CHAPTER-4
"THAILAND AND ASEAN RELATIONS [2000-2008]
DURING THE FOUR GOVERNMENTS
CHAPTER-4

THAILAND AND ASEAN RELATIONS [2000-2008] DURING THE FOUR GOVERNMENTS

"Any attempt at predicting the future, based either on existing economic text-books or on number-crunching, to try to establish a trend, will be futile. I ask my critics to go back and check the first book by Microsoft's Bill Gates. That shows the makeup of the past and the components of the future have very little in common".

Thaksin Shinawatra, The Nation, 19 November 2001

N.B: The name of the country Burma was the UNION OF BURMA till 1988. After 1988, the name changed to UNION OF MYANMAR. In this chapter, therefore, the country is addressed as Burma till 1988, and Myanmar after 1988.

[Note on the above Figure: Graphical representation of the series of the Prime Ministers in Thailand, along with the major Political parties. ]

The history of ASEAN shows that it was initially a noble effort of the Heads of the State of the Southeast Asian countries to converge for security and
economic prosperity. Therefore, it is imperative that the Heads of the State does play an important role in the formation of ASEAN and its subsequent course of performance vis-a-vis member nations. Incidentally, with the passage of time and with the different pace of development of different member countries of ASEAN, this main theme got diluted. However, the spirit of ASEAN remained the same. Thailand, as one of the leading countries of ASEAN did involve in constructive engagement all through. Thus, from a loose association in 1967, ASEAN has transformed into a rule-based regional organization with the entry into force of the ASEAN Charter in 2008 and earned world-wide recognition as a dynamic regional grouping.

Background and Transformation of ASEAN between - [T 991-20001]

The end of the Cold War added new levels of complexity to the political and strategic environments of Southeast Asia. Until the economic crisis of 1997-99, the region had been more or less peaceful and stable than it had been since the end of the Second World War. Most of the states of the region were united in their dedication to economic development and committed to regional political stability. However, Southeast Asia was also characterized by a high degree of uncertainty, largely attributable to the ambiguous relationships of the great powers towards the region and each other. The relatively clear political divisions and alliances that defined the inter-state relationships of the region until 1991, however, no longer applied. ASEAN responded to this regional uncertainty by expanding the scope of its operations and increasing its membership. In the economic realm, ASEAN implemented an ASEAN Free Trade Area (AFTA), designed to lower tariff barriers between the ASEAN economies by 2002 and attracted foreign investment into the ASEAN region. In 1994, ASEAN created the ASEAN Regional Forum (ARF) to address regional security issues too. The ARF is currently a group of twenty-four countries that are part of Asia and/or border the Pacific Ocean, including all the regional powers. Vietnam joined ASEAN in 1995. Myanmar and Laos became fully fledged members in 1997. Cambodia joined in 1999. Thus, ASEAN expanded, in part, because it believed that its regional political influence would increase if
it could legitimately speak for all of Southeast Asia. Nonetheless, incorporating the new members was a risky proposition for ASEAN. The new ASEAN member states were at much different levels of economic development than the other members. Their national interests and strategic perspectives introduce the possibility of new divisions into ASEAN. The insistence of ASEAN on including Myanmar has driven a wedge between ASEAN and its Western supporters.

The most important phenomenon hitting the steady rise of ASEAN was the Asian Financial Crisis. It is argued thus by scholars that the Asian economic crisis of 1997-99 underlined ASEAN's organizational limits. In the wake of the Asian economic crisis, critics of ASEAN have also highlighted its inability to provide a united front in dealing with the challenges of globalization. Intra-ASEAN differences over longstanding norms such as non-interference, evident in the wake of the expansion its membership to include all ten countries of Southeast Asia, have aggravated the very perceptions of weaknesses of ASEAN. Further, the ASEAN led ARF was seen as little more than a talk-shop, much like ASEAN itself. The ASEAN Way of soft institutionalism and dialogue process seemed ineffective in laying the foundations of an Asia Pacific regional order. Since the end of the crisis, East Asia has been struck by an abundance of regional economic initiatives, many of these led by ASEAN. The shifting perceptions of, and debates about, ASEAN invite several questions. Whether, the survival of ASEAN itself is attributed to a shaky beginning. Whether the role of the ASEAN in regional order in Southeast Asia can be actually explained. Whether that explains its decline in the late 1990s compared with the 1980s and early 1990s. Further, whether, the so-called ASEAN Way', often credited with ASEAN's effectiveness in the past, a myth or a reality. Although its reputation has taken a beating since the Asian financial crisis (1997-98), in the years following the end of the Cold War, the Association of Southeast Asian Nations

ASEAN) was widely regarded as the world's most successful third-world regional institution, and as a model for wider cooperation.\textsuperscript{271}

Theoretically speaking, despite ample abundance, the literature on ASEAN remained overwhelmingly a-theoretical, and thus, does not lend itself to any neat classification into realist, liberal, constructivist or other categories.\textsuperscript{272} But it can be safely concluded that the available literature on ASEAN rarely deals with the question of norms and identity in explaining the evolution and role of ASEAN. At the risk of oversimplification, one could discern, however, a body of writings on ASEAN that could be described as 'realist', in the sense that it calls into question ASEAN's capacity to shape regional order.\textsuperscript{273} For the realist, the survival and role of ASEAN have been dependent on, and shaped by, a wider regional balance of power system underpinned by the US military presence. Underlying this view is the quintessential realist assumption that the smaller and weaker states of the international system, whether acting individually or through multilateral institutions, lack the capacity to play a


\textsuperscript{273} This type of scholarship is best represented by Michael Leifer. Sharing important assumptions of both neo-realism and the English School, Leifer has argued that ASEAN's role in managing regional order has been subject to the prevailing balance (in the sense of distribution) of power, an important indicator of which was the US military presence. See: Michael Leifer, Conflict and Order in Southeast Asia, Adelphi Paper no. 162, London: International Institute for Strategic Studies, 1980; ASEAN and the Security of Southeast Asia, London: Routledge, 1989; 'The ASEAN Peace Process: A Category Mistake', Pacific Review, vol. 12, no. 1, 1999, pp. 25-38. See also: Tim Huxley, Indochina as a Security Concern of the ASEAN States, 1975-81, Ph. D. dissertation, Australian National University, 1986; ASEAN's Prospective Security Role: Moving Beyond the Indochina Fixation', Contemporary Southeast Asia, vol. 9, no. 3, December 1987, pp. 194-207; 'Southeast Asia in the Study of International Relations: The Rise and Decline of a Region', Pacific Review, vol. 9, no. 2, 1996. Leifer, however, is not entirely dismissive of ASEAN's role in mitigating intraregional conflicts. In a 1995 paper, he argued that: 'one can claim quite categorically that ASEAN has become an institutionalized vehicle for intramural conflict avoidance and management...ASEAN has been able to prevent disputes from escalating and getting out of hand through containing and managing contentious issues'. Leifer, ASEAN as a Model of a Security Community?', in M.Hadi Soesastro (ed.), ASEAN in a Changed Regional and International Political Economy, Jakarta: Centre for Strategic and International Studies, 1995, p. 132.
managerial role in ensuring international order and must therefore depend on the resources and leadership of the great powers.\textsuperscript{274} Another body of literature on ASEAN may be termed 'institutionalize', in the sense that it takes a generally more optimistic, although the degree of optimism varies considerably view of ASEAN's capacity for managing intra-mural conflicts and creating the basis for a stable regional order.\textsuperscript{275} From a theoretical standpoint, this type of work embraces a broad range of perspectives, including liberal institutionalist (including integrationist) and neo-liberal institutionalist (including regime theory) perspectives. Generally, however, liberal institutionalist perspectives have not been very relevant in explaining the successes or failures of ASEAN, especially in the political and security arena. ASEAN was alSb not a major empirical focus of the regional integration theory (which had already become 'obsolescent' by the time ASEAN came into the international limelight).\textsuperscript{276}

Such a view is persuasive to some extent, given the fact that many ASEAN leaders themselves have repeatedly acknowledged the impact of the US military presence as a key factor behind regional order and prosperity. Yet, it does not explain the fact that while the US strategic dominance in East Asia remains relatively unchanged in the post-Cold War period, the fortunes of ASEAN have changed over the past decade. It is also at odds with the fact that the most hopeful prospects for regional order in Southeast Asia emerged in the early 1990s, a period when doubts about the US military presence were at their strongest, while today, while US strategic dominance has been reaffirmed, the prospect for regional order and ASEAN's role in managing it is facing its most serious test.


\textsuperscript{276} Attempts to apply regional integration theory to ASEAN can be found in Thakur Phanit, \textit{Regional Integration Attempts in Southeast Asia: A Study of ASEAN's Problems and Progress} , Ph. D. dissertation, Pennsylvania State University, 1980; Tarnthong Thongswasdi, \textit{ASEAN After
Moreover, most liberal theories of cooperation assume background conditions, such as a shared liberal democratic domestic environment (republican liberalism) and a relatively high degree of mutual economic interdependence (commercial liberalism), for regionalism to succeed.

