CHAPTER 1
Chapter 1 (Introduction)

As the world enters into the increasing levels of globalization, almost every country around the globe whether rich or poor, developed or undeveloped rapidly realise the importance of their own foreign policy. They have been struggling to achieve the set goals or objectives for their security, stability and prosperity both political and economic. A significant part of the government policy of any country is of course foreign economic policy which is identified as an important vehicle to grow up and develop its economic relation and integration with other parts of the world and eventually meet its national interests. Simultaneously, foreign economic policy plays a constructive role to take a close monitoring and take a quick response to the rapid world economic development.

Economic diplomacy is directly related with international economic affairs. Economic interdependence since 1950s could be identified as a tremendous influential factor for all nations to acknowledge the great role of economic diplomacy in the international stage. Increasingly, the process of economic diplomacy has become sophisticated, relating more and more issues and including more and more diplomats. Economic diplomacy could be an important instrument to link the various countries to garner the mutual benefits between the two sides.
It can be pursued through economic integration or grouping, economic meeting, bilateral, trilateral or multilateral level of economic negotiation and so on. It can not be denied that economic diplomacy can be described as a systematic tool to utilize economic power in order to accomplish the whole strategy of foreign economic policy.

Thailand's foreign policy towards the G.C.C. countries is established on the strong bilateral relations and multilateral engagements with the region. The policy is part of “Look West Policy”, which proposed to establish cordial and endless relations. Economic cooperation in various areas with these oil rich states (G.C.C. countries) is an important part of Thailand’s Look West Policy. Moreover, Thailand has been struggling to push forward an all-round relations and cooperation with countries in the region in political, economic, social and cultural spheres. Of course, Thailand’s policy consists of Government-to-Government, Business-to-Business and People-to-People contacts and exchanges. Thailand aims to enhance economic relationship with the G.C.C. region in areas of trade through free trade agreement which is only at an early stage. Certainly a successful free trade agreement would benefit both sides in which Thailand could become a gateway for G.C.C. to Southeast Asian countries while access to G.C.C. countries could also help Thailand in penetrating the vast Middle East market. Traditionally, Thailand’s trade with G.C.C. countries
has involved large volumes of vehicle, machinery, electronical devices, canned seafood, agricultural product and ready-made garments. Currently, largest exports are vehicle, (not railway), with its volume growing rapidly, followed by air-conditioners; pick up trucks, electrical appliances and electronics, gem and jewellery. However, there are many items which represent a continuously increasing trend which we can observe in details in chapter 3.

The trends in current Thai trade policy, include identifying export products and to promote trade opportunities in the G.C.C. market, focusing on Halal food and trade in services such as medical and health services, spa, Thai restaurants, and construction. Foreign direct investment is very low on the two sides, so many business regulations has to be properly revised, especially at the G.C.C. countries side. In terms of tourists, Thailand has become one of the most popular destinations among G.C.C. tourists which generate the highest spending during the trip. Thai tourism sector would get more benefit from these tourists if the promotion of amazing Thailand has been easily accessible for them. Besides, they look for healthcare and medical services that promise international standards but lower costs than Western countries. Thailand’s policy is also focused on developing economic partnerships with each of G.C.C. countries. While Thailand wishes to create and rapidly expand business
opportunities in which G.C.C. countries could be Thailand’s strategic partnership to secure the energy supply and drive Thailand’s economic prosperity.

**Thailand’s economy: An overview**

The study of Thailand is of great interest because of its characteristic features distinguishing it from the other countries of Southeast Asia. For example, Thailand is the only country in the region, which was never subjected to European colonialism. Politically, Thailand is a constitutional monarchy with parliamentary democratic structures. From the fifteenth to nineteenth centuries, Siam was a major port on the Asian trade routes running from Japan to Arabia. The interior of Siam dominated a wide range of valuable trade commodities. Siamese port-capital of Ayutthaya became a cosmopolitan city with settlements of Chinese, Europeans, Japanese, Persians and Arabs\(^1\). However, after Europeans gradually came to dominate Asian trade, Siam had lost its importance because other ports such as Malacca and Singapore were more convenient, beneficial and lucrative. Nevertheless domination of colonial era in neighbourhood played an important role in the transformation of Siam. Obviously, people in other parts of Asia were lured to move into the

downtown area in order to get a good job, high living standard and other facilities provided by colonial rule. Siam itself became the major rice exporting country of the region due to availability of plenty of land resources. The volume of Europeans doing business in Siam was small as compared to neighbouring colonial countries. However, banking, insurance, shipping, and managing agencies were mostly operated by the Europeans and claimed a big success before the period of the Second World War. Between the early nineteenth century and 1950, due to the migration encouragement and support by King, some four million Chinese (most of them were very poor) departed from the ports of southern China for Bangkok. The migrants arrived with no more than “One pillow and One mat”\(^2\). Since 1950 Thailand has continued to rely on imports for a substantial part of its requirements of manufactures, both consumer goods and capital goods. Thailand has, on the whole, maintained its traditional posture as an open economy, closely connected through trade to the outside world, and largely relying upon competition and market prices(as influenced by tariffs) to regulate the size and composition of imports\(^3\).

Prior to World War II, Thailand had developed a small manufacturing capacity, but it had not gone very far by 1941. The dominant

\(^2\) Ibid, p 13
manufacturing industries were rice-milling, saw-milling, and other simple processing industries, cement, textiles, beverages, and a number of small-scale activities, largely producing for final consumption\(^4\). The development of the industrial sector since 1950 looks impressive even though small in absolute terms. In terms of its share in the gross national product, value-added in the industrial sector rose from 18 percent in 1951 to 26 percent in 1960 and to 30 percent in 1969. Since GNP was itself rising rapidly in this period, this rising sectoral share implies a high rate of industrial growth\(^5\).

In 1960, agriculture contributed 39.8 percent to GDP. By 1990, even though the sector has continued to grow, its contribution recorded a mere 14.2 percent. During the same 30-year period, manufacturing sector's share grew from 12.5 percent to 25.2 percent. The Thai economy has therefore undergone dramatic structural change in the period. Manufacturing has assumed the leading role in terms of its contribution to GDP since 1981. The foundations for these changes were laid by successive five year National Economic and Social Development Plans, the first starting in 1961. The major emphasis of the plans in the 1960s was import substitution. However, from mid-1970s onward, the emphasis shifted to production for export. In the process, the scale of manufacturing production expanded, from small scale to medium

---

\(^{4}\) Ibid, p 284

\(^{5}\) Ibid, p 288
and large scale industries. Success in diversification meanwhile resulted in a numerous variety of products. The share of manufactured output continued to rise during the 1970s in spite of setbacks in the world economic environment, including the oil crises which also adversely affected the Thai economy and prompted the Thai government to adopt a restrictive macroeconomic policy stance. During this period, however, the authorities began to promote exports instead of concentrating only on import substitution.

