The Perfect Storm?
Thailand's Security Predicament

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Key Findings

- Political turmoil in Thailand has serious implications for security and stability in the region. Thailand is a major hub for commerce and transport and a prominent player in the region's multilateral forums.

- At present, the Abhisit administration's first order of priority is regime security. Other pressing security challenges, such as the insurgency in the South, are receiving insufficient attention.

- The global economic downturn is the most significant transnational threat Thailand is currently confronting. The downturn has exacerbated problems associated with illegal immigration, human trafficking and substandard healthcare. Effective government is needed to deal with these competing and complex security challenges within Thailand's own borders and across the region.

- It is imperative that US policymakers continue steady engagement and open dialog with the Thai government, emphasizing the fundamentals of democracy and effective governance. The United States should aim to leverage regional forums and to increase engagement through Track II unofficial channels.

- While US-Thailand military engagement remains vigorous, the United States needs to consider extending economic assistance in rural development, health, family planning, education, science and technology. Expansion of current assistance programs related to human immunodeficiency virus (HIV)/AIDS prevention and treatment, refugee assistance and the prevention of human trafficking should be considered.

Introduction

Thailand's position as a major hub for commerce and transport signifies its strategic importance for the Southeast Asian region as a whole. Surprisingly, however, many observers of Southeast Asia have tended to understate the significance of Thailand's current political turmoil and the myriad of security challenges confronting Thailand today. Although Thailand was once considered Southeast Asia's economic tiger and beacon of democracy, its current political turmoil and economic woes could, if allowed to fester, significantly weaken the foundation for the region's future stability and growth.

Thailand faces numerous domestic and transnational security challenges that have been exacerbated by ongoing political and economic turmoil, creating what might be called a "perfect storm" for the Thai government. Among the most pressing security challenges Thailand faces today are the escalating insurgency in the South, the eruption of a border dispute with neighboring Cambodia, increased trafficking of people and drugs across the country's borders and problems associated with illegal migration and refugees fleeing Myanmar. Effective government is needed to deal with these competing and complex security challenges within Thailand's own borders and across the region.

Thailand's efforts to effectively respond to these security challenges have been hampered by the Abhisit administration's preoccupation with regime security. Although Prime Minister Abhisit Vejjajiva recently survived the most serious challenge to his rule so far, the risk of an outbreak of violence remains high. While some have argued that the strong self-identity and historical unity of the Thai people will help them weather this political storm, recent sociopolitical turmoil has caused unprecedented fragmentation of Thai society by polarizing urban versus rural, poor against rich, and the north and northeast regions against Bangkok and the South.

Historically, Thailand has played a prominent role in supporting the Association of Southeast Asian Nations (ASEAN) and contributing to cooperation and the prosperity of Southeast Asia. However, during Thailand's tenure as the ASEAN chair, Thai leaders have faced difficulties in fulfilling the responsibility of hosting ASEAN summits due to eruptions of civil protests in the country. The annual summit was postponed four times before it eventually took place in Phuket during July 2009. The struggle to host the ASEAN summit tarnished Thailand's reputation on the world stage and triggered doubts about the region's stability.

Current Political Turmoil

The divisiveness that now exists among the Thai is unprecedented. Thailand has cycled through six prime ministers in the three years following the September 2006 coup d'état, and there seems to be no end in sight for the continued civil unrest. The current Prime Minister, Abhisit Vejjajiva, came into power following the occupation of Bangkok's international airport in 2008 by the People's Alliance for Democracy (PAD, also known as the "yellow-shirts"). Abhisit called for opposition participation in efforts to end the civil unrest in May 2009. However, the opponents (formerly Thai Rak Thai Party and popularly known as the "red-shirts") felt cheated and undermined. Until the government is willing to address the underlying reasons for conflict between the different classes, sectors, and regions within Thailand, there is little hope of ending the civil unrest.