In terms of politics or socio-political scenario, Thailand, faced a tumultuous internal situation of the period indicated in this research, in spite of having a fair record of support for democracy abroad during the period of 1992-2002. A society undergoing its own democratic transition, the government of Thailand stated ardently that the democratic principles are a moral compass for Thai policy. In continuation of the same, it has demonstrated continued support for regional and international efforts to bring about peaceful democratic transitions in conflict areas like East Timor. However, Thailand has repeatedly tailored its approach to issues of democracy promotion abroad to conform to its national economic and security interests. While the administration of Chuan Leekpai (1997-2001) was a vocal advocate for democracy and human rights abroad, foreign policy under the center-right government led by businessman Thaksin Shinawatra primarily focused on economic cooperation. Overall, the Thaksin government has not demonstrated an interest in keeping democracy promotion as a foreign policy priority.

In consistence with the main focus of discussion of this dissertation, to start with the Thai Foreign Policy towards ASEAN shall be dealt with under the Chuan Leekpai Government, which reveals that, as a result of Thai foreign policy towards ASEAN during the Chuan Leekpai Government, there were potential advantages to the internal security of its members. For example, by pushing the idea of Troika, ASEAN established the means to solve any conflicts rapidly. At the 3rd ASEAN Informal Summit in Manila on 28 November 1999, the ASEAN Heads of State/Government agreed to the proposal of Prime Minister Chuan Leekpai of Thailand that the ASEAN Troika be constituted as

---

Ithichai Naichit, *Thai Foreign Policy Towards ASEAN: A Case Study of Chuan Leekpai Government*, Ramkamhaeng University, 1997
an *ad hoc body* at the ministerial level in order that ASEAN could address more effectively and cooperate more closely on issues affecting regional peace and stability. The purpose of ASEAN *Troika* is to enable ASEAN to address in a timely manner urgent and important regional political and security issues and situations of common concern likely to disturb regional peace and harmony. By helping ASEAN to be more responsive to the growing interdependence between the countries of Southeast Asia, the ASEAN Troika would serve to elevate ASEAN cooperation to a higher plane and further serve to enhance ASEAN's unity and solidarity, as well as its overall effectiveness.278

In consistence with the concept of potential advantage of the internal security of its members, Thailand sent Armed Forces to comply with United Nations peace keeping units in East Timor, partly under the leadership of the Chuan Government, during the ASEAN Regional Forum, which was held in Thailand, a meeting which was attended for the first time by North Korea. This was achieved despite the fact that Thailand was facing economic problems at that time. Throughout the Chuan period, Thailand was facing an economic crisis that had hit the country particularly hard since the end of the Gen. Chaovalit Yongchayuth Government. In response, the Chuan administration employed a policy of flexible engagement to recover its economic stability. At the same time, the Thai Government asked for financial aid from the USA and China; meanwhile, Chuan made continuous adjustments to foreign policy to cooperate with the members of ASEAN according to their agreements. However, the Chuan regime played an active economic role in forming an ASEAN Free Trade Area (AFTA) and ASEAN Investment Area (ALA), for example, by the establishment of joint in Economic Co-operation in the Greater Mekong Subregion (GMS), the development of transportation systems, and the acquisition of capital support from outside ASEAN, the establishment of international organizations, and the creation of agreements regarding the ASEAN economy.

In addition, the Thai Government also supported the improvements in the standard of living, including education, health, income and other variables in social development, namely science and technology, culture and information, the environment, the war against narcotics etc by cooperating to form the ASEAN Human Resource Development Fund. Regarding the foreign policy of the Thai Government to work within the framework of ASEAN in terms of creative, beneficial ideas and support for agreements between Thailand and the other members, the Chuan Government contributed to the stability and political and economic unity of the region. On 6 January 2001, Prime Minister Chuan Leekpai after the first elections held since the onset of the economic crisis must have felt much like Winston Churchill felt in April 1945 when an ungrateful populace removed a war victor for the colourless socialist Clement Atlee. Not that Chuan could ever be called a colourful character. He is not. The similarity with Churchill is that he had inherited a country driven to bankruptcy by a cabal of greedy politicians. Chuan set about the painful task of rebuilding the economy and restoring the country's creditworthiness. In this he succeeded and was frequently paraded as the IMF's poster boy. Gratitude for strength in adversity has a short life span in politics, in Thailand as elsewhere. Chuan was unfortunate that in 2000 steep oil price increases led to a sharp slowdown in economic growth. Prosperity did not return adequately to the countryside and the city dwellers of Bangkok dreamed of a faster return of the glory days of the early 1990s. Chuan's ability to continue the ambitious restructuring of the economy that began so well in the aftermath of the crisis also hit a brick wall in the pre-election year.

**Impact of the Asian Financial Crisis**

It is undisputed that the Asian Financial Crisis has had an immense socio-political impact. The financial crisis of 1997-99 combined with food and fuel crises highlighted the vulnerability of people who are poor and near-poor in the ASEAN region too. While economic recovery is the call of the day, all ASEAN Member States experienced a significant slowdown in their growth, with some falling into recession. Newspapers across the region reported on factory
closures, the return of laid-off workers to their villages, salary cuts and decreased remittances home and families struggling to make ends meet. Many ASEAN Member States endeavoured to respond in a timely fashion - often with limited information available both on the social impacts of the downturn and the effectiveness of existing social protection instruments. This turn of events has made policy makers keenly aware of the need to not only understand better the social consequences of economic volatility but also to strengthen social protection and labour market policies, both during crisis and "normal" periods. This creates an opportunity for a new dialogue on the role of social protection and labour market policies and programmes in ASEAN Member States. In this effort, Thailand put up a commendable effort.

The famous quote by Surin Pitsuwan in this respect effectively speaks of it. 'The effect of globalization and the economic and financial crisis of the region have not only caused outsiders to doubt our efficacy, but also forced us to rethink our role ... On the one hand we have the Vision of 2020, which talks about 'a stable, prosperous, and highly competitive ASEAN Economic Region in which there is free flow of goods, services and investments', yet, on the other hand , we seem to be unable to agree on the sectors to be liberalized'.27 It is thus perceived by many observers that due to the Asian Financial Crisis, ASEAN is in a comparatively weaker position in dealing with the outside world, particularly in dealings with China on disputed islands in the South China Sea. Moreover, the members of ASEAN, which are supposed not to interfere in each other's internal affairs, have been more ready to comment on and criticize each other in public than ever before. Furthermore, the response of the ASEAN members to the crisis till 1999, have initiated question marks over the methods, effectiveness and relevance of the ASEAN group.

Among the countries of ASEAN, the political and social effects of the economic crisis were felt more severely in Indonesia and Thailand. The crisis had political casualties. As a sign of the political impact in Thailand, it triggered

the loss of confidence in the leadership of the Thai Prime Minister, Chaovalit Yongchaiyudh, forcing him to resign in November 1997, a year after it came into government. It was replaced by a new coalition government led by Democrat Party leader and former Prime Minister, Chuan Leekpai, who had led the parliamentary opposition to the Chavalit government. The Chaovalit government had lost public confidence, appearing unable to cope with the developing crisis. This was followed by a change of government in that country through a democratic election and the subsequent amendment of the constitution making it obligatory for all the Thai Prime Ministers to be elected by the people, along with the abolition of an undemocratic power of 'veto' on the part of the non-elected Senate, dominated by military leaders. The change of government also gave Thailand the most important major political advantage in responding to the crisis, which some of its neighbours lacked. The new government did not need to defend itself against blame for the crisis itself. Notwithstanding the parliamentary efforts of the new Opposition, now led by General Chavalit, there seemed little political necessity for debate as to whether foreigners, domestic businessmen or the domestic government were ultimately responsible for the nation's problems. Full attention could be given to instituting the reform package that might resolve the emergency.

The Military Rule and Limited Parliamentary Government period governance in Thailand spreads roughly from 1976-92. The new government, led by Prime Minister Thanin Kraivichien, a strident anticommunist, was more repressive in many ways than the earlier military regimes. Strict censorship continued, and the regime tightly controlled labor unions and purged suspected communists from the civil service and educational institutions. As a result, many students joined the communist insurgency. Thanin was replaced in 1977 by General Kriangsak Chomanand. He promulgated a new constitution in December 1978 with a popularly elected House of Representatives and an appointed Senate, but the military controlled cabinet and Senate appointments. Economic instability, however, brought down the Kriangsak government in March 1980. The new prime minister, who was the commander in chief of the
army and minister of defense, General Prem Tinsulanonda, came to power by consensus among key politicians. He gave civilians a greater role in government by appointing civilians to his cabinet. A coup attempt in 1981 weakened Prem's government, and there was continual dissension among the civilian members of the government. Despite student and farmer demonstrations, Prem was reappointed as prime minister in April 1983. He survived a coup attempt in September 1985 and elections in July 1986. Prem was succeeded as prime minister following elections in July 1988 by General Chatichai Choonhavan, the leader of a multiparty coalition. The following years saw a series of military-led governments, efforts to reform, coups, new elections, and coalition party politics. Reforms were introduced in the business sector, the government allowed increased foreign investment, and relations with Cambodia, Laos, and Vietnam improved. Charges of corruption and abuse of power abounded, however, and Chatichai was removed from power in a bloodless coup in February 1991.