Half a century ago, Thailand’s urban business was probably smaller and less sophisticated than almost any other country in the region which derived a lot of economic facilities from their leaving colonial states, for instance Korea and Taiwan took over modern industries established by the colonial Japanese. Nevertheless, Thailand’s massive economic growth was indicated by the average of 5-8% growth per year during 1970-80s. Surely, the economic prosperity was triggered by government’s plan which focused on the improvement of economic infrastructure, skilled labour and so on. Since The Second World War, this old society has been rapidly transferred to a new society of industrialization. Incidentally, the marriage of business and politics was

---

6 Department of Economic Research, Bank of Thailand, Getting to Know the Thai Economy, Sri Siam printing press, Thailand, 1991, p 2

formalized in the late 1950s under the regime of General Sarit (1957-63). The US had cultivated the friendship of Thai generals for several years before Sarit came to power. The US encouraged Sarit to adopt a free-world model of development, which meant providing state backing for the growth of private business. With US grants and loans, they built the schools and colleges to raise the level of education in order to train a new workforce. With US expertise, they established the fundamental infrastructure to manage a modern urban economy. Before the financial crisis, the Thai economy had years of manufacturing-led economic growth-averaging 9.4% for the decade up to 1996. Relatively abundant and inexpensive labour and natural resources, fiscal conservatism, open foreign investment policies, and encouragement of the private sector underlay the economic success in the years up to 1997. The economy is essentially a free enterprise system. Certain services, such as power generation, transportation, and communications, are state-owned and operated, but the government has been considering privatizing them in the wake of the financial crisis.

It can be also described that the attempt to attract and increase foreign investment was initiated by bureaucrats and technocrats. These technocrats believed that Thailand's prosperity lay in minimizing state

---

8 Ibid, p 22
regulation of the private sector to allow it to play the leading role in economic development, and in a closer cooperation of the Thai economy with the global economy through financial liberalization, accelerated trade and investment. Moreover, the elimination of all crucial restrictions on foreign transactions, coupled with the maintenance of high interest rates to attract investors and tying the baht (Thai currency) at a stable rate to the dollar to ensure them against foreign currency risk created a friendly framework of macro-economy to foreign capital. Importantly, the massive wave of portfolio investment conducted by Japanese and other direct investment played a big role in the economic growth of the country in the early 1990s, which was at the high level of 7-10 percent\(^\text{10}\).

The economic bubble that had grown since the early 1990s finally burst, taking both Thais and foreigners by surprise. Thailand's high-growth economic boom could not go on forever fuelled by debt-driven consumption, ill-advised mega-projects, fiscal mismanagement, and political instability. So the economy came back to earth with a crash, the crash of the property market and the plunge in the value of the baht. The baht was cut loose from its fixed exchange rate on 2 July 1997 and steadily lost value, ending the year about 45 percent lower against the US dollar. Fifty-six of the country's finance companies had gone broke under massive

bad debts, many other companies were facing bankruptcy, and unemployment was increasing. The situation had not improved at year-end 1998. The crisis had pushed the number of unemployment up to 1.13 million, compared with 623,000 unemployed in 1997 and 486,000 in 1996. Other estimates, however, placed unemployment somewhat higher. GDP declined by 9.4 percent in 1998\textsuperscript{11}.

The economy of Thailand can be characterised as the lower middle income industrially developing economy, heavily export-oriented, with exports accounting for 60% of GDP. The exchange rate reached Bath37.00/usd as of October 26, 2006 for a nominal GDP at market rates of approximately US$ 200 billion. However, due to rapid appreciation in 2007, nominal GDP hovered around $230 billion. This made Thailand as the 2nd largest economy in Southeast Asia, after Indonesia, a position it held for many years. Despite this, Thailand ranks midway in the wealth spread in Southeast Asia as it's 4th richest nation per capita, after Singapore, Brunei, and Malaysia. It is also an anchor economy for the neighboring least developed countries of Laos, Burma, and Cambodia. Thailand's recovery from the 1997-98 Asian financial crisis relied on exports, largely on external demand. Thailand has a strong automotive export industry along with electronic goods manufacturing which has

\textsuperscript{11} John Laird, Money Politics, Globalisation, and Crisis, the case of Thailand, Graham Brash Pte Ltd, Singapore, 2000, p 3
helped to strengthen the baht. Agriculture has always been traditional income generation, but has declined in relative terms in recent years as overall exports increased. Tourism has been on the rise as well, but not without negative consequences. With the instability surrounding the recent coup(2006), however, the GDP growth of Thailand has settled at around 4% from the previous highs of 5-7% under the previous administration, as locals as well as foreign companies hold investment back due to political uncertainty.

**General Views of G.C.C. economies.**

The establishment of the Gulf Co-operation Council (G.C.C.) has been a milestone in the efforts of member countries to develop closer cooperation, not only politically, but economically. The several activities to be examined in terms of economic co-operation in that critical part of the world include the following: first, the energy policy of these countries as they relate to the energy situation world-wide; second, the surplus economies, that is, the surplus-capital economies of the Gulf Co-operation Council; third, the industrial policies of the countries included; and finally
the services policies, which as a sector is growing in importance\textsuperscript{13}. The declared ambitions of the G.C.C. countries are to create a cohesive regional group and to effect deeper integration and closer cooperation between its members. Indeed, since the inception of the G.C.C. countries, its members have moved closer to each other in several ways in economic, social and political spheres. A free trade area had been created and an agreement on a customs union entered into force in January 2003. A monetary union has been mooted to be followed by a single currency in 2010. There is already free movement of people, goods and capital between its member states and there are discussions aimed at achieving a common Gulf citizenship\textsuperscript{14}. The G.C.C. region as a whole was one of the poorest in the world before the advent of oil. After a slow start, the region’s share of world production rose substantially after World War II, which made it one of the most globally important sources for energy exports. The G.C.C. countries are major oil producers, their combined oil production is over 20 percent of the world total and their oil and gas reserves are around 40 and 15 percent, respectively. Oil and gas revenues account an average of about 75 percent of total government revenue and such exports comprise 65 percent of total export. While there are variations among countries, these shares are

\textsuperscript{13} M.S. EL Azhary, , \textit{The impact of oil revenues on Arab Gulf development}, Westview Press, Colorado, 1984, p 54

\textsuperscript{14} Gers Nonneman, \textit{Analyzing Middle East Foreign Policies and the Relationship with Europe}, Routledge London, 2005, p 145
nevertheless significant in all countries. As all six G.C.C. countries rely almost exclusively on oil revenues as the main source for public funds, fluctuation of oil prices has complicated their efforts at long term planning. Oil is not only the main source of national income in the six G.C.C. countries but it is also the main engine for the transformation of the region. Moreover, the obvious impact on government finances and the balance of payments, changes in oil earnings have broader implications for domestic economic activity in the G.C.C. countries\textsuperscript{15}.

The economic activities of Gulf Cooperation Council (G.C.C.) countries were trapped to limit to the agricultural activities like production of dates, vegetable and fruits, fishing and exploitation of sea for pearls and other precious commodities. Sea-faring and boat building were also important economic activities, whereas the pearl diving was the major industry in Kuwait and some other G.C.C. countries. After the discovery of oil in 1930s the whole economic structure was altered but this transformation triggered momentum in the oil boom period of 1970s, which created massive financial revenues. The G.C.C. countries, except Bahrain, share only one outstanding characteristic that is oil. These economies are significantly dependent on the depletion and export of a

\textsuperscript{15} ibid, p 151
single commodity. The aim of G.C.C. economic policy carries mainly two basic goals.

1. To provide basic infrastructure like building, road, ports, communication network, educational and training facilities etc. this was supposed to make the subsequent economic development feasible by enlarging the absorptive capacity of these economies. This was expected to remove impediments in the way of industrialization as well as existing symptoms of underdevelopment.

