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## **Thailand in Sino-U.S. Rivalry. At the Crossroads of the Thai Internal Conflict**

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# Thailand in Sino-U.S. Rivalry. At the Crossroads of the Thai Internal Conflict

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## Abstract

Thailand has been caught in the growing rivalry and competition between two powers—the United States and China. The two powerful nations have competed fiercely in order to strengthen their positions in Thailand. This competition has become increasingly intense following the Thai political crisis, which began in 2006 when the military staged a coup overthrowing the elected government of Prime Minister Thaksin Shinawatra. The fragile political situation in Thailand has provided an opportunity for both Washington and Beijing to initiate their approaches in order to achieve their goals of maintaining their influence in Thailand. The United States has chosen to adopt an interventionist approach. In contrast, China has endorsed pragmatism while consolidating its ties with Thailand. This paper argues that the two different approaches have had different impacts on the Thai political landscape. The interference on the part of the United States has to a great degree pushed Thailand further into China's orbit. Meanwhile, ASEAN has been struggling to make any impact on the Thai political crisis due to the grouping's vulnerable position vis-à-vis its promotion of democracy.

## Key words

Thailand, China, The United States, Military Coup, Great Power Rivalry

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## Introduction

The political crisis in Thailand began in the final years of the Thaksin Shinawatra administration (2001-2006), which finally led to a military coup in September 2006. But this was not the last coup Thailand was to experience. In May 2014, the military staged another coup overthrowing the elected government of Thaksin's sister, Yingluck Shinawatra (2011-2014). In the preceding months, anti-government protesters took control of business districts in Bangkok while putting pressure on Yingluck, who was attempting to pass an Amnesty Bill that could free her brother from the corruption charges he was facing. The protests paved the way for the military to once again intervene in politics, which implied that the army's political interests aligned with those of the protesters. Thailand is currently under the custody of the military regime of Prime Minister General Prayuth Chan-ocha, former army chief and leader of the coup-makers. The enduring political crisis has effectively shaped the contours of the country's foreign policy, especially in its relations with the great powers. The crisis has also provided a vital platform for these powers—in this case, the United States and China—to compete with each other in order to influence the behavior and policy of Thailand at a time when the country has been experiencing political turbulence. It is, however, imperative to explain in a wider context the role of Washington and Beijing in Thailand's protracted crisis and their competition for power and supremacy in Southeast Asia. Thailand continues to serve as a “*strategic depot*” from which the two great powers seek to consolidate their spheres of influence in this part of the world. From this perspective, it can be argued that the Thai political situation has further intensified the level of competition between the United States and China, which has in turn readjusted the overall balance of power in Southeast Asia. This paper examines the different approaches of the United States and China in dealing with the Thai crisis. It asks which approach is more effective in the attempt to win influence in Thailand. It investigates the way in which the competition between the two great powers has come to dominate Thailand's foreign affairs. In the final section, the paper briefly discusses the standing of the Association of Southeast Asian Nations (ASEAN) in Thailand's polarized politics and seeks to elucidate whether Thailand has been able to exploit its position in ASEAN to dilute the overwhelming power of the United States and China over its domestic and foreign affairs.

## The Eagle versus the Dragon

Ian Bremmer has rightly observed that the United States and China are growing dangerously hostile towards one another. He posed the question whether this could be worse than the Cold War (Bremmer 2010). The fact that the “*list of irritants*” in Sino-U.S. relations has grown in recent years seems to validate Bremmer's point. For example, back in 2010, burgeoning bilateral tensions almost led to a trade and currency war. U.S. Treasury Secretary Timothy Geithner claimed that China's refusal to rapidly increase the value of its currency was hurting America's economic recovery. Rejecting the claim, Chinese leaders stressed that the United States was wrong to blame China for its economic woes (Yong 2010). On top of this, the United States accused China of failing to protect the intellectual property of foreign companies. But economic issues were not the only flashpoints in Sino-U.S. relations. The two countries disagreed over sanctions against Iran in regards to its nuclear program. The United States kept a watchful eye on political developments in North Korea—a country which has enjoyed a special relationship with China. Meanwhile, China criticized the United States for interfering in the Sino-Japanese conflict concerning the dispute over the ownership of the Diaoyu/Senkaku islands—the issue that stole the limelight during the 17<sup>th</sup> ASEAN Summit in Hanoi in late October 2010. In the Southeast Asian context, the United

States was uneasy about the closeness between the Chinese leaders and their counterparts in Myanmar, Cambodia and Laos. Besides which, the resurgence of the territorial disputes in the South China Sea, which involve China, Taiwan and four members of ASEAN—Vietnam, Malaysia, Brunei and the Philippines—has threatened peace and security in the region. The United States perceived the ongoing conflict as a threat to its own interest, namely, the right to freely navigate the disputed area. Then-U.S. Secretary of State Hillary Clinton called the conflict “a leading diplomatic priority” for the United States during the ASEAN Regional Forum (ARF) meeting in Vietnam in July 2010 (Ten Kate & Gaouette 2010). In 2012, China proved that its influence in Cambodia was well established when Beijing was able to convince Phnom Penh not to permit the issuance of the Joint Communiqué which contained references to the South China Sea not entirely favorable to China. This was the first time in ASEAN’s history that a joint communiqué was not released in the closing stages of a conference.