Multiparty Democracy has only emerged in Thailand, roughly between 1992 to 2006. In March 1992, with a new constitution in force and new elections held, General Suchinda Kraprayoon, one of the February 1991 coup leaders, became prime minister and leader of a five-party coalition. When those parties withdrew their support, Suchinda resigned in May 1992, and Anand Panyarachun, a civilian who had served as acting Prime Minister between March 1991 and March 1992, was named the Prime Minister. Anand embarked on new reform measures, but he was replaced after the September 1992 elections by Democratic Party (Phak Prachatipat) leader Chuan Leekpai, the head of a four-party coalition. The government of Chuan pushed through constitutional amendments that provided for more wide-ranging democratic practices, enlarged the House of Representatives, reduced the size of the appointed Senate, lowered the voting age from 20 to 18 years of age, guaranteed equality for women, and established an administrative court. In January 1985, the Thai Nation Party (Phak Chat Thai) won the largest number of House seats, and its leader, Banharn Silapa-Archa, headed the new coalition government. In March
1996, Banharn appointed the members of the new Senate; unlike earlier Senates, most members were civilians instead of military officers. The failure of his coalition, however, led to new elections and a new six-party coalition government in November 1996 led by General Chavalit Yongchaiyudh, head of the Phak Khwam Wang Mai (New Aspiration Party).

Chavalit made key economic portfolio appointments to his cabinet, but he failed to implement the austere fiscal policies needed to revive a weak economy. In the mid-1997 a major financial crisis ensued, the baht, i.e., the currency of Thailand was devalued, the Central Bank governor resigned, and widespread protests took place. The government announced austerity measures, and the International Monetary Fund (IMF) intervened, but the economy continued to deteriorate. Despite a new constitution promulgated in October 1997, confidence in Chavalit continued to slide, and elections in November returned Chuan Leekpai to the Prime Ministership as head of a seven-party coalition. This transfer of power without military intervention, from one elected leader to another, represented a major breakthrough in the development of democratic processes in Thailand. The baht continued to devalue, however, and social unrest recurred. By the summer of 1998, the economy had become more stable, although investigations into banking practices continued to uncover mismanagement and irregularities. With assistance from the IMF, Thailand gradually regained macroeconomic stability.

The first-ever elections to the Senate were held in 2000, and, in January 2001 one party the Phak Thai Rak Thai (Thai Loves Thai Party) won an absolute majority in the House of Representatives. Because of widespread allegations of illegal election practices, new polling took place in February in some constituencies. The Thai Rak Thai, having merged with another party since the January election, still won the absolute majority of seats, but a coalition government with the New Aspiration Party and Chat Thai was established. Police Lieutenant Colonel Thaksin Shinawatra and one of Thailand's richest businessmen, in February 2001, became the Prime Minister and appointed a Cabinet studded with other leading business figures. This incident was certainly
can be termed as a new phenomenon in Thai politics and governance. Although businessmen had dominated the parliament of Thailand as electoral politics developed over the previous two decades, the biggest business figures had remained slightly aloof. Thaksin had won the election on a platform of measures appealing directly to the rural mass. That was incidentally another new phenomenon. Previous elections had been won by local influence, and party platforms had not been taken seriously. The political party of Thaksin had won just short of an absolute majority. In no previous election since 1979 had any party reached one third. Over the coming year, Thaksin implemented, or at least tried to implement all the major elements of his electoral platform. That was considered as another new phenomenon too. Thus, by mid-2002, Thaksin was predicting that he would remain in power for 16 years. No previous elected premier had survived one 4-year full term.

According to one analysis, the subsequent change in Thai politics as represented by Thaksin was just another business politician, and the ground rules of Thai politics have not changed. However, other analysts detected powerful new forces of populism and nationalism generated by the Asian crisis. The *Far Eastern Economic Review* (18 January 2001) concluded that Thaksin 'won by embracing populism on a grand scale', and by 'his populist policies', 'populist spending programmes', 'populist pledges', 'populist sheen', 'populist election campaign' and 'populist brand of government'. This phrasing and emphasis on 'populism' is indeed a novel aspect of Thai politics. The term populism had been occasionally applied to earlier Thai politicians (Samak, Chamlong), but not on this scale. It was taken up by the local press, but with difficulty. Some newspapers used a transliteration, *poppiwlit*, which was vague. Others translated it as *prachaniyom*, which was rather neutral and roughly

---

means people-ism. Thai academics helpfully wrote press articles to explain the word and its history.283

The term populism is notoriously imprecise, and is used with a variety of meanings to serve various agendas. The Review's usage highlighted the direct appeal for popular support by Thaksin, with an implicit accusation that the popular appeal was 'buying' support to gain power with other objectives. Populism has also been used in another sense in the context of the Asian crisis. The shock of such a sharp and unprecedented economic downturn provoked a confused array of reactions. Some advocated a retreat away from modernity, industrialization and global forces, towards tradition, agriculture and the locality. Marxists identify this tendency as 'populist' because it obfuscates class interests, and disengages from the struggle within capitalism.284 Particularly after the King of Thailand spoke in endorsement of localism, this agenda was seen as an attempt to preserve old social bases of power. In his election campaign, Thaksin had support from some localists and borrowed some of their vocabulary. In one of his first public speeches in English as Prime Minister, he talked of 'looking inward'.

While Thaksin is clearly a populist in the sense of appealing for popular support, the extent of his populism in the sense of promoting conservative localism is no doubt is questionable. Thaksin was also identified as a nationalist, rising on reactions stirred up since the 1997 financial crisis. The observant aspect is the name of his political party, which is Thai Rak Thai or in English 'Thai love Thai', is patently nationalistic. He criticized the previous Democrat government for being too passive with the IMF and foreign business. During the election campaign, he revealed in the antagonism of the foreign press because it lent him an image of defiance. But at the same time he insisted, 7 am very international'. His education, language skills, experience, and demeanour

marked him as more worldly than his election rivals, indeed, than any previous elected Thai premier. Interestingly, he celebrated his election victory, not by the traditional visit to make merit at a *wat*, but by driving his wife in their Porsche to have coffee at Starbucks, which indeed may raise questions on his nationalist electoral speeches and vows.

Although the 2001 election result was new in many respects, it was an extension of trends that had developed over two decades of rapid economic change and political development. Thailand moved to government by an elective parliament over the 1980s, as the army was pushed back to the barracks. But the Cold War left behind suppressive controls and a hegemonic antagonism to popular political organization. Parliament was monopolized by businessmen, especially provincial businessmen able to control elections through cash, intimidation, and pork-barrelling. These businessmen quickly negotiated a *modus vivendi* of power and profit sharing with the formerly dominant bureaucracy. The resulting 'money politics' came under attack in the early 1990s from an alliance of conservatives (businessmen, political scientists, bureaucrats) and liberal social activists. This alliance constructed a new draft constitution aimed at upgrading the quality of politicians, and creating more stable governments, while retaining some strong limits on popular participation.

The main reforms of parliament were as follows. Constituencies were broken down from multi to single member. Vote counting now prevented candidates from tracing how individual villages or wards had polled. The conduct of the elections was transferred from the Ministry of Interior to an independent Election Commission, which has stronger powers to penalize candidates for malpractice. As well as 400 territorial constituencies, 100 MPs were elected from a 'party list' by a national vote. Constituency MPs selected as ministers had to resign their seats. All MPs were required to hold a tertiary degree.

Incidentally, the most successful party of the 1990s was the Democrat Party which headed the governing coalition for all but 28 months from September 1992 to the 2001 election. In the early 1990s, the Democrat Party had re-engineered itself to reflect the needs and aspirations of a society undergoing an economic boom and rapid urbanization. It brought in the technocrats who promised to manage and modernize the economy. It showcased a new generation of young urban professionals who symbolized urban aspirations for modernization. It attracted electoral support from the capital and from the more urbanized southern region. In 1994, the Democrats were pushed out of power by provincial-based parties. But after the advent of the financial crisis in mid-1997, businessmen and the urban middle class clamoured for the Democrats to return and manage the economy. In December 1997, their return was manoeuvred without either coup or election. Over the next three years, the Democrats were closely identified with the IMF programme of crisis management. In fact, the programme was in place before they resumed office, and the Democrats pressed the IMF for modifications. But Democrats also fiercely defended the programme and resisted arguments that it damaged Thai business and society for the benefit of international finance. As the crisis lingered and the IMF’s approach was widely discredited, the Democrats suffered from the association .

During the financial crisis struck in 1997, Thaksin and his rival businessmen all pooled their resources for survival. Thaksin and CP (largest Thai conglomerate) merged their cable TV networks, and agreed to cooperate in other areas. In 1998, Thaksin re-entered politics, started the Thai Rak Thai party (TRT), and launched his bid for the premiership. Pitak Intrawitayanunt, who served as a political ambassador of the CP group, was among the early members.