2. The fear of oil depletion, however, necessitated creation of some alternative production sectors which could help the economy in maintaining high level of income when oil gets exhausted. This needed a fundamentally original approach keeping in mind the peculiar resource base of these economies and the limitations imposed by that\(^{16}\). The countries whose economies are based on depleting resource must adopt policies in the long run, which will enable them to maintain their standards of living after the resources are exhausted. It requires that the policies that enhance

---

\(^{16}\) Subhash Narula, *Gulf Economies in Indian Perspective*, Commonwealth Publishers, New Delhi, 1988, p 35
the business climate should be embraced and distorting economic policies should be eliminated\textsuperscript{17}.

The period 1973-78 was marked by attempts to achieve the first goal while the post-1978 period is mainly aimed at accomplishing the second goal\textsuperscript{18}. The rise in oil prices in 1973-1974 and 1979 resulted in huge increase in the income and wealth of the G.C.C. countries. They used these finances to develop their economies, investing large amounts in expensive economic and social infrastructures and developing social services that were provided free or at minimal cost to their populations. These countries encouraged population growth by providing social benefits to large families and by importing workers for construction and other projects. They also have surplus funds that have been invested abroad and that yield substantial income. These accrued to the public and private sectors. And because of this at the period of lower oil prices, the G.C.C. countries were able to avoid problems in financing their state budgets and their balance of payments. But these large expenditures did sow the seeds of financial problems that were to affect the economies of the region from the late 1980s onward\textsuperscript{19}.

\textsuperscript{18} Op cit. 16. P. 35
The pace of diversification since the 1980s has been very rapid within the Gulf Cooperation Council (G.C.C.) countries. In 1980 crude oil constituted 60 percent of GDP, its contribution fell to 30.5 percent in 1998\(^2\). The process of industrialization and diversification has greatly accelerated the economic activity throughout the G.C.C. countries as both individual entrepreneurs and government policy makers assumed that industry was essential to a better life. In fact this drive symbolized a break with the past, a break with traditional, slow moving economies, with primitive technology and with the role of supplier of primary commodities and buyer of manufactured goods from the foreign industrial countries. In G.C.C. countries the industrialization is assigned to create greater balance in the growth and structure of the G.C.C. economies by making them less dependent on the dominant hydrocarbon sector\(^2\)

The first stage of economic development in the region lasted from the early 70s till the early 80s and made use of increasing oil revenues to help build the basic infrastructure both physical, human and financial-airports, sports, roads, schools, housing, universities, hospital, telecommunications and financial institutions. The second development phase started afterwards. It involved a larger participation of the private sector and relied more on attracting foreign investors as joint venture

\(^{2}\) Middle East, December, 1999, No. 296, p 37
\(^{21}\) Jha, Ajay N., *India’s economic diplomacy in the Gulf*, ABC publishing house, New Delhi, 1988, p 41
partners, including the transfer of appropriate technology, management
skills and international distribution system. In other words, the existing
infrastructure was to be used to build new industries that had a clear
commercial viability\textsuperscript{22}. The industrial sectors of the various G.C.C.
countries are increasingly gaining prominence and gradually becoming
viable and contributing more to the region’s GDP. During the first half of
the 80s the region witnessed a significant numerical growth in
manufacturing enterprises. By 1985, according to the Gulf Organization
for Industrial Consulting, there were about 3600 licensed manufacturing
enterprises operating in the region, with a total investment of $75 billion.
The majority of these enterprises were engaged in import substitution
products and depended mostly on imported skills for their operation.
Nevertheless, the region remains characterized by excessive reliance on
imports to meet consumption needs. The contribution of the industrial
sectors to GDP in the various G.C.C. countries is still limited\textsuperscript{23}.


\textsuperscript{23}Ibid, p 121
**G.C.C. initiatives.**

Over the past few years, policy initiatives in the region have contributed to a strong macroeconomic foundation and acceleration in non-oil economic growth. Some of the structural reforms undertaken by the G.C.C. governments include: privatization of telecommunications and other public enterprises in Saudi Arabia, Oman and the UAE, the ongoing regulatory and supervisory changes to enhance transparency in all G.C.C. markets, as well as opening up of stock markets to foreign investors. Trade integration is a priority for the G.C.C. countries. They are unifying their industrial regulations and legislation to facilitate distribution of industries by encouraging establishment of basic projects according to the comparative economic advantage. Towards this, the bloc had unified a number of trade regulations such as the Unified Guiding Regulation of Commercial Agencies, the Model Regulation of Commercial Agencies, the Model Regulation of Trade Marks, the Unified Law of Commerce, the Unified Commercial Registry Law and the Unified Law of Customs. These initiatives are intended to ultimately result in the creation of the Gulf Common Market and economic union.

**Challenges**

Among the six major challenges are:

1. Human resource development.
2. Diversification of their economies to reduce dependence on oil.
3. Creation of appropriate opportunities for employment.
4. Challenges arising out of globalization and WTO demands (the burden of the exports of existing small- and medium-scale industries)
5. Necessity of being positive towards globalization to get benefits from economic, political, cultural and social opportunities and opening it provides\textsuperscript{24}.
6. Political reforms.

It is a golden opportunity for Thailand to adjust its strategic policy to experience these challenge together with G.C.C. countries and put an attempt to make strong ties and closed partner through economic diplomacy. This would offer an expanded market for Thai export products in this region and joint venture, business opportunity of the two sides will present itself through cordial relationship.

\textit{Hypotheses.}

1. Economic diplomacy is a scientific and systematic part of diplomacy which envisages transforming the words into effective and positive action for national interest. This is absolutely determined by the concerned government.

\textsuperscript{24} G.C.C-India Research Bulletin, Gulf Research Center, Dubai, Issue 2, June 2006,p 18
2. Economic diplomacy is a form of diplomacy which works to restore and strengthen a country's position in international stages as well as seeking international cooperation in all fields.

3. Thai and G.C.C. economic diplomacy are absolutely responsible for large area of economic cooperation such as bilateral trade, foreign direct investment (FDI), tariff reduction, free trade area (FTA) and so on. Hope and orientation to improve such conditions must rely on all sign of optimism presented by economic diplomacy.

4. Thai and G.C.C. economic diplomacy should not be at standstill because various economic opportunities remain largely unexploited. Imported-energy-dependent economies like Thailand should establish a productive economic diplomacy to G.C.C. countries to secure its energy supply. However, the source of oil import should be diversified in order to create alternative options.

**Objectives of the study.**

1. To study the general background and the main purpose of diplomacy which specially refer to economic diplomacy.

2. To examine critically the evolution and development of Thai economic diplomacy associated towards G.C.C. countries
through investment, foreign direct investment (FDI), free trade agreement and free trade area, expatriate labour force and the performance of bilateral trade as well.

3. To understand the essential role of economic diplomacy in various aspects such as task of diplomacy, diplomacy associated to trade, economic diplomacy in the field of economic sanction and so on.

4. To examine and measure the impact of economic cooperation on bilateral trade which of course refers to bilateral trade between Thailand and G.C.C. countries. The country wise data will be provided to facilitate the study.

5. To deal with the condition of Thai labor force in G.C.C. countries and also to study what are the factors which create momentum and drastic change for a vast number of Thai labour there and to acknowledge the impact of remittances on Thai economy.

6. To study and analyse critically ongoing G.C.C. - Thailand relation and provide recommendations for future prospects.
Methodology (Sources of Data)

The study is essentially based on secondary sources of data and information which is collected from different sources and publications. Various yearly and monthly publications providing information of the program and development of economic diplomacy between Thailand and G.C.C. countries such as statistical data on imports, exports and expatriate labor and remittances, composition and direction of trade etc., have been consulted. Simple statistical tools relevant for the study of this topic will be utilized to analyze the subject.

