stability during this period, the Thai economy didn't experience as much volatility or detriment to the economy as experienced in the previous decade. Thus, making it possible that political violence has had an influence on the country's economic performance in the short run between 1970-1990s. Nevertheless, in 1997, in the middle of operating the most democratic constitution in Thai history, the Asian financial crisis hit the nation and launched a new era of political unrest and economic crisis (Sulistiyanto, 2002).

In the mid 1990s, it had become apparent that the Thai economy was struggling. Huge short-term offshore borrowing combined with a fixed exchange rate and weak financial institutions led to a collapse of a real estate bubble, rapid capital flight, a substantial depreciation of the Thai baht, and a deep recession (Phongpaichit & Benyaapikul, 2012). Furthermore, exports saw a sharp fall after having enjoyed a strong growth rate in the 1980s (Phongpaichit & Benyaapikul, 2012). Overall economic growth had decreased from 8% in 1995 to 5.6% in 1996 (see figure 5).

During the Asian financial crisis in 1997-1998, Thailand saw a historical negative growth rate of -7.8% at its worst (see figure 5). This made Thailand reliant on external funding to fuel its economy (Sulistiyanto, 2002). However, the country had already worked up a significant debt that had existed since the 1970s and the oil crisis (Sulistiyanto, 2002). Thus, adjustment to the

economy was needed. The Thai government responded to the crisis by accepting assistance from the International Monetary Fund (IMF) in return for harsh structural adjustment stipulations, including increased taxes, diminished subsidies, and less money for social programs (Sulistiyanto, 2002). This led to the public becoming aggravated and angry as the financial crisis had already led to economic-, health-, and food insecurity for an increasing number of Thais, and the population thus demanded immediate government action (Chambers & Waitoolkiat, 2020).

5.4 Post 1997-crisis

The Asian financial crisis introduced a new period of political instability. Despite Thailand's significant growth throughout the 1980s and early 1990s, equal distribution of benefits had yet to follow (Sulistiyanto, 2002). In its development progress, Thailand had become one of the most unequal countries in Southeast Asia (Perkins, et al., 2012). In 1970, the GINI coefficient was 0.40, but by 1992, it had reached 0.536 (see figure 7). A Gini coefficient score of zero corresponds to complete equality, while a score of 100 corresponds to complete inequality (The World Bank, 2021). Thus, at periods of economic boom, the GINI coefficient revealed an increase in inequality (see figure 7).

Figure 7. Inequality in Thailand, 1981-2020. Source: The World Bank (2021)

Furthermore, poverty increased significantly in Thailand as a consequence of the 1997 crisis which is the only increase in poverty over a 40-year period (see figure 8). Poverty in the rural areas was especially a major issue and still is in present day (Kanchoochat, et al., 2021). The North and Northeast regions, as well as some ethnic groups lag behind in terms of development as the benefits of economic growth have been slow to trickle down to these parts of the populations (Suphannachart & Boonkaew, 2019). Vulnerable groups such as informal workers, displaced people and migrants also have yet to benefit from Thailand's economic success (MarketLine, 2019).

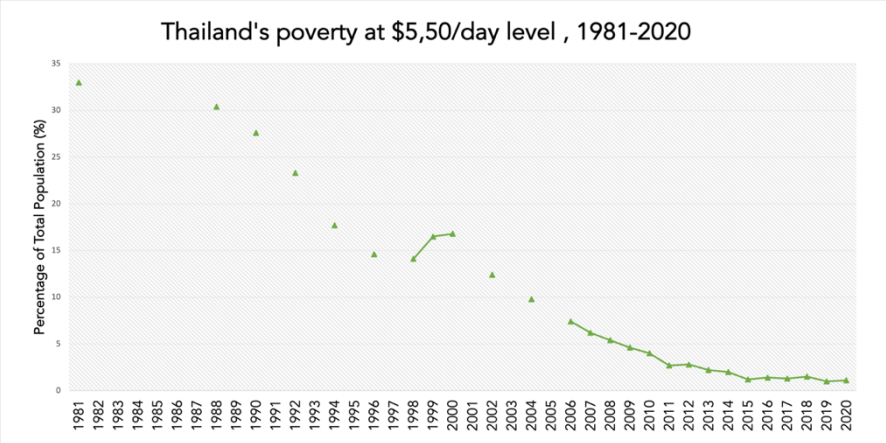

Figure 8. Poverty in Thailand at the 5,5USD level, 1981-2020. Source: The World Bank (2021)

As a consequence of the 1997 financial crisis, Thailand saw growing challenges with unemployment and long-standing problems in the rural sector such as rural debt and displacement of people (Kuhonta, 2014, p. 69). In the time going up to the first election after the crisis, held in 2001, the population had expressed their aggravation. So when election time came, violent protests disrupted vote counting and electoral announcements at several ballot-counting centres (Hicken, 2004). Demonstrators across the country turned violent and the worst incident occurring in the South region included demonstrators setting fire to the house of the winning candidate (Hicken, 2004). In several areas, it was found that protests were started by people who had bet enormous amounts of money on the elections in the hope of getting out of financial struggles (Hicken, 2004). The electoral violence seen in the 2001 election has since then been replicated in almost all elections up to present day (Chambers & Waitoolkiat, 2020).