Thus, the political party of Thaksin became a magnet for other leading businessmen. Shortly before the 2001 election, he was publicly endorsed by the heads of the largest Thai conglomerate (CP) and the largest bank (Bangkok

---

Chatri Sophonpanich of Bangkok Bank explained that he supported Thaksin as Prime Minister 'because as a businessman, he understands business'. Dhanin Chearavanont of CP (largest Thai conglomerate) emphasized the need for Thailand’s businessmen, in the wake of the crisis, to draw on the power and protection of the state: 'This is an age of economic war. It’s crucial that we have a prime minister who understands business and the economy'. Two people with close associations to the CP group were included in the Cabinet of Thaksin. Appointed in February 2001, Pitak as a Deputy Prime Minister and Sombat Uthaisang, a former telecommunications bureaucrat, as Deputy Interior Minister. Another telecoms entrepreneur, Adisai Potharamik of the Jasmine group, became Minister of Commerce. Pracha Maleenon, head of a television and entertainment conglomerate, became Deputy Minister of Communications. Suriya Juengrungruangkit, head of the largest local producer of auto parts, became Minister of Industry. In addition, Thanong Bidaya of Thai Military Bank (TMB) was appointed to several key economic roles, including heading up the Thai Asset Management Corporation established to take over the bad debts of the banks. Thaksin had been a client of TMB during his entrepreneurial rise, and had bought a stake in the bank when it desperately needed capital during the crisis. Other lesser business interests formed a penumbra around this core group. These included the Srivikorn family, the M. Thai property group, Italthai construction, and the Grammy entertainment group.

In September, Thaksin described the Democrat leader Chuan Leekpai as a bureaucrat-like 'salary man who cannot even buy a house of his own' in contrast to his own status as a self-made businessman of great wealth. He went on: 'If I'm the government, I will open things up for people who have the leaning and ability to be entrepreneurs to have that choice so that people who

---

287 This advertisement appeared in most newspapers in the first week of December 2000.
290 Chuan was a lawyer by training, but his public demeanour recalled traditional bureaucrats, and his strategy as premier was to refer everything to the bureaucracy.
earn salaries now will have the opportunity to quit and become entrepreneurs without facing excess risk.\footnote{Matichon Sutsapda, 11 September 1998.} However, shortly before the spat with Chuan, Thaksin was talking about coming 'third or fourth' in any future election.\footnote{The Nation, 24 March 1999.} Shortly after, he was talking about becoming premier. This public bickering with Chuan defined the emergence of difference between Thaksin and the Democrats as \textit{entrepreneur vs. bureaucrat}.

Then onwards, Thaksin promoted recovery from the crisis through growth in small and medium enterprises (SMEs) on the Italian or Tuscan model, achieved by \textit{the marriage of traditional craft skills and high technology}. The party staged an SME exhibition which showcased examples of successful small Thai businesses. The idea appealed so successfully to the entrepreneurial aspirations, local pride, and sense of abandonment among small businessmen that the government and other parties rushed to form their own SME policies.\footnote{The Nation, 6 November 2000.} In March 2000, the TRT party announced its plan for economic recovery. It dropped the 'Italian' inspiration of the concept, but retained the emphasis on SMEs, and the combination of local skills and inputs with high technology in production and marketing. It added a business school model which divided sectors into rising stars, cash cows and sunset industries, and boosted the stars with capital injections and other government aid. It emphasized the need to revive the banking system.\footnote{Bangkok Post, 20 March 2000.}

In sum, the initial attempt by businessmen to rally domestic capital against the IMF programme was a failure. But over 1998-2000, the crisis impact deepened, debates on self-strengthening proliferated, and a diffuse resentment of external forces spread. Thaksin responded to these trends by crafting a political platform that made government support for small businesses a route for recovery from the crisis. Business support was not enough. The majority of the Thai electorate still lived in the villages. The 2000 census classified 69 per cent of the population as non-municipal. In his electoral campaign, Thaksin made a direct
appeal to this rural voter on a platform of measures to spread wealth and help local economies. No previous political leader had done anything similar. Thaksin was exploiting a trend of rising rural dissidence. In 1978, the government counted 42 incidents of protest. In 1994, the figure was almost 1,000. Most of these were rural, and around half about the control over natural resources. In 1992, farmers marched on Bangkok like an invasion, and repeated the same tactic in most years following. Over the 1990s, many new rural organizations were formed, including the Small-scale Farmers of the Northeast, the Northern Farmers Network, the Thai Farmers Federation, and the Assembly of the Poor. This upsurge of rural protest was a function of agrarian decline and political liberalization. Until the 1980s, agriculture was still growing because of an expanding land frontier, heavy investment both public and private, and rising international prices. At the same time, rural society was kept under firm political control. The army destroyed political organizations, and rural leaders simply got shot. Farmers were expected to wait passively for the government to help them. Over the 1980s, all this changed. Agriculture lost its buoyancy because the land frontier ran out, investment was diverted to industry, and the world terms of trade turned against agricultural goods. With the ending of the Cold War, the role of army in Thai politics diminished, and the attempts to suppress rural politics relaxed.

By the early 1990s, two streams of rural protest emerged. The first was located among more market-oriented farmers who protested against falling crop prices and rising rural debt. In short, they complained that market-oriented agriculture was no longer profitable. The second stream of protest was located among marginal farmers at the edge of the land frontier whose access to land, water, and other natural resources was threatened by dams, government forest policies, and industrialization. They protested to defend their own withi chiwit,
The financial crisis increased the intensity of these protests. Initially, farmers did well because agricultural prices in local currency rose. But from mid-1998 onwards, the impact of the crisis spread through rural society. The international price of rice dropped sharply. The cost of imported inputs rose. Remittances from family members working in the city shrank. Rural migrants lost their jobs and were thrown back on the support of the rural family. The number in poverty rose by 3 million, virtually all rural. This growing rural movement engaged in an internal debate on political strategy.

Some advocated working at the local level, strengthening local communities, and organizing local protests, designed in line with the community culture approach. Others argued that farmers had to engage more both with the wider economy through greater commercialization, and with national politics through negotiation with government and politicians, designed in line with the political economy approach. Through the mid-1990s, this debate was resolved by experience. The rural organizations found that they had to combine protests to get attention along with negotiations to gain concessions. The debate then focused on the nature of political involvement. Rural organizations negotiated packages of concessions from the government in 1996 and 1997, only to see these agreements collapse when the Cabinet changed. Some scholars argued that, this experience showed that farmers needed their own political party. Over 1999-2000, this proposal was debated at several meetings; an attempt was made to revive the Farmers’ Federation from the 1970s; and proposals were floated to launch a ‘green party’. However, most rural leaders believed forming a party would worsen factional conflict, and provoke attempts to co-opt or suppress...
rural organizations. They preferred to bargain their support to political parties in return for specific concessions.

At the launch of TRT, Thaksin espoused the principle of rural uplift, but initially had no rural programme at all. His early recruitment efforts focused on urban groups. A prominent student activist from the 1970s, now turned orchard farmer, faxed him a three-page rural programme but received no response. In early 1999, however, the rural protests for debt relief, price support, and land reached a peak. The team of Thaksin then began to consult with rural leaders and NGO workers. He took up the activist's three-page plan. His team did some research to test and refine the content. Some NGO activists who advocated a localist opposition to the crisis also contributed ideas. Thaksin adopted some of their vocabulary about strengthening communities and building recovery from the grassroots. In March 2000, Thaksin announced that the main feature of his rural platform would be a moratorium on rural debts. In August, TRT revealed a fuller rural programme, including the debt moratorium, a revolving fund of 1 million baht for every village, and a 30 baht-per-visit scheme of health care. In December 2000, farmer groups in the Northeast resolved to 'drive the Democrats to extinction' at the polls in revenge for their antagonism to rural protest and their revocation of the Assembly of the Poor's concessions. In the following week, Thaksin held a meeting with the leaders of the Assembly. While these groups gave no direct endorsement of Thaksin and TRT, the meaning was essentially evident. Thaksin had distanced himself from the Democrats who collaborated with the destructive strategy of the IMF, abandoned the duty of the government to protect business, and treated rural protest with contempt. He thus bid for support of small businessmen and farmers by adopting the individual demands of this groups. Thus, the extent of the electoral success of Thaksin in January 2001 can be partly attributed to the constitution, which changed the electoral system with the aim of reducing the

---

The nationalism of Thaksin was interestingly different to the Cold War version, represented by the Chat Thai party, whose name translates as 'Thai Nation party' and whose logo uses the two strong national symbols of the map outline and the flag. TRT (Thai Rak Thai) party name plays on the ethnic signifier, Thai, and echoes one of the self-help organizations, Thai chuai thai (Thai helps Thai), which emerged during the crisis. The party symbol uses the T' letter, which is the initial of both Thaksin and Thai, and the red-white-blue spectrum, but not the flag itself. TRT election rallies were not festooned with national flags, as American party rallies or UK Tory party conferences. The slogan of the party ends with for every Thai rather than statements like 'to cure the country's/nation's problems' used by Chat Thai and other parties. In speeches, Thaksin prefers the word banmuang (literally 'village-town', roughly meaning 'people' or 'society') to forms like chat (nation) and phaendin (country, realm). Talking on the subject of nationalism, Thaksin said: 'I am not calling for people to become nationalistic, but to have a sense of nationhood'.

The nationalism that Thaksin developed evokes a community of 'Thai people' without fully embracing the vocabulary and symbols of nation and state.

In addition, the mobilization of nationalism may have limitations in a country where the monarchy serves as the focus of national sentiment. In December 2001, the King chided Thaksin in the presence of the massed Thai elite on live television. The King talked about 'double standards', 'excess ego', and national 'catastrophe'. The Review (10 January 2002) explained that the

---

306 The Nation, 10 January 2002.
307 'At present everyone knows that the country faces a catastrophe ... because now everything seems to be in decline. The prime minister is making a long face. He's not pleased I talked about catastrophe. But that's the truth, because whatever is done seems to be a problem. The prime minister is happy but only on the outside, not the inside. I don't know what is to be done,
King had spoken 'because of Thaksin's perceived arrogance and his alleged attempts to meddle in royal family affairs'. It is presumed that there was wider significance of it. Thaksin had not only projected himself as the saviour of the nation, but also as the friend of the poor, a technology aware modernizer, and the head of a close, modern, nuclear family.