But these problems are merely symptoms of troubled Sino-U.S. relations. The real cause of the problems lies in the power struggle between the two powers, one of which seeks to maintain its status as the world’s sole superpower while the other has emerged as a new challenger to the current international order. This essay concurs with the widespread belief that China’s economic and military rise will inevitably shift the regional order that the United States has helped to sustain since the end of the Cold War. John Mearsheimer argued in 2005 that “A much more powerful China can also be expected to try to push the United States out of the Asia-Pacific region, in much the same way as the United States pushed the European great powers out of the Western Hemisphere in the nineteenth century” (Mearsheimer 2005). Southeast Asia has evidently become a battlefield in the fiercely competitive power game between the United States and China, as both have tried, through different methods and strategies, to retain their domination over countries in the region (Bert 2003: 83). There is a possibility that China may use its newly gained capabilities to defy the American claim to leadership, particularly in Southeast Asia, and to reestablish regional hegemony of its own. Indeed, China has already extended its influence on neighboring states that were previously dominated by U.S. interests, including Thailand (Vogelmann 2008: 2; Khalilzad et al 1999: 70).

## **Intervention versus Pragmatism**

In May 2010, U.S. Assistant Secretary of State Kurt Campbell, during his brief visit to Bangkok on his way to Naypyidaw, proposed a meeting between representatives of the Abhisit government and leaders of the pro-Thaksin “Red Shirts” United Front for Democracy against Dictatorship (UDD). Defending his initiative, Campbell reflected on his country’s growing concern about Thailand’s violently escalating conflict, stating that this was because Thailand was a treaty ally of the United States. But the traditional political elites were not convinced. They viewed it as a move to manipulate the political situation in Thailand. Immediately, Thai Foreign Minister Kasit Piromya rejected Campbell’s role as peacemaker, calling it a plot to meddle in his country’s domestic politics.<sup>1</sup> In the end, the U.S. Embassy in Bangkok managed to arrange a working breakfast between Campbell and Jaturon Chaisaeng, a former cabinet member under Thaksin Shinawatra and a Red Shirts leader, and Noppadon Pattama, former foreign minister and Thaksin’s legal adviser, without government’s representatives. The meeting deeply infuriated leaders in Bangkok. They were astounded by the seemingly fluctuating policy of the U.S. government, which had previously been openly supportive of the traditional elite. Throughout the Cold War, the United States had forged a close alliance with the military, the bureaucracy and the palace, in their fight

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<sup>1</sup> Ashayagachat, A. 2010. “U.S. Rebuked for Involvement in Thai Politics,” *Bangkok Post*.

against the communists (Fineman 1997: 3). These intimate ties were, however, coming loose following the change in the political landscape in Thailand in the recent years. Realizing that there were new players entering the Thai political domain that did not align themselves with the traditional elite, the United States sought to diversify its policy options and, at least on the surface, reached out to the Red Shirts faction so as to ensure that its interests would not be affected if the political proxies of the Red Shirts won the next election. Shawn Crispin argued that the United States adopted an “interventionist approach” in order to maneuver the Thai political situation to its own advantage and in doing so has befriended and irritated both sides in Thailand’s conflict in equal measure (Crispin 2010). For example, while Campbell’s initiative may have symbolized the United States’ sympathy toward the Red Shirts movement, it was also reported that U.S. intelligence officials eavesdropped on Thaksin and warned the Abhisit government against possible sabotage during the Red Shirts’ rally, supposedly on Thaksin’s orders.<sup>2</sup> This report disappointed the Red Shirts’ leaders, who felt that the United States could not be trusted. This interventionist approach was again evident in the aftermath of the 2014 coup when the United States imposed a number of sanctions against Thailand, hoping to use them to influence the behavior of the Thai military state.