Still, the 2001 election is considered one of the most historical elections in Thai political history. The election brought a new political force to power; the Thai Rak Thai (TRT) [Thais Love Thais] party led by Thaksin Shinawatra, a profound self-made businessman (Hewison, 2010). Thaksin and the TRT had campaigned on a populist platform, promoting populist politics including financial assistance for longsuffering farmers and improvements to the healthcare system in response to the financial crisis (Hewison, 2010). Overall, Thaksin and his government aimed at getting Thailand away from depending on export-led recovery and make the economy more reliant on the more controllable domestic market (Chambers & Waitoolkiat, 2020). What made Thaksin popular too was that many argued that inequality had not been attacked in Thailand in a systematic, forceful and consistent policy framework (Kuhonta, 2014). Thaksin tried to change that with his populist policies, and achieved it to a certain extend (Hewison, 2010). Ever since the 1990s, the GINI coefficient has stayed somewhat stable at around 0.50, and only during the period with the Thaksin government has the GINI coefficient dipped slightly, indicating an improvement of inequality (see figure 7).

Some argue that the increased inequality in Thailand was accentuated due to its roots in class-, urban/rural, and Bangkok/periphery -divide of the nation, and that Thaksin took advantages of these disparities during his campaigning (Kuhonta, 2014; Hewison, 2010). As he politicized the

rural sector as well as the urban working class, a mobilization of people in these lower classes emerged during Thaksin's election campaign (Kuhonta, 2014). As such, the promotion and advancement of pro-poor and populist policies enabled the working class and farmers alike to feel they had political and social rights which no one had articulated so fully before (Kuhonta, 2014). This became the basis for the movement which is today coined as *The Red Shirts;* a movement consisting mostly of people from lower working classes in Thailand's north and northeast provinces and which is led and supported by a number of intellectuals and professionals in the middle class, provincial businessmen and landowners (Sombatpoonsiri, 2020).

The Thaksin government succeeded in bringing Thailand back to positive growth and recovering significantly from the Asian financial crisis with a growth rebound from -7.8% to 6% between 1998 and 2003 (see figure 5). Furthermore, the largest legacy of the Thaksin government was the implementation of the universal coverage of healthcare for merely 30 THB (0.72 USD in 2003 currency), consequently creating a safety net for poor families (Hewison, 2010). This implementation meant that people working in the informal sector (which contributed to 51.9% of GDP) could access health services equally as those formally employed (Kanchoochat, Aiyara & Ngamarunchot, 2021).

5.5 Political upheaval

Historically, Thaksin Shinawatra and his party is the only government who have managed to sit for a full term, from 2001 to 2005 (Hewison, 2010). Moreover, Thaksin was elected for a second term at the elections in 2005. However, due to accusations of insider trading, vote rigging and bribery, Thaksin's resignation was demanded by the parliament and in some part by the population (Hewison, 2010). Violent protests broke out in the streets, both in Bangkok and in its greater regions. The Red Shirts, supporting Thaksin, now clashed with the anti-Thaksin movement that emerged following the corruption accusations, *The Yellow Shirts.* In 2006, The Red Shirts and The Yellow Shirts clash intensely and frequently, creating further political turmoil in the country, and a further divergence of the political trenches in the population (Sombatpoonsiri, 2020). In 2006, the military takes power in a bloodless coup (Ukrist, 2008) and Thaksin's party, the TRT, are banned from politics in 2007 (Hewison, 2010).

Yet, the clashes between The Red Shirts and The Yellow Shirts in 2006 was just the first out of many in the next decade to come. Counterfeiting the pro-Thaksin movement, The Yellow Shirts is a movement consisting of royalist – often right-wing - conservatives who are pro-military due to its close ties to the monarchy (Winichakul, 2014). The colour yellow is a symbol of respect for the King's birthday (Winichakul, 2014). The Yellow Shirts supports a hierarchical system with an elite and are thus strongly opposed to Thaksin, his allies and any politics related to him (Ganjanakhundee, 2021). Despite Thaksin's exit in politics, The Red Shirts have continued supporting him and have become equipped further progressive ideas such as the

request for a new charter, for a reform of the military, the education- and land-ownership systems and the elimination of junta-appointed organs (Kuhonta, 2014). As Thaksin's sister, Yingluck Shinawatra, was elected as Prime Minister in 2011, The Red Shirts also supported her. However, it was a short pleasure as protests, due to corruption charges lead to her removal in 2013 (Sombatpoonsiri, 2020). This plunged the country into political instability again, but now navigated by a caretaker government (Sombatpoonsiri, 2020).

Predictions had announced that the deep political polarization that happened in the aftermath of the 2006 military coup would intensify electoral competition and produce higher levels of bloodshed during polling - but that did not happen (Kongkirati, 2013). Instead, electoral violence actually declined at the elections in 2007 and 2011 (Kongkirati, 2013). Looking at GDP in in these two years and the period in between, it can be seen that GDP continues to increase. Thus, as you cannot measure something that did *not* happen, it is not possible to compare the decline in violence with the increase in GDP. However, Thailand's GDP has increased in general since 2000, and even kept growing in 2006, when political unrest and violence was at its highest. Thus, it is unlikely that the political unrest and violence at the time had any influence on the country's economic performance, at least not in the short run.

Up until 2006, Thailand had an average GDP growth of 5.22% (The World Bank, 2021). Even though it was not yet reaching pre-1997-crisis levels, it is a growth rate considered as high growth (Perkins, et al., 2012). However, a stop was put to that in 2008 as the global financial crisis hit the country and the economy's growth rate hit a mere 1.73% (see figure 5). The government introduced stimulus packages worth 43 billion USD in 2009, and the economy contracted by around 0.69% (MarketLine, 2019). Nevertheless, Thailand's strong export sector saved the economy and the economy rebounded to 7.51% in 2010 (MarketLine, 2019). Following poor growth of 0.84% in 2011 due to heavy flooding, especially in Bangkok, the country recorded a growth rate of 7.24% in 2012 (MarketLine, 2019).