In a nutshell, the overall content of Thaksin's 'populism' was a novelty of his bid, the confusion created by the crisis, and the anti-rural bias of the Democrats, Thaksin was able to appeal to a broad swathe of rural groups and activist agendas. But once in power, the nature of Thaksin's articulation between big business and rural activism became more clearly defined. The main motivation of the big business for redrawing the social contract was to stem the rising tide of political dissent. Social policies were simply a 'cushion' to protect profit making. Thus, Thaksin's main strategy for rural change was to pump in capital funds. He had no interest in land reform, land-to-the-tiller programmes, tax reforms, or other policies to shift the structural position of peasants within the national economy. He placed much less emphasis on agriculture than on the urban economy. His approach was not so much to help the farmer, as to convert him into a businessman. In this approach, he adopted some of the language of community culture and localism, but none of the content. On the whole, his strategy was to deepen capitalism in order to reverse the growing division between economic and cultural, between city and village. Similarly, Thaksin's programmes have not followed the Latin American populists' emphasis on benefits for labour. Indeed, TRT's policies scarcely mention labour as a category. How far this pluto-populism bring a real change in Thai political culture, and how far is it specific to Thaksin is a debatable question, but certainly, the TRT victory immediately rendered obsolete the old Thai politics of alliance between provincial businessmen and bureaucrats. In August 2001, Thaksin was cleared of his asset case by the Constitutional Court, and

because nothing is progressing’. Phraratchathan nai luang [King's speech], Matichon, 5 December 2001.
immediately began talking of a second term. In January 2002, TRT absorbed its main coalition ally, NAP, giving his party almost 300 seats in the 500-member house. Thaksin immediately projected that TRT would rule for a decade. As the economy improved in mid-2002, he predicted he would remain in power for four terms, totalling 16 years. The Thai Rak Thai was further strengthened in 2002 when it absorbed many members of the New Aspiration Party.

The Thai economy in 2000 was a tale in two parts. In the first half of the year the recovery of 1999 accelerated to 5.7 percent powered by exports and the lagged effects of previous fiscal and monetary stimulation. In the second half suffered by comparison from the effects of higher oil prices, tighter monetary and fiscal policies and the expectation of elections at the turn of the year. Economic growth closed the year at about 4 percent overall, down very slightly from the previous year but the implication was that second half growth was a relatively uninspiring 2 to 2.5 percent. Whilst the flood-ravaged agriculture and industrial sectors were relatively lacklustre, the services sector, powered by tourism, was a continued strong performer. Export oriented manufacturing continued to grow a rate in excess of 20 percent whilst domestic production fell. However, that was partially driven by changes in the liquor laws that had forced production into 1999 at the expense of 2000. The overall capacity utilisation rate for industry recorded a slight decline to around 55 percent as compared with an overall rate of over 70 percent before the crisis. Whilst exports, which had powered the economy since the onset of the crisis, again grew solidly, imports also picked up - driven by oil and restocking - with the result that the current account surplus declined from USD 12.5 billion to USD 9 billion. The trade balance shrank even more and by January 2001 the country was running its first trade deficit since the onset of the crisis. The current account surplus allowed the debt profile of the country and exchange reserves to improve. Whilst

\[308\] This was ambitious given that no previous elected premier has ever survived even one full 4-year term. But it makes sense when you consider that Thaksin and his allies need the second term to ensure they are in charge through the critical period of WTO telecoms liberalization in 2006.

international reserves grew to USD 33 billion, more than twice short term debt and over seven months imports. Total public and private external debt declined substantially to around USD 80 billion (USD 16 billion short term) as the private sector paid off debt. The debt service ratio fell again to a comfortable level of 17.4 percent. As noted earlier, the second half slowdown was caused by a combination of sharply higher oil prices and a tighter fiscal policy. In this regard, the budget deficit fell as tax revenues grew faster than outlays to a comparatively modest 3.5 percent. This compares with the economy's savings rate of over 30 percent and a still considerable underutilisation of the resources of the country. While the deficit caused the public debt to grow to around 56 percent - three times pre-crisis levels - it is still the lowest of the crisis-affected ASEAN members. Tight monetary policies held inflation in check at 1.6 percent although how long that can be maintained in the face of higher oil prices and a weaker Baht remained.

Thaksin indeed set out to stabilize several problematic areas. One was to launch a major antidrug campaign. Some 2,275 people were killed in a three-month period ending in April 2003, and the government claimed to have eradicated 90 percent of Thailand's drug problem. In October 2004, the government launched a second antidrug campaign. In spite of the fact that Thailand is having an excellent physical infrastructure, often at first world standards, with roads, airports, electric power and telecommunications are all superb. In addition, a comprehensive underground is being built and it is expected to commence service in 2005. However, it is on the human capital side that Thailand is lagging and the crisis has delayed improvements in this area. The boom period showed that deficient Thailand was with respect to qualified engineer. A similar problem may be developing with respect to IT professionals that will be critical if Thailand is to improve the efficiency of its business sector. Educational and cultural issues appear partly to blame but also the organisation of the telecoms sector with monopolistic or oligopolistic powers resulting in too high charges for internet access, for instance. Greater investment in secondary and tertiary education is essential. Greater deregulation of business and vested
interest is also a necessity. Even in areas of strength such as tourism, the country cannot rest on its laurels. The hospitality industry is a natural for the Thai culture and the scenic attractions of the country and its immediate hinterland. Prices are still very competitive but shortages are appearing since there has been virtually no investment since the crisis. In the interim period, tourist arrivals have boomed. That process should continue as long as adequate facilities are available. The country is the natural launching pad for the Mekong sub-region including Indochina with its historical attractions such as Luang Prabang and Angkor Wat. It is useful to note that some deregulation has reached the airline industry and new companies such as Angel Airlines have been authorised to service these areas with competitive fares. In addition, Thailand represents an ideal retirement area for the greying of Japan and to a lesser extent Europe. For the Japanese, there is a close cultural affinity, a benign climate, safety, good health facilities and ample golf. Thailand has instituted probably the most progressive retirement visa program to attract modestly off retirees. Bangkok is probably one of the safest cities of its size in the world for tourists, which is just one of its attractions. Therefore, any rise in urban violence whether drug related or otherwise would be of great concern for the industry. The announced policy of new Prime Minister Thaksin Shinawatra to fight the drug gangs operating in the Golden Triangle is bad news from a peace and order perspective. The assassination attempt against him at Bangkok Airport was a warning shot in this regard.

Another problem confronting the kingdom was terrorist violence, primarily in the south. In the violence of 2002, several police officers were killed, bombs were detonated when the minister of interior toured the violence-prone area, and five schools suffered damage from arsonists. The Thai military attributed these actions to a group thought to be an al Qaeda affiliate and arrested suspected members of Jemaah Islamiah (Community of Islam) in June 2003. They confessed to plotting attacks on embassies in Bangkok and tourist sites. Further arsons and bombings occurred, and attacks on police and army bases in 2004 heightened the terrorist threat. In 2004 alone, more than 500
people died as a result of insurgent and terrorist violence in the south. This loss of life was exacerbated when a massive tsunami hit the Andaman coast on December 26, 2004, killing more than 5,300 Thai and foreigners and leaving another 2,900 reported missing. In February 2005, the Thai Rak Thai won a 75 percent majority in the House of Representatives elections, and, for the first time, a single-party government was formed. The following year, however, there were mass protests calling for Thaksin's resignation over corruption issues.

Foreign Affairs Politics of Thailand [Feb 2544/2001 Thaksin-Surakiet]

Prime Minister Thaksin, in an address to the Thai Parliament shortly after winning elections, stated that Thailand's general foreign policy objectives are to support the principles of security, development and international peace building, to promote a more proactive role for Thailand in the region, and to preserve and protect the country's rights and national interests. In practice, promoting Thailand's international economic and trade interests has formed the cornerstone of its foreign policy, and the constant search for new economic opportunities and natural resources has strongly influenced relations with neighboring countries. The 1997 Asian financial crisis, which resulted in political and economic instability as well as a decline in Thailand's bargaining power, served to strengthen the economic dimension of its foreign policy. The stock market had a miserable year in 2000 falling from a February peak of over 500 as measured by the Stock Exchange of Thailand (SET) index by 50 percent to 260 late in the year. In USD terms the market fell by about 55 percent given the 10 percent decline in the Baht against the USD. With a market capitalisation of around USD 30 billion the whole market is valued at less than 25 percent of GDP and a fraction of just one NASDAQ company. Intel, for instance, lost USD 75 billion in market capitalisation on one day in September.

The values are clearly there in Thailand, the question is what can realise them. One possibility is asset allocation from foreign investors as their technology-overweight portfolios are subject to relentless value erosion. What

was evident was that the Thai market traded in a wide range for several years as the economy consolidates and establishes on a new growth path. Increased domestic investment is a possibility from domestic pension and provident funds, as these mature. But, underlying all this is the need for the market to become more transparent and provide value to outside investors. The remaining traces of crony capitalism must be consistently reduced and removed.