In contrast, China has strictly upheld a non-interference policy vis-à-vis Thailand. Since the coup of 2014, leaders in Beijing have concentrated on “*making money rather than enemies*” and have been content to stay neutral in Thailand’s polarized politics. Crispin noted that in the subtle but intensifying competition for influence in Thailand and the region, China’s pragmatic diplomacy throughout the recent Thai crisis has been more successful than the United States’ interventionist approach (Crispin 2010). While certain Thai political players regard the United States with suspicious eyes, they feel more comfortable with China’s position in the conflict. Panitan Wattanayagorn, former acting government spokesman in the Abhisit administration once said: “*Our interests and international relations are becoming more complex. We see advantages in the competition between superpowers. The United States has high stakes in Thailand and they actively pursue their interests ... China is less active and uses an indirect approach and its handling of this situation was no different ... China-Thailand ties are becoming more and more dynamic and China is very pragmatic, but very keen in getting information and reacting*” (Crispin 2010).

The above statement was reaffirmed by the Chinese Ambassador to Singapore, Wei Wei, who stressed that China may be anxious to learn what has been going on in Thailand, but it adhered to the principle of non-interference. He told this author, “*These are Thailand’s internal affairs.*”<sup>3</sup> The clash between the two approaches signifies a compelling rivalry between the United States and China. Already, China’s non-interference approach has proven to be effective in cementing its ties with Cambodia, Laos and Myanmar, and has now been met with a favorable response from the Thai elite, who have insisted on handling their own internal problems without outside pressure. The United States may be a strategic partner of Thailand, but Washington’s hands-on approach has widened the gap in this partnership. Meanwhile, China has quietly bid to capitalize on that gap, presenting itself as an impartial power in the Thai conflict. *The Asia Times* reported, “*One Chinese official, who spoke on condition of anonymity, suggested that the United States had blundered by intervening so overtly in recent Thai events and credited his embassy with taking a more nuanced approach to the crisis*” (Crispin 2010). Moreover, China has no pretense about promoting human rights and democracy.

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<sup>2</sup> Bangkok Post. 17.03. 2010. “UDD Submits Letter to US Embassy”.

<sup>3</sup> In a private discussion with Chinese Ambassador to Singapore, Wei Wei, on 11 October 2010, Singapore.

This firm posture has to a great extent guaranteed that China would not push for political reforms in Thailand, nor it would criticize the Red Shirts' pro-democracy agenda.

## Competing Diplomacies

Thai-U.S. relations have now become somewhat erratic. In recent years the United States has awarded major non-NATO ally status to Thailand.<sup>4</sup> But there have also been gross human rights violations in Thailand, which have been a subject of concern for the Bush and Obama administrations.<sup>5</sup> Whereas economic relations have remained one of the core elements of this bilateral relationship, FTA negotiations were derailed by Thai domestic political factors. Thailand is indeed the oldest ally of the United States in Asia. The 1833 Treaty of Amity and Commerce marked the beginning of this relationship, which proved to be crucial in subsequent years when an American friend was needed to pull Thailand out of dangerous situations and to help it ward off enemies. For instance, the United States protected Thailand from British demands for war reparations in the aftermath of the Second World War (Randolph 1986). It also granted generous financial and military aid to Thailand in the containment efforts against communism during the Cold War. In return, the Thai state was obliged to cultivate an anti-communist reputation to satisfy the U.S. government in order to justify the American aid grant (Fineman 1997: 97). The mutual benefit allowed the United States to reconstruct an anti-communist Thai state, which openly condoned the rise of militarism. In 1982, Thai and U.S. forces commenced annual joint training exercises named “Cobra Gold” to symbolize U.S. military presence in Southeast Asia (Connors 2006: 131-132). From this historical point of view, the United States has found it “*legitimate*” to frequently intervene in Thailand’s domestic and external affairs, primarily to protect its own power position in the region.

It is important to note that the Thai-U.S. security alliance has remained the fundamental element in their relationship. This security alliance in the modern era is governed by two core agreements: the 1954 Manila Pact and the 1962 Thanat-Rusk Communiqué. The Manila Pact has its roots in the Cold War and involved eight countries—Australia, France, Great Britain, New Zealand, Pakistan, the Philippines, Thailand and the United States—and was implemented through the Southeast Asia Treaty Organization (SEATO), a supposedly identical twin of the North Atlantic Treaty Organization (NATO), to stem communist expansion. SEATO was eventually dissolved in 1977 but the Manila Pact provisions committing the United States to protect Thailand from communism remained in force. The Thanat-Rusk Communiqué expanded this undertaking. It was signed by Thai Foreign Minister Thanat Khoman and his American counterpart Dean Rusk. It pledged that each country would come to the other’s aid in the event of any external attack. These agreements have underpinned Washington’s military support to Bangkok through arms, training and education. More essentially, they have given the United States a wide range of comparative advantages, especially in terms of scope and room to advance its interests vis-à-vis Thailand.