On the surface, this political upheaval appears as a fight between the traditional urban elite (represented by the urban middle class, the military, and the bureaucracy) and the poor (represented by Thaksin Shinawatra and his supporters). Under the surface, it is a clash of two elite classes: the "old-money" of the traditional plutocracy and the "new money" accumulated as the result of the country's economic growth since the 1960s.[i] However, the "new-money" elite group, led by Thaksin, was able to gain the support of the poor by exploiting the conditions of economic inequality through populist policies, which have been dubbed "Thaksinomics". Although Thailand has experienced spectacular economic growth over the past few decades, not all regions have shared the growth equally. The country's Gini coefficient (measure of inequality of income distribution) is considered one of the most unfavorable in Asia.[ii] This inequality has provided Thaksin and his new-money elites the ability to leverage the rising social discontent against the old-money elites. Thaksin and his party have been able to portray themselves as champions of the poor, primarily in the north and northeast region of the country, thereby creating additional rifts between the regions.

The situation is at a deadlock. As the global economic crisis deepens and the Thai economy slows down, the socioeconomic gaps amongst various factions will become more prominent and discontent will deepen, which will further fuel political controversy and the power struggle. Until now, the Thai people's unity has been held together primarily by the citizens' sincere love and reverence for King Bhumibol. The King is now in his eighty-second year, and there is no obvious political leader who

matches Bhumibol's charisma and who commands genuine respect from the populace. The King has been the one who was able to bring back Thailand's citizens from the escalating violence in the past. Most Thais today still believe that the King will stop the current political turmoil from reaching the tipping point. Overdependence on the King for the country's unity and an inability to strengthen the democratic institutions in the post–1976 era has left the Thai very few alternatives to resolve internal sociopolitical conflicts. Weakened institutions are perpetually vulnerable to elite exploitation and military interference. Many of them have clearly shown a willingness to use extraconstitutional means to gain and maintain power. Michael Connors' characterization of the Thai government as an "ambivalent state" seems fitting, a state in which "competing modes of legitimation, forms of leadership and the exercise of power have not settled into any enduring pattern of dominance."[iii]

Thailand's status as an ambivalent state is unlikely to change in the near future. The opponents of Abhisit feel strongly that PAD has undermined participatory democracy. They believe that Abhisit's predecessors were removed through unconstitutional means and therefore, the Abhisit administration constantly faces difficulty in garnering legitimacy, authority, and support from the general populace. To maintain control over the government bureaucracy, the Abhisit administration has replaced many key government officials with those whom they trust, regardless of whether they have the necessary qualifications for the positions. Additionally, the ministries and departments are centralizing authority to tighten control. Many of the midlevel career bureaucrats complain that their operating budgets have been severely slashed and that they can't get any work done because they have to seek approval for every action. At a time when Thailand needs efficient and effective governance to address a myriad of security issues plaguing the country and the region, the Thai government has become paralyzed while the current global economic crisis continues to worsen.

Impact of Current Global Economic Crisis

The global economic downturn could be considered the most significant transnational threat Thailand currently confronts. Besides diminishing the government's ability to respond to other challenges Thailand faces, the downturn magnified the effects of three years of political instability that had already significantly damaged the Thai economy. High taxes and cumbersome regulations have stifled entrepreneurship. Implementation of draconian capital control rules immediately after the 2006 coup has driven away many foreign investors. Since then, Bangkok has been faced with the difficult task of convincing foreign investors that Thailand is still an excellent destination for investment. Additionally, the "red-shirts" occupation of the Thai International Airport severely interrupted the country's vital tourist industry, reflected by the 15.7 percent decline in tourist arrivals during the first quarter of 2009.[iv] Extensive media exposure of the airport occupation bred doubts among international investors regarding the future stability of the country. Gross domestic product (GDP) growth went from an impressive 7.1 percent in 2003 to 4.8 percent in 2007 and 2.6 percent 2008.[vi] Foreign investment plunged from an annual average of 12 percent from 2003–05 to 3.8 percent in 2006 and 1.4 percent in 2007. For 2009, the Thai economy is expected to contract by 4.4 percent,[vii] the worst decline since the 1997–98 Asian financial crisis.