A close scrutinization of the Thailand foreign policy would reveal these valuable insights. Aim on implementation of foreign affairs policies emphasizing on advance economic diplomacy and including all other sectors to establishing international relations, and in seeking International cooperation in all aspects. Implementation of foreign policies on security, development and establishment of international peace as a base of achieving justice under United Nation Charter and other related International Organizations whereas Thailand is a member. Some of the measures are as follows:

Increase advancing role in international societies by initiating extension of cooperation and relations among ASEAN countries towards closer ties with Eastern, Southern Asian regions including to act as a mediator in coordination for peace and mitigate disputes among countries in the region.

Promote, maintain and protect the rights and benefits of the country including private sectors, Thai labours and Thai citizens in foreign countries. Rehabilitate, strengthen and cooperate for development between Thailand and neighbouring countries, and countries in the Asian region as a prime priority by continuing or initiating relations and cooperation for development in every aspects, whether in a bilateral or multilateral manner, so as to bring about good understanding in solving problems and sincerely, peacefully, constructively seeking mutual benefits.

**Under the 2003 Thaksin-Kantathir Period**

Amid the present global changes, it is inevitable for Thailand to economically and socially bridge with the world. Hence the government has to implement its foreign policies and international economics policies to protect Thailand’s benefits and simultaneously seeking allies and establish cooperation
with other countries both on neighbouring and regional level for the purpose of
development and prevention of problems that may affect Thailand. Just after a
gap of three years the identification changed to:
The government shall implement an advance foreign policies basing on equal
treatment and aiming on developing and extending relations and cooperation
with other countries in politics, economics, society and cultures using foreign
relations as essential tool in promoting development of our economics and
society.

In the various dimensions of relations with other countries the government shall
continue the good understanding and reaffirm the cooperation with neighbouring
countries, and extend the cooperation among government, private and people
sectors especially the economic cooperation with our neighbouring countries
under the ACMECS treaties and other sub-regional treaties in trade, investment,
agricultural industry, network connection on land, water, air transportation,
tourism and human resource development.

- The government shall cooperate with ASEAN countries in hastening the
  establishment of AEC for its early achievement and in urging ACD to act as a
  stage for reinforcing confidence and relations among Asian countries including
to become a crucial base leading to the establishment of Asian Community.

- Moreover, the government shall continue and extend equal cooperation in the
  manner of strategic partnership with countries and coalition holding world's
  vital roles for the principle of joint benefits, and shall reinforce the recognition
  and confidence bestowed to Thailand by other countries.

As the multilateral cooperation is concerned, the government shall adhere to its
commitment with United Nations Charter, International Laws, cooperation with
other organizations where Thailand is a member and international obligations,
and shall continue to extend Thailand's role in the United Nations Organization,
international organizations, regional organizations and international network in
promotion and support for peace, security, democracy. Also cooperation for
international development in the dimensions of economics, society, academic
and human security, assistance for humanity especially post-rehabilitation of a
conflict altogether with cooperation for anti-terrorism and develop Thailand as an international convention centre.

The government shall support Thai citizen in taking major role in the United Nations and other international organizations and Thailand leading and taking part in determination of significant international treaties and process of United Nations reformation including solving of transnational problems under global concern especially narcotics, AIDS, epidemic, disaster, natural resources, environment including elimination of poverty and sustaining development.

On the international economic dimension, the government shall implement its advance policy continuously which relates to our internal economic policy especially the economic restructure so as to bring in international cooperation to develop and improve latency for all levels of human resources to be ready in participating and support the impending economic restructure, and to develop Thai latency in holding leading role in regional economic development.

- The government shall continue the arrangement of Free Trade Agreement with other countries for the best of benefit for Thailand as a whole. To continuously increase competitiveness of Thai trade operators and implement advance marketing policy to the current and potential markets in order to promote and make Thai products and services become well-known and widely recognized by foreign consumers.

- The government shall reinforce a leading constructive role of Thai representative in international trade and economic negotiations especially within multilateral sector to strengthen our bargaining power and protect the overall benefit of Thailand, and including focus on extending economic cooperation with other countries in order to support the access to resources, raw materials, science and technology and new knowledge which will increase Thailand's capability in economic competition in international trade.

To enable the implementation of foreign policies in truly fulfilling the needs of Thai people the government shall continue its diplomacy for the people by supporting the participation of the people from all societies relating to foreign missions, and by reinforcing and supporting Thai community in foreign
countries to take part in defending the country’s benefits including to support protection of Thailand’s benefits on private sectors, Thai labour and Thai citizens in foreign countries along with the development of integrated administration system in foreign countries by the government.

_Under Suravuth-Sawanit Nov 2006_

The government is determined in promoting the country's benefits, reinforcing the understanding and confidence with international communities by implementing amicable foreign policies to other countries, and continue international cooperation basing on virtue, transparency, democratic value and adherence to international laws especially the United Nation Charter and international declarations on human rights. The government set forth the following policies:

- Implement advance role on bilateral and multilateral sectors to support reconciliation and national security especially problem solving for southern territory.

Promoting friendship and cooperation with neighbouring countries in regional and sub-regional level for stability, security and prosperity of all

- Reinforce the strength of ASEAN by urging the establishment of AEC.

Implement constructive role in United Nations and other multilateral sectors in promotion of peace, democracy, human rights, humanity, conservation of environment, sustainable development, transnational problem solving and public health.

Protect benefits of Thai citizens in foreign countries and strengthen the role of Thai communities in foreign countries.

**Foreign and International Economic Policies under SOMCHAI-SOMPONG. Oct 2008/1**

These policies can be summed up as:

Promote and develop relations with neighbouring countries by extending cooperation on economics, finance, trade and investment, tourism, transportation within sub-regional cooperation for good neighbouring friendship.
Build up unity and promote cooperation among ASEAN countries for its achievement in establishing AEC while Thailand is a Chairman until the end of 2009 and to promote cooperation with other countries in Asia within respective treaties especially on financial sectors which is an urgent issue after the global financial crisis in 2008 that lead to the initiation of Asia financial community. Promote the good relations and cooperation with all countries and international Islamic organizations so as to bring the proper understanding to the concerned countries and organizations and to support problem solving for southern provinces.

To hold constructive role and strengthen national benefits in international organizations especially in the United Nations and regional organizations to maintain peace and security, promote democracy, human rights, humanity and sustainable development along with cooperation in solving all transnational issues which impact the human security.

Reinforcing cooperation and be a strategic partner with countries, allies and international financial organizations holding global major role to strengthen their confidence in Thailand and to build up its immunity and competition capacity.

Support the reach to people level in other foreign countries along with promoting good image and academic cooperation with developing countries so as to gain positive attitude from the people, government and international community towards Thailand and its people.

Support diplomacy for the people, protect the benefits and look after Thai citizen and Thai labour in foreign countries, especially those who earn their living and residing in foreign countries. Promoting the role and strengthening Thai community in preserving Thai identity and pride of being thai.

Thailand is located in the middle of the Southeast Asian peninsula bordering five non-democratic countries, with which it tries to maintain cordial relations. As a middle-ranking power in the region, Thailand has focused most if its attention on issues of concern to the peninsula and has not sought to distinguish itself as a leading advocate of democracy in Asia or in the world arena. It has
relied on regional organizations such as the Association of Southeast Asian Nations (ASEAN), which has no mandate related to democracy and human rights, for diplomatic action. Its weaker economic and political position relative to other countries in the world does not equip Thailand with much leverage to influence or shape events in other countries.

**Response of Thailand and ASEAN in her overthrow of Democratically-elected Governments**

Thailand's traditionally pragmatic approach to foreign policy is evidenced by its response to the overthrow of democratically elected governments in Burma and Fiji. Even though Thailand at times has voiced support for democracy clauses introduced at regional and international fora, it does not belong to any international organization with a binding commitment to defend democratic governments against illegal overthrows. It did not support international attempts to isolate the military junta in Myanmar and failed to take any action in response to the coup in Fiji in 2000.

In this context, Thailand's policy of accommodation towards Myanmar is based on a complex set of economic and security ties that result from existing conflicts, Myanmar's natural resources wealth, Thai economic interests in Myanmar, refugee flows, and a shared border almost 1500 miles long. Despite pressure from the United States and Europe to join efforts to isolate the Myanmarese junta, Thailand's strong economic interests in Myanmar compelled it to adopt a more pragmatic policy of continued engagement. Then-Prime Minister Chavalit Yongchaiyudth stated that the U.S. and European actions "will have no impact on Myanmar's bid to become a member of ASEAN...Thailand still maintains the policy of constructive engagement with Myanmar. There has been no change". Nevertheless, the Chuan government did press for democratic freedoms in Myanmar, and advocated a policy of constructive engagement among the members of the ASEAN countries, which voted to admit Myanmar in July 1997. The Thaksin government has not made democracy a

---

priority in its relations with the military junta, prompting critics to charge that Bangkok is overly conciliatory. In the 2002 annual military reshuffle, Thaksin appointed as Army Chief General Somtad Attanand, who supports a soft-line approach toward Burma; his predecessor was known for his hard-line stance towards Burma.\footnote{Matichon Weekly Vol. 1147 (9-15 August 2002), p. 12.} In response to the overthrow of the elected cabinet in Fiji in July 2000, Thailand supported ASEAN’s decision to continue economic relations with the island country. Thailand deflected overtures from India about imposing economic sanctions.