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<sup>4</sup> Thailand was awarded this status in 2003. As the United States’ major non-NATO ally, Thailand was now eligible to participate in certain counter-terrorism initiatives, receive a priority delivery of military surplus (ranging from rations to ships), access loans on equipment and materials for cooperative research and development projects and evaluations, use American financing for the purchase or lease of certain defense equipment, and receive reciprocal training.

<sup>5</sup> These included the war on drugs (under the Thaksin administration in 2003), the conflict in the Thai south which erupted in 1994, and the current violent confrontations between the pro- and anti-government forces which culminated in May 2010.

China certainly does not have an equivalent defense treaty with Thailand that could be utilized to “legally” push its strategic interests while Beijing deals with Bangkok on a variety of issues.

The two agreements have equally benefited Thailand and the United States. On the Thai side, the kingdom gains most from access to training and exercises essential to the professional development of the armed forces. Thailand currently hosts approximately 60 U.S.-led military exercises annually through the Cobra Gold series. Another benefit it derives from the alliance lies in the access it provides to doctrinal support, education opportunities and advanced equipment sales. In the case of Thailand being confronted by external threats, U.S. support would undoubtedly prove vital. Likewise, as defense expert Robert Karniol argues, the United States also benefits from having extensive training sites and facilities in Thailand. There is also Bangkok’s wider support—cooperation in combating terrorism, helping contain arms proliferation, hosting U.S.-led regional relief operations and sending peacekeepers to certain locations. As a result, Thailand was obliged to hand over suspected Russian arms dealer Victor Bout to the United States in November 2010 since the bilateral security alliance indicates the need for both countries to work together in the area of arms trafficking. While in recent years the United States has not pressed the Thai government to provide more facilities and access under the security treaties in the way in which it has in the Philippines, it has allegedly used a Thai military base as a secure location for secret interrogation facilities in which terror suspects from Pakistan and Afghanistan were held captive (Crispin 2008). In sum, bilateral activities through existing defense agreements have brought various advantages to each partner while promoting broader bilateral cooperation.

But the current circumstances in Thailand have greatly complicated the United States’ interventionist approach, as it could never fully satisfy one faction in the conflict without displeasing the other. The complication has multiplied, as China’s rise poses a challenge to the United States’ hegemony in the region. Demoralized by Thailand’s increasingly intimate courtship of China, the United States has exercised its supposedly legitimate right to interfere in Thai affairs as a method of competing with China for influence in Thailand, while making use of its firm strategic partnership with Thailand as its own comparative advantage. Thailand and the United States have had a comprehensive relationship covering all important areas relating to politics, economics, security, defense, education, health and human security, science and technology, sustainable development and the environment. Both have had a forum for consultation and dialogue on their bilateral relationship called the “*Thai-U.S. Strategic Dialogue*.” Both also agreed to draw the Thai-U.S. Plan of Action, which was to be a roadmap for moving the bilateral relationship forward. And, certainly, the United States possessed one thing that China lacked—some moral authority. For this reason, the United States has once again employed its interventionist approach in the Thai political situation to firm up its position in Thailand and to fend off the influence of China.

Evidently, immediately after the coup, a number of Western countries voiced their concerns about the disappearance of democratic space. Subsequently, they imposed “soft sanctions” against the junta. As a treaty ally of Thailand and according to its laws, the U.S. is obliged to penalize the Thai junta for undertaking a coup that overthrew an elected government. This is true with regards to any country receiving military aid from the U.S. when it undergoes a coup. On the day of the coup, U.S. Secretary of State John Kerry said in a statement, “*I am disappointed by the decision of the Thai military to suspend the constitution and take control of the government after a long period of political turmoil, and there was no justification for this military coup. [...] We are reviewing our military and other assistance and engagements, con-*

*sistent with U.S. law.*<sup>6</sup> Accordingly, the U.S. government suspended its \$4.7 million financial assistance to Thailand, halting joint programs for Thai police training, which included firearms handling and a trip to the U.S. for senior officers.