Broadly speaking the sources can be classified under two heads:

1. National source: this particularly include the publications of (a) Central Bank of Thailand and Central Bank of G.C.C. countries, namely Saudi Arabian Monetary Agency (SAMA), Central Bank of Kuwait, Bahrain Monetary Agency, Central Bank of Oman, Central Bank of Qatar, Central Bank of UAE (b) Thai and G.C.C. Commercial Banks. (c) Various Thai’s ministries namely, Ministry of Foreign Affairs, Ministry of Labour, Ministry of Commerce, Department of Export Promotion, Customs Department and Thai’s statistical institute. (d) Various library in Thailand’s University, namely Ramkhamhaeng
University, Chulalongkorn University and Thammasat University.

2. International source: it consists of different statistical year books published from International Monetary Funds (IMF) and World Bank (WB), some of them are: (a) Direction of Trade Statistics Year Book, (b) Balance of Payment Statistics Year Book, (c) International Statistics Year Book, (d) Europa, Middle East and North Africa Year Book.

**Significance of the study.**

The proposed study would focus on both the emergence and evolution of economic diplomacy between Thai and Gulf Cooperation Council (G.C.C. countries) and its important role as a crucial contributor to drive dramatic economic relationship among the two regions. So far, little progress had been made in the negotiation on economic cooperation in various fields, especially Thai- Bahraini free trade agreement negotiation which was suspended unreasonably. In an overall scenario, no signal of any breakthrough had been made so far. Therefore, the top priority of the present study is to seek the way to establish comprehensive solutions and momentum in the area of Thailand’s economic diplomacy in order to improve all kinds of economic cooperation among the two regions.
Literature review.

Obviously, the diplomacy has long been an attractive topic for many scholars but the popularity of economic diplomacy comes to the fore and clearly observed after the economic liberalization spread to all over the world. Every country must be vigilant economically and to sustain its competitiveness. Therefore, this factor brings an atmosphere of cooperation and at the same time they have to compete economically with each other to maximize the economic benefits for their countries. This is why economic diplomacy has gained so much of importance. Many books written about this topic associated to economic diplomacy directly or indirectly are reviewed as follows:

Bharati Mukherjee\textsuperscript{25}, in his book entitled \textit{"Kautilya's concept of diplomacy"} deals with the concept of diplomacy enunciated by brilliant statesman of ancient India \textit{"Kautilya"}. Also, this book examines the diplomatic policies as proclaimed by Kautilya by the application of the modern systems analysis method which is regarded today as a landmark in the field of methodology of Political Science. However, with the rapid change of the task of diplomacy since the Second World War, the economic interests claim much more importance. Therefore, the diplomatic concept which is discussed in this study became considerably outdated.

Kishan S. Rana\textsuperscript{26}, in "Inside Diplomacy" has thrown light on the instruments of Indian foreign policy in which the whole system of Indian methodology and the diplomacy are clearly discussed. Besides, it examines the various roles which are played by the Ministry of External Affairs and by the Mission Abroad, the High Commission and so on. Of course, an attempt has been made to discuss the Indian diplomacy and its performance. Obviously, this book is very necessary for this thesis to discuss about the role of diplomacy of a country in the global arena. However, this study gave fewer details for Indian government and authority in charge of economic diplomacy.

Jha, Ajay N.\textsuperscript{27}, in "India’s Economic Diplomacy in the Gulf", highlighted the various fields of India’s foreign economic policy since its independence. An attempt was also put on the discussion about the historical framework of economic diplomacy of India with the G.C.C. countries in the post 1973 era. It analyses the rapidly growing importance of the G.C.C. countries’s role in the global stage, the impact of soaring oil price in the global market to the new programs of modernization and industrialization. It also discusses various important elements which shape Indian economic diplomacy in the Gulf. However, this study is still too old

\textsuperscript{26} Kishan S. Rana, \textit{Inside Diplomacy}, Manas Publications, New Delhi, 2000
\textsuperscript{27} Ajay N. Jha, \textit{India’s Economic Diplomacy In the Gulf}, ABC Publishing House, New Delhi, 1988
to discuss Indo-G.C.C. economic relations in the global environment of liberalization.

T.N. Kaul\textsuperscript{28}, in his book, "Ambassadors Need Not Lie", has constructed a profile of foreign policy of India. It traces the development of Indian foreign policy not from the hindsight of today, but from year to year as making in the form of history. It examines the impact of the historical events to shape foreign policy. Also, it discusses about the role of India towards globalization. The India's diplomatic aims are critically explained. Definitely, this book is also helpful in explaining the impact of external factors for shaping the foreign policy, but with the rapid growth, specially economic, of India in the global stage, the study need to be updated.

Humphrey Trevelan\textsuperscript{29}, in the book "Diplomatic Channels" explains the role of British Foreign Service, known as the diplomatic service, since the decline of British power, due to the massive growth in economic, military and political power of U.S. and the Soviet Union. Of course, changes in diplomacy, the habit of the government and ambassadors have been discussed in detail. This study may be quite beneficial in this thesis and gives many important clues how to be an intelligent ambassador in order to get advantages and interests for own

\textsuperscript{28} T.N. Kaul, \textit{Ambassadors Need Not Lie}, Lancer International, New Delhi, 1988

\textsuperscript{29} Humphrey Trevelyan, \textit{Diplomatic Channels}, Macmillan, London, 1973
countries and how to adjust its own foreign policy; nevertheless, the issues discussed here are considerably too old.

Pasuk Phongpaichit, Chris Baker, in their book "Thailand's boom and bust" explain the unique difference of Thailand from other countries in Asia both politically and economically. This study traces and focuses on the period a decade ago when Thailand was the fastest growing economy. Where it came from, what it did, why it ended, all of these interesting points are clearly discussed. Besides, the impact of political instability towards domestic economy is also explained. The rapid economic growth of Asia and Thailand have been closely examined in this study. It can be said that almost all of the various economic aspects of Thailand during last decade are presented; however, some areas are still missing like, the stock exchange performance in this particular period, monetary policy, economic statistical data e.t.c.

Sanjaya Baru, in his book "Strategic Consequences of India's economic performance" explains and examines on contemporary India's foreign policy with special reference to economic point of view. General principle of seeking national security through economic engagement is more specific idea of utilizing regional economic

30 Pasuk Phongpaichit and Chris Baker, Thailand's Boom and Bust, Silkworm Books Thailand, 1998
31 Sanjaya Baru, Strategic Consequences of India's Economic Performance, Academic Foundation, New Delhi, 2006
integration as an instrument of regional security. According to Baru, India must take economic diplomacy into account because in the past India economic diplomacy performed ineffectively. China is a very potential country and enormously tries to get closer and deeper economic and commercial relationship with the West and another parts of the world, especially with Asian neighboring countries. As a result, India's bilateral trade exceeds that of China with only small three countries in the entire West, Central, South-East and East Asian region. Every major Asian country has a larger trade relationship with China than with India. This can be attributed to the fruitful economic diplomacy of China itself. India's economic interest and national security can be maintained consistently by correcting this imbalance through the implementation of effective foreign economic policy. As the world rapidly turns into globalization, India has to make an atmosphere of cooperation, competition and at the same time effective economic policy makers and good economic diplomats are absolutely required. This book explained and examined many topics but some details in some interesting topic still disappeared.