In 2014, the caretaker government was removed in a military coup led by General Prayut Chan-ocha. The National Assembly, which over time had become dominated by military-seniors, appointed Prayut Chan-ocha as the interim head of government, and with the king's endorsement, Prayuth Chan-ocha became interim Prime Minister (Baker, 2016). The junta-led government signalled it would maintain its government for around six years to bring in constitutional reforms to restore governance and political stability (Tamada, 2019). The junta's first action was to place the country under the rule of a military organization called the National Council for Peace and Order (NCPO), which took control of the national administration (Baker, 2016). It also abolished the 2017 constitution and announced an interim constitution which gave the military supervision rights to a handpicked legislative assembly (Baker, 2016). The new interim government also gave amnesty to those responsible for the military coup (Chambers & Waitoolkiat, 2020). In addition, the NCPO implemented heavy restrictions on freedom of peaceful assembly and severe bans on political gatherings of more than five people (Sombatpoonsiri, 2020). Authorities were ordered to shut down several websites and radio stations for criticizing the NCPO and, so, media freedom became heavily censored.

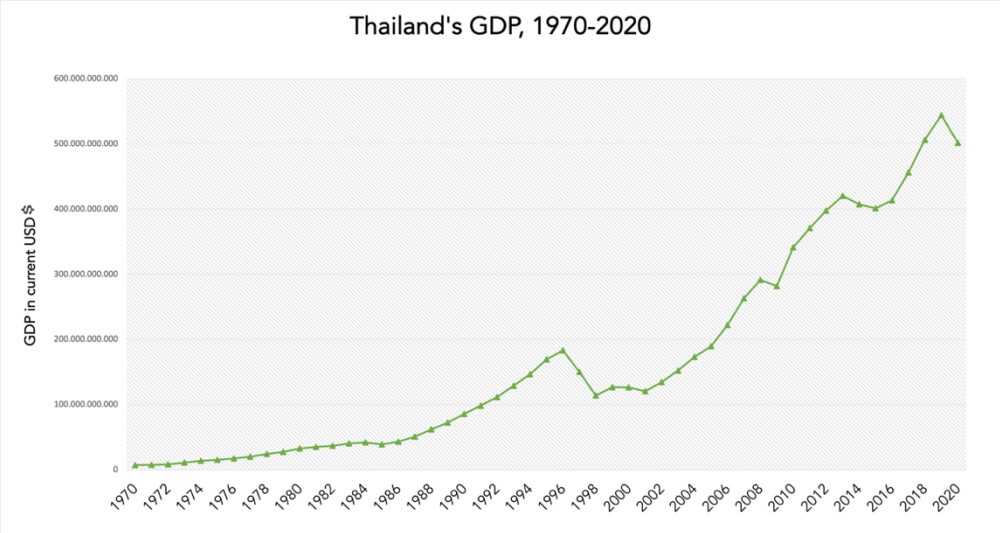

Figure 9. Thailand's GDP, 1970-2020. Source: The World Bank (2021)

During the political upheaval period, from 2006 to 2018, Thailand sees its steepest increase in GDP overall and its highest GDP measured in history (2019) (see figure 9). The country's GDP more than doubles during this period from USD 221 billion USD in 2006 to 544 billion USD in 2018. The same trend is seen in GDP per capita which increases from 3369 USD in 2006 to 7298 USD in 2018. During much of the interim government period, the economic development in Thailand was driven by mega-projects directed by a small group of Sino-Thai conglomerates, who received lucrative state concessions in return for their support of the military-backed regime (Kanchoochat, Aiyara & Ngamarunchot, 2021).

However, the economy also saw its most volatile growth period since the 1970s ranging from -0.7% to 4.9% (see figure 5). The most severe negative growth rate was seen in 2008, when the global financial crisis hit Thailand, the next was in 2011 when most of the country, and specifically Bangkok, saw a severe flooding halting much of the tourism sector and exports (Chaisukkosol, 2012), and lastly in 2014 when violent and blood-filled street protests following the military coup disrupted many economic activities (Baker, 2016).

The global financial crisis in 2008 sent Thailand into its worst economic decline since Asian financial crisis in 1997. To get out of the crisis, the then government advanced exports further, and it has since then served Thailand well. Exports of goods and services have constituted between 68-71% of GDP between 2014-2018, and is thus an important component of the Thai economy (The World Bank, 2021). The Thai exports are comprised of manufacturing products (74%), agricultural products (13%), agro-industrial products (8%), and mining and others (5%). As the graph shows (figure 7), Thailand managed to only see a slight dip in GDP during the 2008 crisis.
However, at the same time as the military-junta took over the Thai government, exports had started to weaken. Thus, in 2014, Thailand's GDP decreased again and the economy's growth rate dived to a mere 0.98% (see figure 5). With this new momentum, the government shifted its focus towards the tourism industry. As a result, the number of tourists visiting Thailand reached

a record of 28 million tourists in 2015 which then only continued and reached almost 40 million in 2019 (Thailand Now, 2022). Evidently, the number of employed in the Thai tourist sector increased as well, reaching a share of almost 12% of the total employment in Thailand in 2019 (The World Bank, 2021).