Thailand was excluded from the Rim of the Pacific Exercise (RIMPAC)—the largest international military maritime exercise in the world—held in June 2014 in Hawaii, in response to spiraling human-rights abuses in the wake of the military coup. In her interview, then-American Ambassador to Thailand, Kristie Kenney, disclosed, “*We take very seriously the whole human-rights aspect to this coup in Thailand. One of the things our government has done is look at our military engagements*” (Campbell 2014). In addition to sanctions, the United States adopted several punitive measures to punish the Thai junta. In July 2015, Washington announced that, owing to the continued allegations of human trafficking, especially in the Thai sex and fishing sectors, Thailand was to be consigned to the lowest rank in the U.S.’s Trafficking in Persons Report (TPR) for the second consecutive year, the same category as Syria, Iran, and North Korea (Papart & Pratrungkrai 2015). This announcement was another blow to Thailand’s reputation and could result in further economic sanctions both at the government and business levels. It should also be noted that during the U.S. Independence Day party hosted by Chargé d’Affaires Patrick Murphy in Bangkok on 4 July 2015, none of the coup-makers were invited; this was meant to send a strong message of protest against the new government. It is also now clear that although the Cobra Gold exercises continued, they were downgraded as part of the U.S.’s soft sanctions against the Thai junta.

The American position towards Thailand led other democratic nations to use international sanctions as a way to pressure the junta to loosen its firm grip on power. The European Union initiated its own sanctions against the NCPO by announcing that it would freeze ongoing bilateral cooperation, including the suspension of all official visits to and from Thailand. In more specific details, the EU has halted its Partnership and Cooperation Agreement with Thailand, which was finalized in November 2013 but had yet to be ratified. The Agreement was designed to strengthen cooperation in a variety of sectors including “*tourism, employment, education, migration, transport and environment.*” It also aimed to promote a political dialogue between the two sides. Additionally, the EU has shelved negotiations with Thailand on the Free Trade Agreement.<sup>7</sup> Bilateral trade between the EU and Thailand stood at €32 billion, or \$42 billion, in 2012. Such a move would cost Thailand many business opportunities in Europe. The EU has also imposed a travel ban for all members of the NCPO. The Council of the European Union released its statement on 23 June 2014, urging the military to restore the legitimate democratic process and to respect and uphold human rights and fundamental freedoms by freeing all political detainees. Failing to do so could result in “*further possible measures*” against the NCPO. The EU has been known to periodically use sanctions to address myriad issues. In the context of Southeast Asia, the EU had long imposed stiff sanction measures against Myanmar during its military rule. As a part of the EU’s attempt to change the behavior of Myanmar’s regime, it exploited international platforms to alienate the generals in Naypyitaw, such as exclusion from the Asia-Europe Meeting (ASEM) process. The results were, of course, a mixture of success and failure. Meanwhile, on 31 May 2014, the Australian government issued a statement confirming the postponement of bilateral military operations with Thailand.

It said, “*Australia has postponed three activities for coming weeks in Thailand: a military operations law training course for Thai military officers; a reconnaissance visit for a counter improvised explosive device training exercise; and a reconnaissance visit for a counter terrorism training exercise. The*

<sup>6</sup> See <<http://www.state.gov/secretary/remarks/2014/05/226446.htm>> (accessed 31 August 2015).

<sup>7</sup> See <<http://englishnews.thaipbs.or.th/eu-sanctions-thailand>> (accessed 31 August 2015).

*Australian Government has also put in place a mechanism to prevent the leaders of the coup from travelling to Australia.”<sup>8</sup>*

Clearly, the U.S. has shown its desire to become more assertive in its relations with Thailand. In January 2015, U.S. Assistant Secretary of State Daniel Russel visited Thailand and met with Foreign Minister General Thanasak Patimaprakorn, as well as former Prime Ministers Yingluck and Abhisit. His tour of Thailand was mired in controversy after he urged the military government to lift martial law and to quickly return power to the Thai people. His remarks also came in the aftermath of Yingluck being impeached in connection with accusations that she had mishandled a rice-pledging scheme. Observers believed that the United States wanted to send a strong message of disapproval of the military government, its slow political reform and its harassment of the opposition. Immediately, Russel’s comments were harshly responded to by the junta. Prayuth decried Russel’s actions as interference in Thai domestic affairs (Parameswaran 2015). Meanwhile, ultra-nationalists expressed their anger against the United States; they stormed the Facebook pages of the U.S. Embassy in Bangkok and of President Barack Obama, sending repeated messages that Thailand was an independent country and would not take orders from the U.S.. At the same time, the Thai Committee of Foreign Affairs, under the Thai Parliament, summoned the Chargé d’Affaires Patrick Murphy even when it had no right to do so. The Thai reaction caused great concern in Washington. In return, the State Department summoned the Thai ambassador to Washington, warning that the drama could have a huge impact on bilateral relations.<sup>9</sup>

The current U.S. position regarding the Thai situation has deeply infuriated the leaders in Bangkok. They were astounded by the seemingly fluctuating policy of the U.S. government, which had previously been openly supportive of the traditional elite. Throughout the Cold War, the U.S. had forged a close alliance with key institutions in Thailand but this alliance has weakened in recent years. The United States realized that there were new players entering the Thai political domain who did not align themselves with the traditional elite. Therefore, it saw the need to diversify its policy options and reach out to the Red Shirts faction as part of its obligation to promote democracy, but more importantly to ensure that it did not put “*all its eggs in one basket.*” This was evident in the fact that U.S. diplomats have visited the remote regions of Thailand aligned with the Red Shirts in more frequently. Again, I argue that the United States has adopted an “*interventionist approach*” in order to manipulate the Thai political situation to its own advantages; and in doing so has befriended and irritated in equal measure both sides in Thailand’s conflict.