Javed Ahmad Khan, "India and West Asia: Emerging Markets in the Liberalization Era", deals with economic liberalization and privatization in the West Asian region and the effect of global economic

32 Javed Ahmad Khan, *India and West Asia, Emerging Markets in the Liberalization era*, Sage Publication, New Delhi, 1999
liberalization and economic reform of India. This book critically examines the economic relations between India and West Asia during globalization. The role of economic diplomacy of India in Israel and Iran which resulted in growing of economic ties has also been studied. It is also concerned with the role of Indian trade in the emerging West Asian market and analyses the percentage share of Indian trade with West Asian bloc. Some policies which affected the boost in exports to this market, especially in oil-rich G.C.C. countries have also been discussed. Indo-Arab Economic Relation in the 1990s, are also critically examined through investment, joint venture, trade and so on. The problem of Indian expatriates in Arab countries and the resulting impact of remittances from Indian worker is also clearly studied. This book is very beneficial for the study. Although there is no any study or topic directly associated with Thailand but the trends and Indian policy towards West Asian countries could provide good guidelines for the work. However, the analysis in this book is based on old data which need to be updated like economic policy and diplomacy, joint venture, investment, labor and impact of remittance.

Donald A. Wells\textsuperscript{33}, "Saudi Arabia Development Strategy", deals with the consequences of sky-rocketing oil price increase in 1973 which transformed economic and political relationship among the nations.

\textsuperscript{33} Donald A. Well, Saudi Arabia Development Strategy, American Enterprise Institute for Public Policy Research, Washington D.C., 1976
The book puts an attempt to study Saudi Arabia’s role as the world’s third largest producer of crude oil, following the Soviet Union and the United States because the direction of Saudi Arabia had been influential in the determination of price and availability of oil and also in shaping political developments in the Middle East and elsewhere. According to Saudi Arabia’s five year plans, investment is to be channeled into all sectors of economy. Nevertheless, lack of research and clear study in plan and financial constraint because of oil price fluctuation in the global market resulted in ineffective operation. Economic growth is represented almost entirely by the performance of petroleum sector. And the manufacturing sector is dominated by the petroleum sector where agriculture is very limited. The most interesting consequence of Saudi Arabia strategy lies in Saudi Arabia policies toward the volume and price of crude oil. Clearly, Saudi Arabia’s authority has to be vigilant for oil price in global market which always keeps fluctuating. The proper plans for diversification of its economy must be conducted and implemented because the reliance on the only depleting resource, oil as concerned would be economically flimsy. This book is useful for study the economic development in Saudi Arabia but it is supported by the outdated data and research was also limited to that time period. The magnitude of change is fast and substantial so it is compulsory to examine them from up to date data.
Paul Rivlin, “Economic Policy and Performance on the Arab World”, examines the weakness of Arab economic intervention during the sluggish oil price in the late 1980s and 1990s. The growth of productivity was much slower than the high rate of growth of population. Everything seemed to be very challenging for the Arab governments to conduct a proper economic policy and put these in the right direction. The study throws light on the demographic trends of development of the labour force, unemployment, poverty and environmental issues. These all have been major concerns for economic policymakers in the Arab region. The effective utilization of the limited natural resources in the region is also the serious issue discussed in this book. Economic reform in this region has been very slow because of some part of region are still very much dependent on oil and oil price fluctuation in the global market. This book recommends that this region should create strong relationship with developed countries like EU to enhance the area of trade, FDI and import capital goods to improve its productivity and diversify its products away from oil. Though this book is conducted for an important period of declining oil era but country wise data and clear policy of the Arab governments to overcome these issues which dominate the Five Years plans are not clearly examined.

Paul Rivlin, Economic Policy and Performance in the Arab World, Lynne Rienner Publisher, Colorado, 2001
A.C. Patankar\textsuperscript{35}, in his article on "Economic and Industrial Cooperation: Future Challenges", deals with economic and industrial cooperation and future challenges. The initial part is an attempt to discuss India-Middle East trade with special reference to Indo-G.C.C. trade. Due to the author's point of view, there is potential for growth through diversification of the trade basket. Trades among the two sides are dominated by commodities and services with the percentage of value added goods being negligible. So far, G.C.C. countries have been West oriented but notably change to look India as a alternative choices for mutual cooperation. This is absolutely met by Indian demand to secure its energy supply from G.C.C. countries. Besides, this would offer an increasingly expanded market for products manufactured in joint ventures hopefully between in India and the G.C.C. countries. It can be said that the continuous Indian economic growth has proved the capabilities and experiences of mutually beneficial economic and industrial partnership with G.C.C. or with other countries in the world. Also this article describes G.C.C. initiatives plan for further development which directly focus on the structural reforms undertaken by the G.C.C. governments, such as privatization of telecommunications and other public enterprises in

Saudi Arabia, Oman, and UAE, the ongoing regulatory and supervisory changes to establish transparency in all G.C.C. market. Moreover, various kinds of challenges for G.C.C. are also discussed like human resource developments, diversification of their economies, creation of opportunities for employment, challenges by WTO and so on. This article provides valuable framework for Indo-G.C.C. cooperation but India’s policy towards G.C.C. countries in the area of trade, investment, joint venture and so on are missing. Therefore, it is totally impossible to assess the level of cooperation between the two regions.

Wolden Bello, Shea Cunningham and Li Kheng Poh³⁶, in *A Siamese Tragedy: Development and Disintegration in Modern Thailand* deal with the transformation of Thai economic development from history to present day. The background of Thai economy during Ayuthaya period has been clearly discussed. The role of international trade to boost economy during this period has also been comprehensively discussed. Thai path to development to create an economic boom and eventually bust during late 1990s is the topic of major discussion in this book. The impact of globalization on the Thai economy and the role of patronage from bureaucratic and military group which dominated the Thai economic system during 1986-96 are also analyzed. The external economic factors

---

which influence the Thai economic boom are clearly examined. A comprehensive analysis has been done to find the emergence of the industrial working class, labour organisation in the boom years and child labour and migrant labour, all these factors play an important role to create an economic development and at the same time create a serious concern for Thai authority. This book also discusses the factors that brought down the agricultural production during economic boom and also discusses the role of FDI and pollution in Thailand. The Thai government’s policies to reduce the pollution and simultaneously increase FDI are also examined. Some part of this book also put an attempt to comprehensively study AIDS crisis in Thailand and the economic impact of AIDS. This book provides a historic background for Thai economy and the direction of economic progress of Thailand which is considered as unsustainable. However, the book suffers from the limitation of the statistical data. Also, this book does not focus on the factors behind unsustainable economy in Thailand.