Thus, despite extreme flooding of the country, and most severely in Bangkok, in 2011, political unrest in 2014, several incidents of blood-filled street protests and a general weakening of exports, the Thai economy has still seen an increase in GDP from 2006-2018 (see figure 9). Overall, it seems as if the political unrest and violence that have taken place during this period has not had an impact on Thailand's economic performance, despite its severeness and intensity. Looking at GDP per capita, which can also be a measure of people's living standard, any small detriment cannot be observed (see figure 6). Simultaneously, Thailand's poverty and inequality has decreased (see figure 7 and 8).

5.6 Unparliamentary election and Covid-19

Despite a historical peak in Thailand's GDP in 2019, there had previously been signs showing the slowing of the economy (Ganjanakhundee, 2021). First, the country had experienced a weakening of export demand in the wake of the US-China trade war beginning in 2018 and escalating in 2019 (Ockey, 2021). Then, a low farm production as a result of unusual drought which caused detriment to the agricultural sector and, particularly, the agribusiness exports (Suphannachart & Boonkaew, 2019). Lastly, public investment was lagging behind due to a delay in passing the annual budget as a new government had to be formed following the latest election in 2019 (Ganjanakhundee, 2021). As the Covid-19 pandemic hit the country in late 2019, Thailand could see its economy fall into recession (Ockey, 2021).

As mentioned, the latest election was held in 2019 and it dissolved the interim government by the military junta who had seized power in 2014. General Prayut Chan-ocha was elected as prime minister in this election, but not long after, protests and critiques about the election process arose (Sirivunnabood, 2019). Prior to the election, the interim government had changed the constitution, allowing a non-member of a political party to become prime minister. Not only did it go against all previous constitutions, but it also obliterated the democratic logic that a candidate from the political party with the majority vote would become head of state (Sirivunnabood, 2019).

Thus, when no political party won an absolute majority to form a government, General Prayut Chan-ocha gathered smaller parties together to form a coalition government who appointed him as the prime minister (Sripokangkul, et al., 2022). Since then, it has been claimed that the election "was held under conditions that ensured that Prayut and the military would be able to retain power for the foreseeable future" (Ganjanakhundee, 2021, p. 335). Yet, as the Prime

Minister was not satisfied with the results from the election, there are rumours that a new election is soon on its way soon (Selway, 2022, p. 111).
In the midst of election criticism, the Covid-19 pandemic hit the country. Even though the Thai economy was already slowing down in early 2019, the Covid-19 pandemic sent Thailand into its worst recession since 1997. The country's GDP growth rate decreased from 2.2% in 2019 to -6.1% in 2020 (see graph 3). Just in the first nine months of 2020, The Thai economy had shrunk by 6.7%, and by the second quarter, it had shrunk 12.2% (Ganjanakhundee, 2021, p. 345). The big contraction is the second-largest in Thailand's history, and deemed the worst among ASEAN's big six economies; Indonesia, Philippines, Malaysia, Singapore, Thailand and Vietnam (Sainsbury, 2020).

The most significant challenge to the Thai economy has been the decline of the tourist industry as the sector went from contributing 18% to GDP in 2019 to 5.65% in 2020 (Statista, 2022). It was expected that Thailand would have an increased number of tourists in 2020, so when no tourists were allowed into the country from March 2020, the expectation of increased revenue came to an abrupt end (Ockey, 2021). Instead, it was predicted that for every month there was an absence of tourists, Thailand's GDP would decrease by 1% as foreign tourism is Thailand's largest export industry by a wide margin (Yuvejwattana, 2021). In the last three months of 2020, as tourism opened up under very strict conditions, Thailand received a total of 10,822 tourists which is a great contrast to the 40 million tourist that had been expected (Yuvejwattana, 2021). The number of tourists in the first and second quarter of 2021 revealed a decrease of 99.4% compared to arrivals in 2020 (Yuvejwattana, 2021).

The hit to the tourism industry caused – and still is causing - widespread job losses and economic hardship (Selway, 2022). To support its people, the Thai government passed numerous stimulus packages and provided cash handouts for those most affected by the economic impacts of the pandemic (Ockey, 2021). However, with the increased economic hardships, people became aggravated and frustrated with the government. During 2020, anti-government protests and student-led demands for democracy raged on (Ockey, 2021). Despite the number of protests decreasing significantly due to the covid-19 restrictions and government quarantines, the protests that took place were intense and turned violent more frequently than earlier detected as police and protestors clashed in the streets (Selway, 2022). The demands from protestors included the military to step away from politics, demands for a new election, a new constitution and the abolition of the lèse-majesté law, an end to intimidating government critics, and a constitutional amendment to allow parliament to examine wrongdoings of the king (Selway, 2022; Ganjanakhundee, 2021; Ockey, 2021). The disappointment in the government only increased with two no-confidence motions in parliament against prime minister Prayuth Chan-ocha in 2019 (Selway, 2022). The prime minister was urged to resign due to charges of mismanagement of the economy, mismanagement the covid-19 crisis, corruption and human right abuses (Al Jazeera, 2021 in Selway, 2022, p. 111). However, the prime minister defeated all motions, overcame the charges and is at present still Prime Minister (Selway, 2022).

With the damage to the economy as the Covid-19 pandemic has had, it is interesting to see if it has had severe impact on consumption. Consumption is an important indicator as it may reveal

the standard of living of people in a society (Lee, 1990). For example, if the society produces more than it consumes, it is possible to keep the residual portion for investment so that economy continues to grow (Lee, 1990). Government spending in Thailand over the past 50 years reveals a stable and slightly increasing spend, indicating slow economic activity (production) and, thus, perhaps, a limited possibility of recovering from recessions (see figure 10). However, it is more likely that the government is following the ideology of "sufficiency economy" which has been dictated by King Bhumipol Adulyadej since 1997. The principles are drawn from Buddhist philosophy where one aims to live a "moderate, self-dependent life without greed, uncontrolled cravings and overexploitation" (Ivarsson & Isager, 2010). Assumably, it could mean that the government is not increasing its consumption just because it can, but chooses to invest and save and re-pay its long-term debt.