Thailand has a fair record of response to the manipulation of electoral processes. As a member of various regional organizations, the Thai government has issued joint statements of support for electoral observation and has endorsed reports by independent monitors. However, Thailand has not interrupted diplomatic relations or independently campaigned for international isolation of a regime engaged in electoral malpractice. Thai governments have been willing to support election monitoring efforts, as evidenced by the government’s permission for non-governmental organizations such as the Asian Network for Free and Fair Elections (ANFREL) to establish regional offices and organize international conferences in the country. An independent election monitoring team from Thailand also observed the Cambodian elections in 1998.

**Promotion of International Democracy**

Thailand does not have an international assistance program, as it lacks adequate budgetary resources to provide foreign aid in most cases. It has, however, demonstrated its readiness to promote international democracy by cooperating and complying with international requests for other types of support to facilitate peaceful transitions to democracy. This includes assisting with peacekeeping operations and diplomatic negotiations. The country also has a good record of ratifying international protocols and agreements dealing with respect for human rights and democratic values. For instance, Thailand is a signatory in the 1948 Universal Declaration of Human Rights and actively participates in the Asia-Pacific human rights forum. It is also a party to the

At the regional level, Thailand and the Philippines first proposed the idea of "flexible engagement" which later became "enhanced interaction" among the ASEAN countries. The concept of "flexible engagement" sought to make the honored tradition of non-interference in ASEAN more elastic. Surin Pitsuwan, Thailand's Foreign Minister at the time, proposed that the principle of non-interference be submitted to "reality tests" because there are domestic problems that have a regional impact and in such cases ASEAN members "should be able to express their opinions and concerns in an open, frank and constructive manner". Since the principle of non-interference was consistently used as a shield to ward off external criticism of poor democratic or human rights performance, "flexible engagement" would have opened the door to promoting greater accountability from ASEAN members on these issues. Not surprisingly, the concept did not get a warm reception at the ASEAN Summit of 1998. ASEAN members compromised, announcing the concept of "enhanced interaction" which means the countries of ASEAN agree that when there is a transnational problem such as drugs, smuggling or piracy they will convene and discuss them.

The Chuan government pushed for the participation of Thai troops in the historic peacekeeping operations in East Timor under the auspices of the United Nations, and a Thai officer served as the Commander for the UN peacekeeping mission. In addition to peacekeeping operations, Thailand has also participated in activities to encourage local communities to practice sustainable

development. More recently, Thailand displayed its support for the peaceful settlement of internal strife in a neighboring democracy by agreeing to host the Sri Lankan peace talks. Through these negotiations, the Government of Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE) hope to arrive at a political settlement to resolve the conflict in Sri Lanka.

Though its responses to democracy challenges overseas may not be impressive relative to other countries, the Thai government has continued to support democracy strengthening at home. The 1997 Constitution provides unprecedented guarantees for human rights, accountability, transparency and citizen participation in the political process. Even so, its role as a model of democratization in Southeast Asia is often undermined by its paramount focus on regional economic and security concerns.

**Policy towards entrenched Dictatorship**

Thailand's policy towards entrenched dictatorships reflects the continued primacy of pragmatism over principle. The 1997 Asian financial crisis affected Thailand's relations with major international powers, and in particular its relations with China. Sino-Thai relations have continued to warm since 1975, and the two countries became even closer when China became the first country to help Thailand by pledging US$1 billion to the International Monetary Fund (IMF) bailout fund. The U.S. and Europe did not provide comparable assistance. Sino-Thai relations reached a new high in February 1999 with the signing of a joint statement on a "Plan for Action for the 21 century". Because of China's growing economy and potential market for Thai exports, Bangkok views China as a close friend and even a strategic partner. Moreover, business in Thailand is dominated by Sino-Thais who view China as offering immense economic opportunities. Thus, China meets both the security and economic interests that most significantly shape Thai policy. Thailand has sought to engage China in

---

314 Snitwongse, Kusuma. "Thai Foreign Policy in the Global Age: Principe or Profit?" Contemporary Southeast Asia No. 2 , August 2001, pp. 189-212.  
315 In 1994, Thailand declined a request from the United States to position U.S. Navy supply ships in the Gulf of Thailand. The reason for the decline was understood to have considered China's expected unfavorable reaction.
regional affairs by encouraging Beijing's involvement in regional organizations and initiatives such as ASEAN Plus Three. But it has avoided criticizing treatment of political dissidents by China at home. Despite China's growing influence in Thailand, Bangkok did not succumb to Beijing's efforts to interfere with Falun Gong practitioners who had planned to hold an international meeting in Thailand. Chinese officials had made it known that they wanted Thailand to ban the meeting.

The Chuan government, in keeping with its stated commitment to human rights, decided to allow the meeting to go ahead, though they set conditions on the participants' activities. The Thaksin government, despite China's stepped up efforts to prevent the meeting, also agreed to permit it. While in power from 2001 to 2006, Thaksin began the process of rejuvenating Thailand's diplomacy. This period saw the most colourful and exciting, yet controversial, period of Thailand's foreign relations. Thaksin claimed to have elevated the Thai international standing, from obscurity to hegeinonization, through a myriad of grandiose foreign policy initiatives. Thaksin, with the assistance of his foreign ministers Surakiart Sathirathai (2001-05) and Kantathi Suphamongkhon (2005-06), aspired to transform Thailand from a mid-ranged power into a leading nation in the region. Thailand was reinvented as a donor country. It also initiated Asia-wide cooperative frameworks, such as the Asia Cooperation Dialogue (ACD) and the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). At a bilateral level, Thaksin promoted a business-oriented foreign policy that aimed at searching for more markets for Thai products.

Accordingly, he supported the conclusion of free trade agreements with Thailand's trading partners. Thaksin also expressed, albeit somewhat superficially, his affinity with democracy through his idea of the "Bangkok Process", designed to bring about change in Myanmar. At the global level, he nominated Foreign Minister Surakiart for the position of the United Nations Secretary-General, deemed his most ambitious attempt to place Thailand at the forefront of international politics. Not

316 This includes the 10 ASEAN countries plus China, Japan, and Korea. The first official meeting was held in July 2000 in Bangkok.
317 Snitwongse, Kusuma. "Thai Foreign Policy in the Global Age: Principe or Profit?" Contemporary Southeast Asia No. 2, August 2001, pp. 189-212.
only were changes seen in the content of Thai foreign policy, Thaksin also revamped the Foreign Ministry and reprogrammed the way this state agency had been operating since the colonial period. CEO ambassadors were put in place as part of the organizational revamp. Thaksin thus began to "colonize" the Foreign Ministry and compelled its members to produce policies that would serve his domestic needs, legitimate or otherwise. Beautifully repackaged for the taste of domestic and international audiences, Thai foreign policy under the regime of Thaksin hid its unattractive side. Thaksin's diplomacy, occasionally referred to as "Thaksiplomacy", was a populist device. In the meantime, the line between national and private interests in the conduct of Thaksin's diplomacy remained blurry. At many points, Thaksin was paramount about protecting his business interests while interacting with countries, near or afar. His foreign policy initiatives highly reflected his ambition. But his ambition, at times, was unrealistic and disregarded the limits of the national capacity.

Thaksin's attempt to rewrite the history of Thai diplomacy, from bending with the wind like a bamboo to bending the prevailing wind in favour of Thai interests, was called into doubt. Was Thailand, under his administration, ready to conquer the world? In his own mind, Thaksin might have reinvented Thailand. But whether Thailand's new look would be long-lasting and sustainable is of a matter of significance. Indeed, Thaksin's own aspirations and vision to use foreign policy to fulfil his diplomatic ambition for ultimately the remaking of a new Thailand has ushered in a new debate of critical thinking about how Thailand's foreign policy has been, and will be, managed by various political actors thereafter. The pertinent question to be answered is whether the changes he made in foreign affairs during his five years in office were for the benefit of Thailand and its people as he had claimed in the following speech; "I decided' that the primary mission of my premiership is to bring changes for a better Thailand and for the benefit of the Thai people. These changes include both domestic and foreign dimensions. -My mission is to see the Thai people prosperous and Thailand peaceful and secure. The realisation of that mission depends on a result of successful domestic policy as much as a consequence of appropriate and properly implemented foreign
policy. ... As long as I am in charge, nothing will deter me from making changes if those changes are for the benefit of the Thai people and this country. 318

Thaksin was enthusiastic to shape his country’s international standing, and was once tipped to become the next regional leader, like Singapore's Lee Kuan Yew and Malaysia's Mahathir Mohamad, and therefore the voice of the Association of Southeast Asian Nations (ASEAN). 319 Dubbed "Thaksipolomy" by his political opponents, Thaksin-styled diplomacy, which was essentially commerce-driven, appeared to be the core element of Thai foreign policy - a reminiscence of Thailand's business-led policy under the government of Chatichai Choonhavan (1988-91). 320 Thaksin, in effect, reshaped the country's foreign policy with an Asia-first focus as his priority in international relations. He accordingly embarked upon restoring Thai relations with neighbouring countries, seemingly to bring about Thai economic dominance and to proclaim Thailand as the leader in the Mekong region. Rising to this aspiration, Thaksin declared that Thailand would no longer play a role of a recipient country, but would offer financial and technical assistance to its less developed neighbours. In fact, this policy was not new. Providing financial and technical assistance to Thailand's less developed neighbours first begun under the leadership of Prime Minister Anand Panyarachun in 1992.

