

Opinion **The FT View**

## Establishment 'lawfare' is holding back Thailand's economy

The return of the Shinawatra dynasty is, sadly, no triumph for democracy

**THE EDITORIAL BOARD**



Paetongtarn Shinawatra, the youngest daughter of Thaksin Shinawatra, has become prime minister of Thailand © Chanakarn Laosarakham/AFP/Getty Images

#### The editorial board YESTERDAY

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The Shinawatra dynasty is back in power in Thailand — or that, at least, is how it appears after Paetongtarn Shinawatra, the youngest daughter of former leader Thaksin Shinawatra, took over as prime minister [this week](#). But while his daughter's accession means that Thaksin — who was deposed by a military coup in 2006 and lived in exile until last year — has his hand on the tiller once again, the real lesson of this sorry saga is the ungovernability of Thailand under its current constitutional settlement, which is preventing urgently needed action to boost the economy.

Current events began with a 5-4 vote by Thailand's constitutional court to throw out Srettha Thavisin, a pro-business populist, who had been prime minister for roughly a year. The grounds for Srettha's dismissal were his appointment of an ineligible [cabinet minister](#). It has been a busy month for the court. A week earlier, it ordered the disbanding of the Move Forward party, a liberal grouping which won the largest number of seats in Thailand's last general election.

Srettha was the nominee of Thaksin's political party, Pheu Thai, which is currently ruling in coalition with military-backed conservatives. After some behind-the-scenes manoeuvres, the conclusion was to preserve the coalition by making Paetongtarn the prime minister instead and, while it gives them power, it does not appear that Thaksin or his daughter sought this outcome. It is certainly not obvious why the Thai

THAKSIN OF HIS DAUGHTER SOUGHT THIS OUTCOME. IT IS CERTAINLY NOT OBVIOUS WHY THE THAI people should want a reluctant 38-year-old with almost no governing experience as their prime minister.

This culture of “lawfare”, in which the royalist-military establishment maintains its rule by constantly disqualifying the nominal leaders of the country over technicalities, is deeply dysfunctional. Cautious, conservative leadership would be one thing. But Thailand, in essence, is ruled by people who avoid the burden of governance while sitting behind the scenes and shouting “no”.

When everything is going well, there could be a case to favour the status quo. But all is not well in Thailand's economy, which has been slow to recover from Covid. As gross domestic product per capita falls ever further behind China, it has become the canonical example of the so-called “middle-income trap”. Thailand badly needs reforms to education, action against monopolies and greater investment in infrastructure, among other changes, but such policies cannot even get on to the public agenda given the lack of political stability.

Srettha was pursuing an ill-conceived fiscal stimulus, which was supposed to distribute about \$275 to each of 50mn Thais via a “digital wallet”, but he was also working hard to drum up foreign investment in Thailand. The Shinawatras should rethink the stimulus. Their electoral appeal is, though, based on such handouts, so they are unlikely to give it up altogether. There is little sign, meanwhile, of a reform agenda aimed at tackling Thailand's deeper challenges of low productivity, an undiversified economy, an ageing population and high levels of household debt.

This leaves the country in a tangle, with Paetongtarn formally in charge and Thaksin running the show from the wings, yet both of them are on sufferance from the establishment. Thaksin already has a [lèse majesté](#) charge hanging over him, with the case adjourned until next year. The unfortunate temptation, in this environment, will be for the Shinawatras and Pheu Thai to maximise electoral advantage and ignore everything else.

Thailand, however, will only be able to flourish the way it should when the winners of its democratic elections are allowed to take office and govern, undisturbed.