For household consumption, the graph reveals a steady declining slope (see figure 10). Typically, an upward going slope would be expected in household consumption when an economy improves as an increase in spending is a good indication of a rise in income (Our World in Data, 2019). However, when investigating income, it shows a very limited growth in the past decade. The daily median income in 2019 in Thailand was 12.18 USD which is an increase from 9.79 in 2010 (Our World in Data, 2019). However, median income almost doubled from 2000 to 2010 from 5.64 USD to 9.79 USD (Our World in Data, 2019). Thus, as consumption levels in household have not increased in comparison to the country's increased GDP, it indicates that people have gained less money for consumption. Overall, without a volatile slope, it seems unlikely that any potential impacts of political instability have had a pronounced effect on consumption levels, at least on the short term.

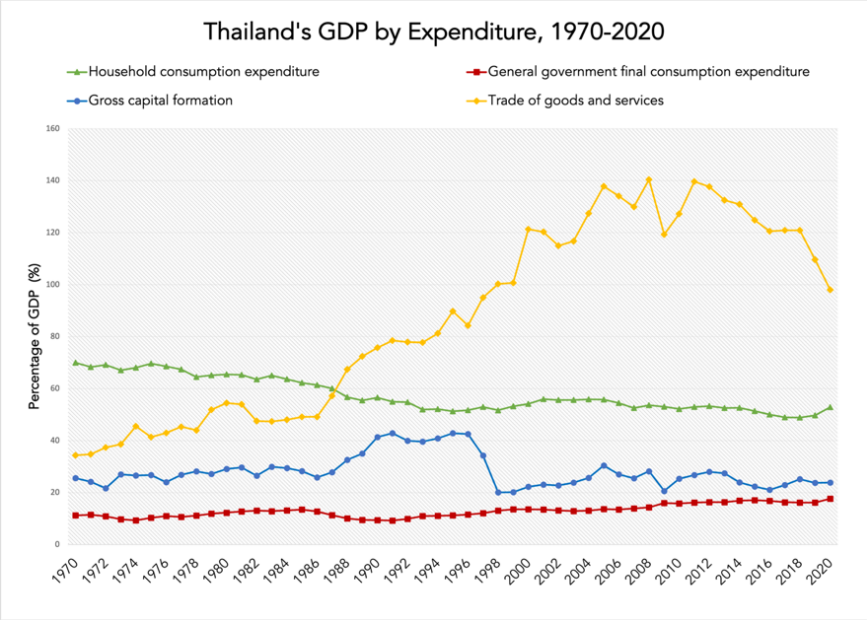

Figure 10. Thailand's GDP by expenditure, 1970-2020. Source: The World Bank (2021)

5.7 Table Summary

Having analysed the Thai political history from 1970 to 2020, it is possible to divide the period into five 'eras' with their distinct characteristics and outcomes (see Table 1). The themes defining the characteristics of each period are described by a sentence or key words that were identified through the analysis and the timeline created based on the literature (Appendix A). The characterising themes are *background* which describes the political and/or societal background; *key power struggle* defines the main struggle at the time; *coalition government* presents the type of government that dominated the period; *lucrative sector* informs about the area that drove Thailand's economic growth at the time; and *development outcome* is the development 'result' of the specific period.

Table 1: Evolution of power struggles, political regimes and development outcomes in Thailand 1970-2020.

Period	**1970 - 1980**	**1980 - 1990s**	**2000 - 2006**	**2006 - 2018**	**2019 - 2020**
Background	Authoritarian regime	Struggle for democracy	Post-1997 Asian economic crisis	Political upheaval; Military coups in 2006 and 2014	Unparliamentary election and Covid-19
Key power struggle	Low class (farmers) vs. elites (military/aristocrats)	Multifaceted conflicts; monarchy/military; Bangkok/province	Consolidated power; the elected elite dominating the traditional elite	Increasingly consolidated power under the traditional elite	Power dominated by traditional elite; military turned politics
Coalition governments	Martial law, no parliament, abolishment of constitution and parliament	From military-politicians to provincial politician-led governments	Thaksin's single-party governments (first and only full-term PM)	Frequent changes until Prayuth government (2014)	Minority government with Prayuth as PM
Lucrative sectors	Exports; agri-business sector	Banking; FDI-related manufacturing; construction in the provinces	Telecommunications, automobiles, media, agrobusiness, food and beverages	Conglomerates joining the campaign of the military junta, tourism	Services (not tourism), telecommunications, agro-industry
Development outcomes	Inclusion of private sector, increasing living standards	Bangkok-centric; reliance on foreign technology; rising inequality	Populist-redistributive; the poor gains relatively more than the middle class	Mega-project driven development; increasing hierarchy and inequality	Rising inequality, growing (unsatisfied) middle class, migration from Bangkok

Source: Author's own compilation based on the framework from Kanchoochat, Aiyara & Ngamarunchot (2021).

6 Discussion

6.1 Discussion of results

Based on the analysis, it seems that the Thai economy was more sensitive to the political unrest and violent incidents in the 1970s-1990s. That was because Thailand in the 1970s was lacking institutional power and bureaucratic follow-through due to the often-changing governments and replacements of constitutions. The sitting governments often employed reforms and economic strategies that was in their own interest, instead of that of the population's, and, at the time created economic stagnation in the agricultural sector. Thus, extractive institutions and the population's counter response created political unrest and violence which influenced the economy's performance at the time.