Ostensibly, Thaksin attached great importance to solidifying economic linkages with China to the point where Bangkok often bent over backwards to avoid offending Beijing on a range of political issue. 321 Throughout much of the

Speech of Prime Minister Thaksin Shinawatra, on the topic "Forward Engagement: The New Era of Thailand’s Foreign Policy", delivered at the Ministry of Foreign Affairs of Thailand, 12 March 2003. He was invited by Foreign Minister Surakiart Sathirathai to address the inaugural lecture for the Sarawom Institute of Foreign Affairs. At <http://www.mfa.go.th/web/sho---News.php?newsid=5678&O search=>


320 The term "Thaksipolomy" was invented by former ambassador Asda Jayananama, a well-known critic of Thaksin. It describes Thaksin's self-styled diplomatic approach, reflecting his business mentality and the dismissal of conventional diplomatic practices, in favour of a CEO style of work (top-down decision, shooting from the hips).

twentieth century, the field of international relations (IR) was dominated by rationalist theory, a term normally used to describe the "scientific" analysis of IR practised predominantly by realists, neo-realists and neo-liberal institutionalists. Thaksin's foreign policy defies the rationalist theory and its scientific way of IR analysis. Thaksin's domestic and foreign affairs have increasingly been intertwined, and local political culture has emerged as an overriding factor in the formulation of foreign relations, which may not necessarily reflect the influence of rationalist thinking. This represents one of the challenging threads of recent research in international relations that involves the specification of domestic preferences in models of foreign policy and international relations. Unlike earlier work on "linkage politics" by James N. Rosenau, which asked simply if domestic factors exerted any impact on external behaviour, this study attempts to specifically model the impact of domestic preferences on types of leaders' behaviour in the area of foreign relations.  

Thaksin was a master of reinventing a myriad of new political terminologies. His political slogan, "Think new, act new", a reformist emphasis on the need for considerable changes and unorthodox ways of working, was also introduced in the realm of foreign affairs. Thaksin, in a brainstorming session with senior diplomats at the Foreign Ministry, urged them to "make the almost impossible possible". He also told Thai ambassadors before leaving for their missions overseas that they should be daring to "think weird because the world had changed significantly and therefore what they might think is weird might not be weird after all. The key message laid in the courage to think outside of the convention." Thaksin's intention to use foreign relations to score political points at home became the main driving force for the announcement of a new

322 See James N. Rosenau, Linkage Politics (New York: The Free Press, 1969). Rosenau argued that the international system shapes and determines the structures of political systems, while characteristics of political systems in turn produce the essential ingredients for an international system. This interaction has been labelled, "Linkage Politics". Also, Richard C. Eiclienberg, "Domestic Preferences and Foreign Policy: Cumulation and Confirmation in the Study of Public Opinion", Mershon International Studies Review 42, no. 1 (May 1998): 1.

323 In an interview with a Director-General at the Foreign Ministry, 27 June 2008. Thaksin made this statement on 11 August 2006.

324 Thaksin's speech on the occasion of Thai ambassadors preparing to leave for their posting overseas, at the Government House, Bangkok, 25 December 2003.
direction in foreign policy. Thailand, for the first time since the Chatichai
government, promoted itself as a regional centre of gravity, particularly on
mainland Southeast Asia. Thaksin, in his drive to boast his foreign policy
originality, toned down the Thai role in ASEAN, but sought to invent new
avenues of regional cooperation. Thaksin was not overly keen on promoting
ASEAN but invested his energy in diplomacy elsewhere. He seemed to consider
ASEAN as a marginal organization overburdened with bureaucratic red tape and
time-consuming procedures. Although he agreed with the needed success of the
ASEAN Economic Community, he impatiently pushed for several bilateral FTA
negotiations.

It was true that Thaksin was eager to assume the role of the region's
leader. But this did not necessarily mean that he was willing to prioritize
ASEAN on the national agenda. There is clear evidence to support this
argument. The ACD, encompassing countries from Northeast Asia to the Middle
East, effectively superseded the focus on ASEAN on the Thai radar. The fact
that Thaksin chose to play his wild card with the launch of the "Bangkok
Process" by bypassing the regional effort to promote political reforms in
Myanmar, showed that Thaksin was independent and ready to grasp global
attention at the expense of ASEAN's diminishing role. Also, as Thailand earned
international opprobrium for the deaths of eighty-seven unarmed Muslim
protesters on 25 October 2004 at the hands of police and soldiers in Tak Bai in
the southern province of Narathiwat, Thaksin threatened to walk out of the
Tenth ASEAN Summit in Vientiane, 29-30 November 2004, if leaders
questioned the unrest which intensely concerned Muslim majority ASEAN
members, Malaysia and Indonesia.\footnote{Sonry Inbcraj, "Thailand's 'Tail' Wags ASEAN 'Dog' Over Myanmar", \textit{Asia Times}, 10
December 2004 <http://www.atimes.com/atimes/Southeast-Asia/FLIOAe03.html>}

In September 2006, after more than five years, the military leaders of the
country removed Thaksin by a bloodless coup d'etat. King Bhumibol Adulyadej

\footnote{Speech of Kavi Chongkittavorn at the 2004 Regional Outlook Forum, organized by the
Institute of Southeast Asian Studies, Singapore, 7 January 2004. He spoke on the topic,
"Thaksin's Thailand: Political Unusual". Kavi is Assistant Group Editor of Nation Multimedia
Group.}
did not impose his veto on the coup, an action that can be interpreted as approval by the highest Thai authority. The kingdom nevertheless struggled to find peace in the following years\textsuperscript{327}. General Surayud Chulanont remained in office as the representative of the military junta until 2008. As the military retreated from politics, he was succeeded by Samak Sundaravej - January to September 2008, "a self-proclaimed puppet of Thaksin"\textsuperscript{328} - and Thaksin's brother-in-law Somchai Wongsawat - September to December 2008, "another controversial figure"\textsuperscript{329}. On account of their political and personal proximity to the former prime minister, both of them were regarded as his mouthpieces and were - partly because of this - unable to retain their offices for long. Abhisit Vejjajiva's term in office (December 2008 to August 2011) did not bring reconciliation either. Thai society therefore remains to this day deeply divided into the "Red Shirts" and "Yellow Shirts".

In Thailand, corruption and politicians are no strangers to each other. Thaksin's business background exposed the question whether Thai foreign policy was exercised to serve the nation's interests or those of the leaders. As Pasuk and Baker argued, "The state created the context. Thaksin found the skills to exploit it".\textsuperscript{330} To them, he was either the most corrupt prime minister in Thai history or a champion of the poor masses who have long been ignored by previous government. A keen Thaksin supporter said, "So what if he (Thaksin) is corrupt? He gets the job done."\textsuperscript{332} Gwynne Dyer called Thaksin the "Juan Peron of Thailand", since he used his power to shift wealth and power

\textsuperscript{328} Ibid., p. 285.
\textsuperscript{329} Ibid., pp. 292-293.
\textsuperscript{330} Pasuk and Baker, Thaksin: The Business of Politics in Thailand, p. 197.
\textsuperscript{332} Nirmal Ghosh, "Thaksin Still Holds Sway up North", Strait Times ,22 October 2008.
systematically from the rich to the poor. Like Thaksin, Peron was mired in scandal while ruling Argentina.

Thailand's governments have historically been known for an inability to get things done because of the large numbers of small political parties usually needed to make up a coalition large enough to hold office. Disunity within the fragile coalitions that result normally prevents any long-term agenda from being implemented. The political success of Prime Minister Thaksin Shinawatra has enabled his government to avoid that familiar dilemma, affording him a unique opportunity to implement lasting reform. Thaksin's rise has probably brought two lasting changes. First, big domestic capital has come right into the core of Thai politics. This trend, replicated in countries such as Italy and Mexico, reflects a renewed awareness of the importance of state power for promoting domestic capitalism in the context of globalization. Second, the rural mass has gained some bargaining power through the ballot box. Again, this reflects a broader trend whereby rural groups gain greater political space while facing greater economic exploitation under globalization. Thaksin is, moreover, a decisive, energetic and popular leader, fully capable of implementing an agenda of reform if that was his desire. The present indications are not all positive. There is a danger that the political capital earned by Thaksin's electoral success may be dissipated on pork-barrelling and short-term political point scoring. Specifically, it can be argued that the relationship of Thailand in context with ASEAN, and the world has been greatly altered in the aftermath of the Asian Financial Crisis, and the rise of a populist Prime Minister, Thaksin. It also highlights the fact that Heads of state do play a considerably important role in shaping the foreign and economic policy of Thailand and evidently contributes to the political altercation within the state and abroad. It can be further argued that the aspiration of the Head of the State [read Thaksin in this case] can also subordinate regional groups [read ASEAN].

The subsequent chapter will elaborate the relationship of Thailand with one of her important neighbouring country - Cambodia, as one of the case study effort. The period of observation will be between 2000- 2008, keeping in congruity with the main theme of the thesis. The aspects through which the analysis will be done are the dispute on Border and the Preah Vihear ancient temple area.