Mark Thirlwell and Anthony Bubalo, in the article, "India Looks West; the G.C.C. Looks East" discusses the world’s awakening to India’s rise as a global economic power. Since 1992, a key element of Indian diplomacy has been the Look East policy; an initiative aimed at

---

Mark Thirlwell and Anthony Bubalo, India Looks West; the G.C.C Looks East, G.C.C-Indian Research Bulletin, Issue 2, June 2006
boosting relations with the economies of Southeast Asia, seeking both markets and inspiration in ASEAN’s economic dynamism. Now, this urge to look East is increasingly being accompanied by a renewed focus on West Asia, as India seeks to deepen its ties with the economies of the G.C.C. countries. Energy is at the essence of economic relationship, but it is not the whole. Non-energy bilateral trade between India and the G.C.C. countries is on the way to increase. Besides, this article also deals with Indian nationals working in the Gulf which were estimated to generate large amount of annual remittance flows to India between $6-8 billion. India is also becoming an increasingly attractive destination for investors willing to take exposure on emerging markets and for cashed-up regional investment funds. Strategic imperatives are also discussed in this article in various aspects like growing political and strategic ties with G.C.C. countries, counter-terrorism cooperation and so on. The final parts of this article take policy dilemmas into account. For example, India will be keen to avoid having to choose between its increasingly important energy ties with countries in the region and its rapidly developing strategic relationship with the United States. But this will not always prove easy, illustrated by the IAEA vote on Iran. In this respect, India’s ties with Saudi Arabia might prove much less difficult to reconcile with the imperatives of developing Indo-US ties. This article is very useful to give various good
guidelines for this study on diplomatic imperatives. However, there are some limitations on this article, such as the effect of huge remittance on India economy. Statistical data on bilateral trade of Indo-G.C.C. is not analysed and hence no trends could be studied on the trade relation between India & G.C.C. countries.

M.S. EL Azhary, *The impact of oil revenues on Arab Gulf Development deals* with the negative impact of declining oil revenues since 1981 on development in the Gulf States. Of course, this study is restricted to six member states of G.C.C.. This book provides an assessment of the dependence on oil for the region's economic development and enormous challenges faced by G.C.C. governments to deal with the fluctuation of oil price in the global market. This book also describes the condition of oil-rich countries before the discovery of oil, opining that the overall economy of this region before discovery of oil seemed to be better, in terms of primitive agricultural products, fishing, pearling and so on. However, some contradictory statement are found when the author states that the oil rich region would be very poor if oil was not discovered. The process of its development, human resource, expenditure patterns are also examined clearly in this book. Incidentally, oil production policies in the Gulf States are also analysed. The policy

---

makers of the G.C.C. countries were trapped into serious concerns about long-term future because oil would be exhausted. Then, the government sectors have to allow more space for private sector to drive the economy forward. This book also points out the prospects of G.C.C. coordination on various aspects like Gulf foreign investment, banking system, manpower problems and agricultural potential. The role of education as an instrument to improve Gulf condition is also clearly examined and social aspects is also discussed as the impact of development. These human resources are considered to help to accelerate the process of transformation. This study put an attempt to point various ideas on the role of education and how it can effectively participate in the development process now and in the future. Absolutely, this study has been enormously beneficial for this study but the economic status of the G.C.C. economies has been rapidly changing, new development in G.C.C. economies needs to be examined to keep the study up to date.

K.M. Fierke\textsuperscript{39}, in his book "Diplomatic Intervention" analyses the increasing role of diplomatic interventions in various aspects say, moral, legal, military, cultural and of course, economic intervention. He has put an attempt to trace the diplomacy's response to this wide-opened world and discusses how to conduct multilateral diplomacy and

\begin{flushright}
\textsuperscript{39}\hfill K.M. Fierke, Diplomatic Interventions, Palgrave Macmillan, New York, 2005
\end{flushright}
agreement in order to impose sanction. Although a very useful book but it
dose not deal with the contemporary sanctions against the developing
countries like Iran, Libya or North Korea.

Jonathan Rigg\textsuperscript{40}, in *International Contract Labour Migration and the Village Economy: the case of Tambon Kon Han, Northeastern Thailand*, puts an attempt to describe background of international labour migration in Thailand with case study from Tumbon Don Han Village, Northeastern Thailand. Most of his research is based on primary data in a specific region, Don Han in particular. Forces encouraging international labour migration in Tambon Don is also discussed which was directly associated to the conditions in the village and the characteristics of migrant and non-migrant households. This book also deals with the process of migration and cost of migration. Besides, this book studies about social and, economic implications emanating from the expatriates in this village. Patterns of expenditure and investment from the accumulations of remittances after contract expiry are also discussed. Various interviews had been made in this study to return migrants from the Middle East which heralded not only with cash and gifts with them but also with an entirely new experience and possibly with new skills that may benefit them at

\textsuperscript{40} Jonathan Rigg, *International Contract Labour Migration and the Village Economy: the case of Tambon Kon Han, Northeastern Thailand*, papers of the EAST-WEST population institute, 1989
home. Village perspectives on migration are also discussed in this comprehensive study which quoted some personal households perspectives on migration. This book would be very useful for this study, especially the fifth chapter which devotes to Thailand’s labour migration to G.C.C. countries. However, the continuous changing circumstances of Thailand’s migration which shifted their destination to neighbouring Asian countries because of various factors need to be analysed.

Nitin Gogia\textsuperscript{41}, in the article “Making Expatriates Stakeholders: Path to Progress” puts an attempt to draw attention on the role of expatriates in building G.C.C. economies with their roles never to be vanished. The author expects the young Kuwaitis studying abroad to take over to role of foreign labour force after completing their degrees. However this does not represent the real situation because 12.5 million of expatriates are still occupying most of employment in G.C.C. countries which constitutes 70 percent of the whole labour force in G.C.C. countries. Massive amount of $240 billion had been sent to their home countries between 1993 and 2002 which accounted for nine percent of the combined GDPs of the G.C.C. countries over that period. The author of this article also pointed the way out for G.C.C. countries as follows: some

incentives should be properly provided to expatriate to beneficially take part in G.C.C. economies or to invest their money in the host countries, such as long-term residents (LTRs) should be given a more privileged position than outside investors in the region’s stock markets or a system could be set up allowing LTRs visa-free travel in the G.C.C. countries which trade and tourism would be motivated inside the group and of course, give them a golden opportunity to invest their money outside the countries where they were based. LTRs could be allowed to set up their own business without local partnership or sponsors on the condition that a certain percentage of their employees were nationals. Expatriate children could be allowed the benefit of more lax visa regulations. This article provides various valuable guidelines for this study. However, comprehensive researches on challenging future prospects in G.C.C. economy need to be conducted to find more details.

Kasikorn Research Center\textsuperscript{42}(Thai language), in the journal, "the establishment of closer relationship between Thailand and Qatar" discusses ongoing development of relationship between Thailand and Qatar. The initial part of this journal pointed out various issues discussed at The 4\textsuperscript{th} WTO Ministerial Conference(hosted by Qatar) such as the future

\textsuperscript{42} Kasikorn Research Center(Thai language), \textit{the establishment of closer relationship between Thailand and Qatar}, 7\textsuperscript{th} No. 1137, Kasikorn Research Center Co., Ltd, Bangkok, 2001
prospects of global free trade, strategies on protection from global economic recession, the solution of WTO membership of China and Taiwan and so on. Thailand is a member of WTO and has shown a strong commitment to oppose agricultural subsidies among the WTO members. High ranking official of Thailand not only took part in this WTO Ministerial Conference but took this chance to trigger bilateral trade expansion campaign with Qatar. Tourism, labour force market and business issues were also the most important issues. Economic background of Qatar is briefly discussed in this paper such as basic economic infrastructure, important commodities of exports and so on. The volume of bilateral trade between Thailand and Qatar are discussed in this paper. It shows fluctuating trends. Commodity compositions are also shown to make clear the trend in Thailand’s export to Qatar. Bilateral trade balance favours Qatar because Thailand is much dependent on energy import of oil which constitutes the largest portion, around 90 percent of Thailand’s total oil import is from Qatar. Thailand showed a strong obligation to narrow down trade deficit by improving export performance to Qatar and increase Thai labour force in Qatar and create massive tourism campaign to attract more Qatar tourists which is considered to be one of the highest spending per tourist coming to Thailand. This paper is very helpful for this study, particularly on Thai-Qatar relations. However, policy and strategies on
export of commodity, labour export and policy campaign on tourism sector are all not very clear in this paper.