China’s strategy has been cautious and very diplomatic. Thailand and China established diplomatic ties in 1975. Throughout the latter half of the Cold War, Thailand and China formed a loose military alignment against the advancement of Vietnamese communists in Indochina (Paribatra 1987: 18-19). After the end of the Cold War, bilateral relations remained healthy thanks to the absence of territorial disputes, the firm ties between the Thai royal family and the Chinese leadership, and the well-integrated Chinese community in Thailand. Thaksin, a model of a successful Thai-Chinese, took advantage of his Chinese ancestral roots and a new surge in public awareness about China to craft a favorable China policy to satisfy domestic enthusiasm for a closer relationship with Beijing. A 2006 poll showed that more than 70 percent of Thais considered China to be Thailand’s most important external influence (Kurlantzick 2006: 1). The Sino-Thai FTA, the first between China and an ASEAN country, took effect on 1 October 2003. The FTA was invented to slash tariffs

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<sup>8</sup> See <[http://foreignminister.gov.au/releases/Pages/2014/jb\\_mr\\_140531.aspx?ministerid=4](http://foreignminister.gov.au/releases/Pages/2014/jb_mr_140531.aspx?ministerid=4)> (accessed 31 August 2015).

<sup>9</sup> In my private discussion with an officer of the State Department, via email, 12 February 2015.

for fruit and vegetable flows in each other's markets. Thailand claimed that as a result of this FTA, bilateral trade reached \$3.1 billion, a 23 percent increase between 2006 and 2007.<sup>10</sup>

Thailand subsequently constructed an alliance with China in a similar way as it did with the United States. The Cobra Gold exercise lent its form and purpose to Thailand's military rapprochement with China.<sup>11</sup> Since the early 1980s, Thailand has purchased armaments and military-related equipment under this partnership at "*friendship prices*," much of which effectively amounted to, in the words of Anthony Smith, "*military gift aid*" (Smith 2005: 1). Although some of these armaments from China were merely scrap, they symbolized close military ties between the two countries. Sino-Thai military links are among some of the most developed in the region—second only to Myanmar, China's quasi-ally. To demonstrate such close links, the Marine Corps of China's People's Liberation Army trained with Thai Marines in an exercise which lasted for three weeks (26 October-14 November 2010), in the Gulf of Thailand. Some analysts claim Thailand is intentionally balancing its military and financial dependence on the United States by nurturing better relations with China (Ehrlich 2010).

At a deeper level, however, Sino-Thai defense exercises and other military exchanges, although progressively growing over the years, have quantitatively and qualitatively lagged far behind U.S.-Thai security relations. In early 2010, China proposed joint military exercises to the Thai leaders with an all-expenses paid buffet of air, naval and land drills throughout Thailand's jungles and coasts. Patrick Winn of the *Global Post* asserted that the People's Liberation Army even suggested a replication of America's centerpiece exercise, a full-on coastal assault led by amphibious vehicles, gunships and helicopters circling the Gulf of Thailand. Ian Storey argues that despite its ambition, the People's Liberation Army still lacks the American equipment and expertise that Thailand now enjoys. Storey, a fellow at the Institute of Southeast Asian Studies, also noted that a typical Cobra Gold exercise—summoning 12,000 troops and spanning two weeks—dwarfs the largest Sino-Thai drill: a 2005 naval operation that ended in less than four hours. Essentially, China does not possess the same military capabilities as the United States, and certainly lacks the sophisticated military know-how to lure Thailand away from its American friend. It may be true that overall Sino-Thai relations have greatly improved over the years and that the scale of Chinese military exercises with Thailand will probably increase in the future. But Thailand's relationship with China is different from that with the United States. It is much less about security and more about politics and business. Although China has rapidly modernized its army in recent decades and augments its military budget annually, it will take a while before the country can confidently challenge U.S. military supremacy in Thailand. In any case, it is expected that Thailand will not allow its defense ties with China to be similar to Thai-U.S. military relations. Surachart Bamrungsuk, a military specialist at Chulalongkorn University, averred that Thailand remained highly protective of Cobra Gold and its friendship with the United States. Because of incomparable values and firm commitment on the part of the United States as stipulated in the two key defense agreements, Bangkok is unlikely to jeopardize its military ties with Washington. Yet, at the same time, the Thai government sees nothing wrong with nurturing an intimate relationship with China in order to diversify its policy options.