Yet, as Thailand became more integrated into the global economy, and business (capitalism) became a larger part of the Thai political arena, the country shifted away from authoritarianism and saw the longest democratic governing in its history. The political-turned business man Thaksin changed the political game with his populist policies that promoted improvement for the people, thus trying to make institutions less extractive and more inclusive.

However, it wasn't as democratic as it seemed, as the introduction of business people was followed by "money politics" which involved corruption, vote-buying and abuse of power. This causes protest movements to clash more frequently and intensely. However, despite the violence and lack of "good" institutions in the country, economic growth continues.

As Thailand shifts its focus outwards and emphasize a promotion of exports and tourism, it became less dependent on the forces influencing economic activities at home. Thus, Thailand's economy became less impacted by the political turmoil in the country. So much so, that it is highly unlikely that political unrest and violence has an impact on the economy's performance today.

However, this is the interpretation of impact on the short run and only through analysing a small number of economic indicators.

On the long term, political unrest and violence can cause adverse social effects. Economic and political downturns persist much longer than the downturns themselves (Saha & Zhang, 2017), meaning, that the effects of political unrest and violence could last longer in the fabric of the Thai society than the violent incidents, coups or elections themselves. In many cases,

downturns can cause permanent damage from which the society and even sections of the population can never fully recover (Saha & Zhang, 2017). For example, people being imprisoned, exiled or killed due to expression of government critique, lack of freedom of speech and missing opportunities to actively participate in society.

6.2 Relation to the literature

The theoretical framework has established that indirect factors have a significant impact on economic development (Saha & Zhang, 2017), indicating that indirect impact of institutions can be used as a more efficient measure. The analysis section shows that some of these effects have come to realisation. For example, increased schooling and higher economic freedom as evidenced by the increasing export-oriented policy. However, evidently due to political instability and frequent social unrest, extractive institutions have resulted in increased income inequality as well a decrease in household consumption, indicating families having less money overall.

When considering Lipset's (1959) theory presented in theoretical framework, it is safe to conclude that for Thailand, limited presence of democratic institutions was not just a phase, at least not in the time period under review. Thus, a slight internal or external condition (e.g., Covid-19 or corruption accusations) which detonates violent protests and followed by a military intervention that seem to erase any achieved democratic progress and which set off the political elite to turn back to authoritarian rule.

Institution wise, it is clear that Thailand has somewhat of an extractive economy and, thus, extractive institutions. Based on the analysis above, we can conclude that none of the conditions, which Acemoglu, Johnson and Robinson (2004) identify as necessary for good economic institutions have been fulfilled. The power was always skewed towards the political elite, which comprised of the royalty or military forces, which followed rent-seeking behaviours evidenced by rampant corruption in the country. Thus, Thailand has insufficient institutions that inhibit the growth of democracy and inhibit the "proper" distribution of power in the nation.

Still, as the theory of extractive institutions holds that extractive economic and political institutions can exist with economic growth (Acemoglu & Robinson, 2012), it can be confirmed that Thailand may be such a case. Here, the governments, especially in the 1970s-1990s, employed reforms and economic strategies that was in their own interest, instead of that of the population's. The theory also states that every elite would like to encourage as much growth as possible in order to have more to extract (Acemoglu, et al., 2004). In the case of Thailand, economic growth has been significant, but the distribution of wealth has not been equal and people have not gotten more money to spend, thus confirming the extractive economy. Furthermore, the theory states that the ability of those who dominate extractive institutions to benefit greatly at the expense of the rest of society implies that political power

under extractive institutions is highly desirable, making many groups and individuals fight to obtain it. As a consequence, there will be powerful forces pushing societies under extractive institutions toward political instability. The case of Thailand confirms this part of the theory as well, as it seems the desire for power, from whichever side of the political divide, is highly attractive and thus, the various groups fight to obtain it, creating violent and deadly actions that overall create political instability.

Thus, as the military government and the monarchy continues to intervene and use veto power over elected governments, the Thai institutions are not set up in a way to meet the population's interest of participating in democracy. As the literature deem this a necessity for political stability and thereby economic growth (Barsh, 1992), the theory of unsustainable economic growth and short-lived improvements of development may be confirmed.

6.3 Future research

What has not been covered in this study is the consequence of political instability and violence on Thailand's international relations, and trade relations in particular. Just in the past few years, the re-introduction of authoritarianism from the military-junta has been met with scrutiny from the international community describing the military's use of force "unlawful, excessive and unnecessary" (Amnesty International, 2021). This has specifically been related to the police's use of riot gear such as water cannons, tear gas, and rubber bullets on protestors (Wongcha-um & Thepgumpanat, 2021). Furthermore, at least 1,341 people (182 of them children) have been charged with treason, royal defamation, or violation of the 2017 Public Assembly Act (Wongcha-um & Thepgumpanat, 2021), and in march 2021, Thai authorities proposed a draft law giving government the power to "arbitrarily ban civil society groups, invade organizations' privacy and infringe on the rights to freedom of expression, association and peaceful assembly" (Amnesty International, 2021). These repressive measures have attracted huge criticism from the international community and individual countries (Amnesty International, 2021).