Kasikorn Research Center\textsuperscript{43} (Thai language), in its publication, "\textit{Restoration of Thai-Saudi Arabia relationship}" deals with the strong intention of government policies (during Thaksin Shinawatra administration period) to restore diplomatic relation with Saudi Arabia which became constrained and frozen for more than a decade. This article puts an attempt to quantify the important relationship between Thailand and Saudi Arabia. Saudi Arabia used to be the largest destination for Thai’s labour force migration. The volume of bilateral trade is the second largest among West Asian countries. Moreover, Saudi Arabian tourists in Thailand have become the highest spending per head, at least $240 dollars per day. This article also describes the outstanding points of Saudi Arabia which lure foreign countries to conduct close and strong relationship. This article also describes various concerted marketing strategies which are required to increase export of various commodities to Saudi Arabia. The ongoing reforms, liberalization and globalisation require that Thailand must expand its exports to the global market rapidly, especially rich markets like Saudi Arabia. Recently Saudi Arabia has acquired the full

\textsuperscript{43} Kasikorn Research Center (Thai language), \textit{Restoration of Thai-Saudi Arabia relationship}, 10\textsuperscript{th} No. 1581, Kasikorn Research Center Co., Ltd, Bangkok, 2004
fledged membership of the World Trade Organisation (WTO). Therefore, Saudi Arabia’s trade policies are being guided by WTO rules and regulations in their trade as well as other economic policies. This implies that all tariff barriers are going to be gradually eliminated in Saudi Arabia. The discrimination against foreign business will also have to be removed. And the foreign business will have same footing as the domestic business in Saudi Arabia. Therefore, it is urgent commitment for Thailand to devise strategies fore improving market share and business engagement with Saudi Arabia. This article is very beneficial for this study in terms of Thailand-Saudi Arabia relations. Nevertheless, details and clear discussion on subjects such as business law and regulation of the two countries need to be delineated.

Sarasin Viraphol\textsuperscript{44}, in his paper, "\textit{Directions in Thai Foreign Policy}" deals with the nature of the problems of Thailand’s foreign policy which outlines the foreign policy of coalition government of the M.R. Kukrit Pramoj period. This government pursued an independent policy taking into account national interests that are based on economic and security considerations. Backgrounds to trends in Thai foreign policy are comprehensively traced in the next part. Bilateral relations namely, Thai-

\textsuperscript{44} Sarasin Viraphol, \textit{Directions in Thai Foreign Policy}, Occasional Paper No.40, Institute of Southeast Asian Studies. Cluny Road, Singapore 10.
Chinese relations, Thai-Soviet relations, Thai-U.S. relations, Thai-Japanese relations, relations with the Indochina states and Thai-ASEAN relations are all comprehensively discussed in this paper. Besides, this paper also discusses Thailand's foreign policy which is firmly based on national interests and therefore subject to flexibility. Thailand can not escape herself from the fact that it is a small nation living in a region where great powers have previously exerted considerable influence. With its limited powers Thailand has been trying to order its relations with neighbouring states, especially those with different ideological pasts and existing differences. The ultimate goal is of course to minimize any external influence and to strengthen bilateral relations with fellow Southeast Asian states so as to increase the bargaining position of the region. The basic adjustment of Thailand's foreign policy and the ultimate outcome of Thailand's relations with the major powers are also studied. This book is quite helpful and gives important ideas on the background of Thailand's foreign policy and its development and diplomatic effort to solve various issues but needs to be updated. Moreover, this paper dose not deal with Thailand's foreign policy with G.C.C. countries.
Corrine Phuangkasem\textsuperscript{45}, in his book entitled "Thailand's Foreign Relations", 1964-80 deals with Thailand's foreign relations specially Thailand's relations with other ASEAN countries. Thailand has always maintained good relations with its neighbours marked by cooperation rather than conflict. This book also describes the Thailand's diplomatic roles as a mediator in their disputes such as many attempts made to restore relations between Malaysia and Indonesia whose diplomatic relations were suspended in 1963. Thailand also has strong trade links with its neighbours. Most of them import rice from Thailand while the latter imports fuel and manufactured goods in return. Thailand also plays an active role to promote economic development and cooperation among ASEAN members which aim to cooperate through joint endeavour in the areas of trade, agriculture, industry and communication. Agreement on ASEAN Preferential Trading Arrangements (PTA) is also discussed. Besides, the author puts an attempt to discuss the role of ASEAN to conduct joint economic bargaining with external parties such as the EEC (European Economic Community), Japan, Australia, and New Zealand. Incidentally, various conflicts between Malaysia and Thailand like violation of national borders and territorial

\textsuperscript{45} Corrine Phuangkasem, Thailand's Foreign Relations, 1964-80 Institute of Southeast Asian Studies, Occasional Papers No 74, printed in Singapore by Richard Clay.
waters and the strategic diplomacy to solve these have also been comprehensively discussed. Despite this, the above book is not directly associated with Thailand’s economic diplomacy but it provides massive contribution for this study, particularly in terms of the historical background of Thailand’s foreign policy, its revolution and the strategic diplomatic efforts to solve the various concerns. Of course, this kind of study must be updated due to the inevitable change of foreign policy strategies of Thailand.

Girijesh Pant⁴⁶, in his article, “Strategic Partners in Building Knowledge Economy”, deals with emerging knowledge economy which is reconfiguration in the nature of resource endowment and comparative-competitive advantages among countries. According to the author, workers at all levels in the 21ˢᵗ century knowledge society will need to be life-long learners, adapting continuously to changed opportunities, work practices, business models and forms of economic and social organization. The knowledge deficit of the Gulf region as underlined by the Arab Human Development Report cannot be met unless the region plans for capacities beyond skill formation and towards creative processes. The Gulf region needs to develop a knowledge generating culture. At the present stage of

Gulf development, this needs to be built at three steps, namely local skills and training centers; developing regional infrastructure; partnership with a dynamic research and development economy. It can be said that India could be the strategic partner in developing the knowledge economy of the Gulf countries because it enjoys twin advantages; of having a past association of shared knowledge heritage with cultural compatibility, and of having global research and development platform as demonstrated by the fact that about 100 multinational corporations have already set up research and development centres in India, leading to the deepening of technological and innovative capabilities among Indian firms. The India-Gulf partnership towards knowledge generating processes means engagement not merely at the level of knowledge trading, but of developing joint patents at the level of creativity itself. This article is beneficial for my work because it gives various information and background of ongoing economic situation and the prospects in developing the knowledge economy which register a strategic partnership with India. Nevertheless, India's strategic policy for building knowledge economy should be clearly comprehensive and competitive because not only India is looking forward to take part in new emerging knowledge economy, but in developed countries also. Therefore, this tough competition can be
overcome by allowing the long-lasting strategic partnership with G.C.C. to take place.

Nat Sekouti\textsuperscript{47}, in his paper, "How to export Goods and Services to Kuwait" deals with the introduction and basic information of Kuwaiti economy. The factors which herald growth in Kuwaiti economy are also discussed. The most important part of this book which provides massive information would be quite helpful to Thai exporters. According to the author, the tips for the Thai exporters are as follows:

1. Selecting the best search engine on the internet.

2. Contacts with related Ministries and authorities.

3. Thai exporters are requested to support Chambers of Commerce and Business Associations to undertake market surveys and studies, as well as sending trade and service delegations to the region.