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<sup>10</sup> Source: Department of East Asian Affairs, Ministry of Foreign Affairs of Thailand.

<sup>11</sup> Ian Storey argues that Sino-Thai military relations have a long way to go before they start to rival those between the United States and Thai militaries, who conduct more than 40 joint military exercises every year. In, Ian Storey, "China and Thailand: Enhancing Military-Security Ties in the 21<sup>st</sup> Century" *China Brief*, vol. 8, no. 14 (Washington D.C.: The Jamestown Foundation, 3 July 2008), p. 7.

Quietly, Thailand is sliding into China's warm, embracing arms. Most Thai cabinet ministers and powerful businesses in Thailand have significant investments in China. Thailand's Charoen Pokphand (CP), one of Southeast Asia's largest companies, has been doing business in China since 1949. Bangkok Bank still has the largest foreign bank branch on Shanghai's Bund waterfront; only recently have a few other foreign banks gained token footholds on the prestigious address (Fullbrook 2004). Activities between Thai and Chinese business conglomerates are conducted regularly, with the exchange of visits and the sharing of business information. Thailand has also welcomed China's soft power with open arms. More Thai students are now keen to learn Mandarin, prompting China to dispatch a large number of language teachers to Thailand.<sup>12</sup> Clearly, Thailand's foreign policy toward China has been implemented on the basis of a win-win formula, based on their principal rule of "*respecting each other's sovereignty*." To confirm this, Thailand decided to expatriate nearly 100 Uighur migrants back to China—an exercise that might have appeased the Chinese leadership but which came at great cost to Thailand's internal security (Lefevre & Hariraksapitak 2015). On 17 August 2015 a bombing took place near the Erawan Shrine in central Bangkok, killing 20 people and injuring 125—an act that seemed to link with the Uighur terrorist network.<sup>13</sup> In return, Beijing has avoided intervening in the Thai domestic crisis. Business is still a key word in this bilateral relationship. China has hopes that it will be able to cooperate with Thailand on mega-projects such as building the high-speed train, in competition with other prospective investors like Japan. The project is worth as much as \$23 billion (Hodal 2014).

## Consequences on Thai Foreign Policy

Standing in between the two approaches—interventionist and pragmatic—Thailand has refreshed its traditional diplomatic strategy: playing one power against the other in order to maintain a degree of autonomy in its internal and external affairs, just as it once pitted the British against the French during the colonial period. Accordingly, Thailand is in the process of strengthening its ties with China to neutralize the United States' hegemonic position in the political domain. Likewise, it is seeking the United States' protection against any foreseeable threat that accompanies China's rise. Taking into account the complexity of Thai politics, the question must be asked: Is the Thai strategy functioning well? In many ways, this strategy has proven beneficial to certain parties in the Thai conflict and for Thailand in the context of international politics. America's interventionist approach has driven Thailand further into China's orbit. Closer relations between Thailand and China are being celebrated at the expense of growing disagreement in the Thai-U.S. partnership. The United States was reportedly unhappy with certain Thai moves, including the Thai decision to hold a joint military exercise with China. Whereas the United States made known its dislike of Thaksin, a position that brought about a sense of resentment among his Red Shirts supporters, China continues to be friendly with the former prime minister as well as with his opponents. Throughout the Thai crisis, China has allowed Thaksin to get in and out of the country, and every time has assigned a high-ranking diplomat to look after him for the duration of his visit.

However, Thai-Chinese relations are not without problems; and this is how the United States is able to assert its role and entrench its influence in the kingdom. Beijing may have gained influence in Thailand with its non-interference policy, but some members in the Red Shirts camp have been talking about persistent economic and social disparity and the unfair distribution of national wealth which, they believe, is under the control of the wealthy

<sup>12</sup> Vatikiotis, M. 18.01.2006. "The Soft Power of Happy Chinese," *International Herald Tribune*.

<sup>13</sup> See <<http://www.bbc.com/news/world-asia-34105249>> (accessed 31 August 2015).