In regards to trade relations, the relationship with the US have lost traction. In 2020, USA eliminated 1.3 billion USD worth of trade preferences for Thailand because of Thailand's failure to adequately protect workers' rights, including here the right of assembly and collective bargaining (Ganjanakhundee, 2021). Also, as a consequence of the US-China trade war, Thailand reached out to the European Union (EU) (Ganjanakhundee, 2021). However, attempts at conducting business with the EU has yielded no fruit. Negotiations for a free trade agreement between Thailand and the EU was launched in 2013 but set to a halt in 2014 following the military coup. Negotiations have not resumed (Ganjanakhundee, 2021). The latest meeting between the two parties took place during highly violent student demonstrations with the arrests of dozens of protesters, and as such, the EU reiterated the "critical importance of upholding fundamental human rights" (Ganjanakhundee, 2021).

Thus, Thailand's weak democratic institutions, return of authoritarian rule and instances of violence has increasingly put the country at odds with its international partners. As such, research investigating the consequences of this development in terms of economic performance would be interesting in order to understand the influence of trade on development. Furthermore, research on human rights abuses and impact on trade relations could also be a possibility in order to further the academic knowledge on the relation between human rights and economic development.

Lastly, as this study have only used sources in English, future research could incorporate sources in Thai. This could possibly incorporate a more local perspective on the nation's development as well as contextualize the political development more deeply, especially with an understanding for the role of the monarchy in both military, politics and culture.

7 Conclusion

This paper aimed to answer whether political unrest and -violence have impacted Thailand's economic development from 1970-2020. It has tried to do so by analysing literature within the field and present an overview of the different time periods that constituted the most critical junctures in Thai political history. Then the study analysed various economic indicators in a comparative analysis in order to answer the research question.

In the study, it is found that Thailand has a long history of political unrest and violence which have only intensified during the country's democratisation process. Thailand has had immense economic growth, but it seems that deep social stratification (the elite vs. the working- and lower classes) has prevented the benefits of the economy's growth to be shared equally. Instead, a highly skewed distribution of economic resources has followed the same path as the distribution of political power, resulting in a highly unequal society. Furthermore, the dominance of the military's, and, thus the monarchy's, influence on governing the country have generated a massive resistance to government from parts of the population. However, since people from the business sector have entered the political arena, these civil movements have only intensified, igniting street protest that have turned violent and lethal, and with further democratic demands by every coup from which the military seizes power over the sitting government. Evidently, it shows a defective or unstable democracy where non-elected elites hold veto power to govern over the popularly elected representatives.

The military junta - now civil-military regime - has created an environment of intimidation that is severely repressing many Thais, making them pay a high price in terms of democratic rights and liberties. In addition to seeing the power of their electoral voices stifled in the interest of the traditional (bureaucratic) elite, the people of Thailand they also see the benefits of the country's economic growth circumventing them. However, the continuous anti-government protests indicate that thousands of Thais are willing to risk arrest, and sometimes their life, to force the government's hand through their demands for progressive change

In 1970s, the economy was more sensitive to domestic political turbulences and saw economic growth follow the years and incidents of political turmoil. As Thailand became more emerged into the global arena, the political arena expanded to include businesspeople and other non-traditional upper-class people. The Thai economy saw a shift in structuring the economy, so that political unrest and violent incidents taking place domestically had less of an influence on the country's economic performance over time. Or at least it seems so on the short run.

In the long run, deep social stratification caused by authoritarianism and political instability following the attempts for regime change can have long-lasting effects to a country's people and economic development.

The process of democracy that includes the right for the lower classes to be represented and to move up the social ladder can be seen as a threat to the inevitable conservative structure of the Thai society. Thus, democracy continues to be a revolutionary process for a long time and today, Thailand is still on its democratisation journey. However, the latest military coup in 2014 and following election in 2019 has thrown Thailand back to its 1970s authoritarian regime with increased violence and political unrest caused by the military-governments means of dealing with resistance. The governments use of force use of force has met significant critique from the international community and human rights defenders, to such an extent that international relations and Thailand's business partners are hesitant to continue being in business with Thailand. As such, the study proposes that future research could investigate the relationship between human rights and economic development in Thailand as well as the consequences of political violence on a nation's trade relations and thereby its future prospects for development.

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Appendix A

Elections, Coups and political uprising in Thailand, 1970-2020			
Period description	**Year**	**Action**	**What happened/Why?**
	1969	Election	Constitution of 1968.
Authoritarian regime	1971	Coup	Coup by head of government against their own constitution (constitution of 1968). It intensified popular resistance to military dictatorship.
	1973	Uprising	Protests against government and the extension of (authoritarian) military rule. 400.000 people in a demonstration
	1973	"Election" (by the King)	King ends the crisis by announcing the victorates (of the uprising) need to leave the country and Thailand returns to constitutional government (effect: the king re-established the power of the monarch as a significent center of authority in his own right). The King chooses Sanya Thammasas as the new prime minister, a former rector of Thammasat University and former chief of justice. The king also appointed a new interim parliament.
	1974	Uprising	50.000 people demonstrating for farmers' interests. First time in history monks engaged in such an overt political act. Major leaders of the farmer movements as well as politicians affiliated herewith were assasinated. It eliminated the farmers movement.
	1975	Election	Constitution of 1974. BIG change: Registration of political parties was permitted + it is considerd the most democratic constitution in Thai history.
Democratic interlude	1976	Uprising	"Bloody 6th October". Same evening NARC (a military group) had seized power. Martial law was instituted, parliament was abolished, constitution (of 1974) was set aside.
(1973-1976)	1976	Election	House Dissolution
Authoritarian regime	1979	Election	Constitution of 1978
	1979	Coup	
	1981	Attempted Coup	Coup rejected by the King in favour of the sitting General
	1983	Election	House Dissolution
Semi-democracy	1985	Attempted Coup	Coup rejected by the King in favour of the sitting General
	1986	Election	House Dissolution
	1988	Election	House Dissolution