4. The Royal Thai Embassy in Kuwait should provide good services to Thai exports in terms of arranging trade fairs and shows, business forum, business information, business appointments and meetings, handling trade disputes, business briefing and counselling, and many other services.

\textsuperscript{47} Nat Sekouti, How to export Goods and Services to Kuwait, Department of Export Promotion. E-mail: n_sekouti@yahoo.com, 2004
5. Trade Fairs should be massive campaign for Thai exporters.

6. Initial business contacts.

Not only that this paper provides a big advantage and good guidance for Thai businessmen doing or expecting to do business in Kuwait, but it gives a massive contribution for this study also. Kuwait's trade policies and law and business regulations keep changing due to the internal and external circumstances. Therefore, this study should be updated in order to herald latest guiding and market strategies for Thai businessmen, trader or research scholars in the associated field.

"International Labour Migration and Remittances"; from Expert Group Meeting on Remittance from International Labour Migration deals with the migration patterns from Thailand. Migration trends in Thailand started in 1975 when just less than a thousand workers left to take up contract employment. Since then the number showed steady increase. According to this paper, large-scale migration of workers from Thailand was occasioned by the demand generated in the oil-exporting countries, G.C.C. in particular for expatriate labour for implementing those countries's development plans and programmes. The largest proportion (80 percent) of Thai workers went

---

48 International Labour Migration and Remittances: Experience in Thailand; from Expert Group Meeting on Remittance from International Labour Migration, Development Planning Division, Bangkok, 1985
to Saudi Arabia. Moreover, profile of Thai migrant workers is comprehensively studied. Worker migrating from Thailand are almost entirely male. Most of them are in the 26-35 years age bracket since there is a tendency for these migrant workers to be drawn from younger groups of the labour force. This paper also shows a major survey in 1981 by the Wage and Employment Planning Section, Division of Population and Manpower Planning, the National Economic and Social Development Board (NESBD) collected a variety of information on the characteristics of three groups of persons: those who had been migrant workers to the West Asia, those who were in the process of leaving for West Asia, and those who did not plan to take up employment abroad. Methods of acquiring the job and wage and expectations were also explained in this paper. This paper also deals with remittances and their utilization such as size of remittance flows, methods of sending remittances and related problems, impact of remittances. Besides, institutional arrangements and government policies in regard to migration and remittances are also clearly discussed in this paper. Undeniably, this paper provides a lot of contribution to this study, in case of background of Thai migrant labour, impact of remittances and so on. Nevertheless, trends in migration are considerably dynamic, so this study should be updated whether discussion on arrangement and government policies in regard to migration and all associated issues.
Chalonghob Sussangkarn and Yongyuth Chalamwong\textsuperscript{49}, in their paper "Development Strategies and Their Impacts on Labour Market and Migration": Thai Case Study" deals with the background of migrant workers, especially in the rural area which registers a large portion. The factors influencing them to move out of agriculture is comprehensively studied. This paper also describes the general trend of flow of labour across national boundaries which is an age-old phenomenon and one which generally has had a major contribution to rising incomes, economic development, as well as personal well-being. These flows vary in size and composition, and are subject to various legal and institutional settings, often with significant economic and political repercussions. The factors behind the massive requirement of foreign labour forces in Gulf countries are also discussed. The statistical data of Thai workers going abroad, by country of destination are also provided. It has been widely accepted that the official international figures for contract-labour migrants from Thailand complied by the Department of Labour are considerably under estimated. This is due to the fact that large numbers of workers are sent illegally by unregistered employment agencies. From this paper, it is clear that the major geographical destinations of Thai workers are the West Asia, Africa, ASEAN and other Asian countries. In late 1980s, the great

\textsuperscript{49} Chalonghob Sussangkarn and Yongyuth Chalamwong, Development Strategies and Their Impacts on Labour Market and Migration: Thai Case Study, Thailand Development Research Institutes. 1994
majority of these international labour flows were channeled to the West Asian countries, particularly Saudi Arabia. However, the share of the West Asian countries has been continually declining. In 1992, ASEAN and other Asian countries had overtaken the West Asian oil exporting countries as the main destination of Thai contract workers. This shift can be attributed to the weak oil price which substantially affected the earnings of the West Asian countries, and also diplomatic difficulties between Thailand and Saudi Arabia. On the other hand, the demand for Thai workers in Asia has been consistently increasing. Moreover, legal framework and policy to protect Thai workers from harsh conditions overseas, breach of contract between employer and employee, as well as fraud from labour-recruiting agencies are also discussed in this paper. The authors also put an attempt to describe the considerable amount of remittances and its impact. The conditions of foreign workers in Thailand are also dealt in this paper. This paper is very helpful for this study, especially in fifth chapter. As the Thailand’s labour export keeps changing because of various circumstances, this study needs to be updated.

Chapterization

The present study of Thai- G.C.C. countries Economic Diplomacy comprises the following 6 chapters.
1. Introduction

This chapter would deal with a brief importance of economic diplomacy and its importance and evolution and also draw economic history of the two regions Thailand and G.C.C. countries. Initially, it would underline the general aspects of economy of two regions. An attempt has been made to draw hypothesis, significance of study, objective, methodology, literature review and chapterization, all of them draw a clear framework of the study.


This chapter is absolutely devoted to the review of theoretical and empirical studies on the details of diplomacy such as general purposes of economic diplomacy, what is the direct and indirect impact of diplomacy and what is the direct and indirect role of diplomacy namely, various role of economic diplomacy to convince other countries and finally bring interest to the countries. An attempt also has been made to discuss the role of diplomacy on trade and diplomacy in the field of economic sanction. This chapter also is to cover general views of Thai diplomacy and various aspects of the present foreign economic policy of Thailand and its future prospects. Besides, G.C.C. countries data associated with cooperation with Thailand in various areas are also drawn such as establishment of the diplomatic relation between two regions, foreign
direct investment (FDI), various assistances provided by G.C.C. countries, cultural and traditional cooperation, tourism and medical tourism and bilateral visits etc.


This chapter would go deeply into the details of Thailand strategy towards G.C.C market. The importance of Thai strategy in G.C.C market lies not only in creating the plan to improve the existing volume of trade but also to generate new export opportunities for capital goods, exports of raw materials, semi-processed manufactured commodities, spare parts and components etc. The statistical data for volume of exports and commodity composition would be analysed and the competitors of Thailand’s export in G.C.C market would be also examined.


This chapter would mostly deal with G.C.C exports to Thailand market. Thailand’s import from G.C.C countries will be studied. And balance sheet of the two regions would also be discussed and the factors responsible for massive deficit in Thailand’s trade balance would also be examined.


This chapter would deal with Thai’s strategy in G.C.C labour market. It is considered that G.C.C labour market has long attracted Thai
labour both skilled and unskilled. After 1973 sky-rocketing of oil prices, large number of Thais moved to G.C.C countries to provide both skilled and unskilled labours for the new industries. The factors influencing the number of Thai labour fluctuation, the Thai labour condition there and the impact of their remittances for their village and country are also discussed in this chapter.

6. **Summary and conclusion**

This chapter would provide the summary of the main findings of the study and draw conclusion for effective economic diplomacy implications.