Thai-Chinese elite. It is too early to determine if this assumption will have an impact on Thai-Chinese relations, but certainly, China's rising economic power has already threatened its overall trade relations with Thailand. The impact of the Thai-Chinese FTA could be measured by the increase in trade volume: 27 percent for Thai exports and 14 percent for those of China. However, Thailand's trade deficit with China stood at \$2 billion one year after the FTA was implemented (Worasakyothin 2006). A rapidly growing two-way trade is heavily weighted in China's favor, while poor Thai farmers and manufacturers, who often identify with the Red Shirts movement, have struggled to compete with China's cheaper products. In the realm of regional politics, the image of a Chinese threat has the potential to eclipse China's efforts to build trust, and thus to gain influence, in the wake of the Thai crisis. As a result, Thailand has stepped up its game to cope with China's rising threat. For example, Thailand's contract farming program in Laos was said to be initiated to offset similar projects between Laos and China. Currently, Laos produces corn, soybeans and cardamom under contract farming for export to China (Zola 2006). Laos itself has been seeking to reduce its dependence on Thailand and has been reaching out to China, as well as Vietnam, to help rejuvenate the moribund economy. After diplomatic normalization in 1988, China has supplied Laos with financial and technical assistance in an attempt to pull Vientiane into its orbit and away from Thailand's influence. The United States' presence has to a great extent delayed China's advancement of its influence in the region and is therefore complementary to Thailand's policy of balancing China. In another example, Thailand has cooperated with ASEAN and the United States in counteracting the perceived Chinese threat, particularly in the case of territorial claims in the South China Sea (Valencia 2010). Although Thailand is not one of the claimants, it supports the signing of the Declaration on the Conduct of Parties in the South China Sea in 2002, which stresses the need to resolve the territorial and jurisdictional disputes by peaceful means, without resorting to threat or the use of force, through friendly consultations and negotiations by the sovereign states directly concerned. But overall, again as a non-claimant, Thailand has no clear position vis-à-vis the South China Sea dispute and had no opinion in regard to Phnom Penh's failure to address this issue in 2012.

Ultimately, Thailand is obliged to accommodate both the United States and China, especially if this could protect the interests of certain political factions. But it is also willing to set one power against the other so as to contain the scope of its political crisis and to allow greater room for maneuver in its foreign affairs. Thailand is therefore not expected to make any sudden lurch away from the United States and toward China, or vice-versa.

## **A Role for ASEAN?**

In April 2009, the Red Shirts protesters stormed into the venue of the ASEAN Plus Three Summit in Pattaya and forced the cancellation of the meeting. Leaders of various member countries had to flee the scene, some via the hotel's roof and other through the back door. That incident raised a fundamental question of whether the non-interference principle should continue to be tightly upheld. Thus far, some ASEAN members have insisted on maintaining the principle, apparently to protect their own power interests at home. The Thai government rejected the plan of the Foreign Correspondents' Club of Thailand to host a press conference on human rights violations in Vietnam because this could be considered as interference in Vietnam's affairs (Chachavalpongpun 2010). At a deeper level, Thailand is well aware of its own controversial human rights record and thus strongly endorses the non-interference rule to shield itself from outside criticism. Meanwhile, none of the ASEAN nations came out to condemn the coup of 2014. It seems once again that democracy is an odd bedfellow for this organization. This goes against a commitment to promote democracy

in ASEAN as reflected in the Bali Concord II and the ASEAN Charter, and the condemnation of unconstitutional power usurpation in the Vientiane Action Program.

Moving away from Thailand's domestic politics, ASEAN members have entertained different worldviews and adopted different strategies to suit their national interests. It can be argued that, unlike in the Cold War, during which a common enemy could easily be identified, ASEAN has been unable to produce a coherent standpoint in a variety of critical issues confronting the organization. Some perceive China to be their biggest threat, while others may not share the same perception. Some maintain their suspicion of the U.S. presence in the region, while others regard Washington as an indispensable force that guarantees regional security. Is Thailand ready to rely on ASEAN to counterbalance the United States and China? It seems unlikely. In fact, the existing crisis has compelled Thailand to become more inward-looking. Successive post-coup governments have been preoccupied with safeguarding their own political survival. As a consequence, their confidence in ASEAN mechanisms has fallen to its lowest point. The Abhisit government rebuffed ASEAN's offer to mediate in its conflict with Cambodia at the peak of the territorial dispute over the Preah Vihear Temple, and insisted on managing the issue on a bilateral basis. The Yingluck government was too preoccupied with safeguarding its own position from political storms at home and thus neglected foreign policy and ASEAN. It might be true that U.S. reengagement with ASEAN and its new membership of the East Asia Summit (EAS) form part of the organization's strategy to dilute Chinese influence in the region. And in theory, Thailand should be able to take advantage of this same strategy, making use of ASEAN to keep the United States and China at arm's length. Unfortunately, Thailand has failed to exhibit leadership in ASEAN. Similarly, ASEAN is incapable of representing itself as an alternative, well-integrated regional block that could stand shoulder to shoulder with the United States and China.

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