Democratic breakdown by coup	1991	Coup	Coup supported by military, bureaucrats and bangkok-based business (Government focused on provincial businesses and tried to monopolise infrastructure projects). King approved the coup
Democratic Post 1997 crisis / Stretch of democratic institutions (1992-2000)	1992 (Mar)	Election	Coup / Constitution of 1991. General Kraprayoon claimed PM
	1992 (May)	Uprising	Bloody crackdown by military (result in declining legitimacy). King involvevement in inducing general --> increases
	1992 (Sept)	Election	House Dissolution / King appoints Panyarachun as PM (a business man)
	1995	Election	House Dissolution
	1996	Election	House Dissolution
Beginning of political upheaval	2001	Election	1997 constitution // Thaksin Shinawatra wins election. Sits for the full term as the first prime minister in Thailand's history.
	2003	Uprising	Crackdown in the Muslim-majority in South Thailand sparks insurgency. Thaksin responds with strong military response that brings strong criticism from human rights groups.
	2005	Election	New term election. Thaksin wins the election again.
	2006	Uprising	After a period of anti-Thaksin sentiment due to accusations of insider trading, protests and violent clashes
	2006	Election (April)	Thaksin dissolves parliament and calls for snap elections that are then boycotted by the opposition, resulting in parliament being prevented from opening.
Democratic breakdown by coup (2006)	2006	Coup (September)	Military launches a coup de tat while Thaksin is at UN General Assembly. Coup leaders refer to themselves as Council for National Security (CNS). CNS suspends the constitution, dissolves the Cabinet, both houses of Parliament and the constitutional court. General Chulanont is appointed interim Prime Minister.
	2007	Election	New constitution. Major changes to the previous constitution include: making almost half of Senators appointed
	2008	Uprising	Demonstrations demanding PM Samak's resignation. Samak's government survives no-confidence motion in parliament. Thaksin returns from self-imposed exile and is faced with corruption charges. Anti-Thaksin protestors ("Yellow Shirts" storm Bangkok's airports, shutting them down for a week to protest a Thaksin ally as the interim prime minister). Protestors invade Government house from August to December. PM Samak declares state of emergency in Bangkok (september)
	2008	"Election"	PM Samak is found guilty of violating the conflict of interest law and terminates his premiership. State of emergency is lifted. Somchai Wongsawat is chosen by the National Assembly to become Prime Minister. Protests
	2008	Uprising	PAD Protesters rally at parliament, attempting to block a parliament session where Prime Minister Somchai is to seek approval of policies. Police attempt to disperse protesters using tear gas. Intermittent clashes leave 2 dead and over 300 injured, including 20 policemen. Military troops are deployed to help control the situation (October). Same Protestors blocks Thai airports and cut off Thailand's international air connections. Several explosions and clashes occurs in the following days (November).
	2008	"Coup"	The Constitutional Court of Thailand dissolves the governing party after weeks of opposition-led protests. Bans the prime minister and leaders of the governing parties from politics for five years. The party called it a "judicial coup" (December)

Political upheaval (2006-2018)	2008	Election	Abhisit Vejjajiva becomes the 27th PM of Thailand.
	2009	Uprising	Street protests (mainly led by red shirts) against PM Abhisit demanding his resignation and dissolution of parliament.
	2009	Uprising	"Red shirts" protests over 2 months result in PM declaring state of emergency and military intervention. Over the 2 months: several deaths and hundreds of injuries (April). From July-September, regular rallies with pro- and anti-Thaksin protestors.
	2010	Uprising	Protestors converge and 150.000 people hold a mass rally (March). State of emergency declared after red shirts force their way into parliament. Troops try to break up protest. 25 people killed and +800 wounded. Declred thh worst clash in 18 years (april). Several protests, grenade explosions and gun shots throughout day and night (35 people killed and 250 injured in clashes between april-may). Police officers joining protestors, shooting at the army. First words of calling it a civil war. As Red Shirt leaders surrender and are arrested, rioting chaos results in buildings being destroyed and arson attacks
	2011	Election	Fresh elections in 2011 see Thaksin's younger sister Yingluck emerge as Thailand's first female prime minister. Prior to that army has filed lese majeste complaints against red shirt leaders for comments made during april 10 rally. Result: rules that forbid mentioning the monarchy during the election campaign.
(re)breakdown by military coup (2014)	2014	Uprising	Anti-Yingluck demonstrators hold months-long protests that turn violent
	2014	Coup	Junta Leader General Prayut Chan-ocha becomes interim prime minister
Interim government	2016	Nation-wide mourning	King Bhumipol Adulyadej passes away after reigning for seven decades. The nation mourn for 100 days.
(Un)Parliamentray election	2019	Election	His Majesty King Maha Vajiralongkorn shuts down prime ministerial candidacy of his older sister Princess Ubolratana. She represented the Thaksin-linked Thai Raksa Chart party.
	Post-2019		Prime minister Prayut Chan-ocha accused of unfair voting process resulting in his continuance as prime minister. Did not follow constitution that says prime minister has to be a member of a party.
	2021		It is time for a new election in 2022. Source: https://thethaiger.com/hot-news/elections/suan-dusit-poll-its-time-for-an-election-and-prayut-wouldnt-win Government tweaking rules for new election. Source: https://thediplomat.com/2021/09/with-eye-to-next-election-thai-government-tweaks-election-rules/