Although the Thai government in the first quarter of 2009 pledged to inject a Bt1.4 trillion (US$40 billion)[viii] stimulus package into the domestic economy, such action is unlikely to have an immediate impact on preventing further economic deterioration. The Bt1.4 trillion is primarily targeted for building expensive infrastructure over the next three years. Historically, such large infrastructure projects have become caught up in multiyear political infighting. Bangkok's new international airport, which took more than ten years to build, is an example of this problem. Furthermore, the current political instability likely will affect the government's ability to secure sufficient financing. The government is planning to borrow a total of Bt70 billion from a combination of lenders including the World Bank, the Asian Development Bank, and the Japan International Cooperation Agency to finance the stimulus package. This will raise public debt to approximately 45 percent of GDP, which nearly reaches the 50 percent cap set by the existing legislation's fiscal-sustainability framework. The Abhisit administration may seek to amend the existing legislation to remove the cap in the midst of the political turmoil.

In a shrinking economic environment, financial inequality within Thailand will be exacerbated because those who have large political influence will be able to subvert institutions, policy, and resource allocation to maintain and protect their private economic interest at the expense of the poor.[x] Meanwhile, unemployment is rising sharply as

factories shed jobs in response to a collapse in export orders. Thailand's crucial export sector—merchandise exports—had experienced a year-on-year decrease of 23.1 percent as of March 2009.[x] Both General Motors and Toyota cut production and laid off workers at their plants in Thailand to cope with falling demand.[xi] In March 2009 the National Statistic Office reported that five hundred forty thousand workers had lost jobs at the end of 2008, and the number could rise to at least one million in 2009.[xii] As GDP declines and unemployment rises, resentment in Thai society will become more pronounced, and opposition groups are likely to further exploit increased economic hardship in efforts to discredit the fragile Abhisit government and its policies. The downturn will be acutely felt in the Deep South, where economic and political inequalities are already contributing factors in the political insurgency. Bangkok has continuously failed to address the key substantive grievances dealing with economic, social, and political inequities in the South. The Deep South is the poorest region of Thailand, with a population of 1.7 million and a poverty rate of 17 percent.[xiii]

Increased Instability in Southern Thailand

While Bangkok is preoccupied with economic and political turmoil, the violent insurgency in the South continues to escalate. The violence in the South has sharply increased since January 2009. More than three thousand seven hundred people have been killed since 2004 in the southern provinces of Narathiwat, Yala, and Pattani.[xiv] Eighty percent of the population in the southern border region are Muslim, who identify themselves as Malay rather than Thai. Separatists in the South are fostering the development of a Muslim identity and the rise of Islamic consciousness in an attempt to manipulate the young and lure them into the separatist movement. The conflict, which originally was based on ethnonationalism, is now laced with religious rhetoric with a jihadi flavor as more Islamists join the movement.[xv] The allegation of increased human rights abuses by Thailand's government security forces in recent years has reinforced a collective sense of injustice that draws young Muslim men toward recruiters. Schools have been a fertile ground for recruiting young members, ensuring multigenerational support for the struggle to separate from dominantly Buddhist Thailand. Although precise data are not available, an estimated 70 to 80 percent of Muslim children in the area are attending *panoh*, traditional private secondary schools teaching Islam.[xiv] This Islamic school system enrolls more than one hundred thousand students and yields an average of one thousand eight hundred to three thousand fighters at any given moment.[xvii] It is significant to note that schools—and the education system in general—have been the epicenter for the clash of cultures, ideologies, and conflict. Muslims in the South view the state schools and education system as the government's primary tool of oppression, subjugation, and discrimination. Such views also assert that the instilling of Thai nationalism, rituals, and culture in the students undermines Malay-Muslim ethnoreligious identity. These perspectives lead to government schools and teachers being made a central focus of attacks.

The lack of a stable administration since the 2006 coup d'état has further hindered the Thai government's promise to devise and implement consistent policies to address inequitable socioeconomic conditions in the southern provinces. Despite Abhisit's pledge to empower the Southern Border Provinces Administrative Centre (SBPAC), Bangkok continues to maintain centralized power and control of policy, which erodes the development of a regionalized political solution.[xviii] The Thai government's concentration of control has been a consistent theme of complaint expressed by people in the South. As the decentralization process continues to stall, the Thai central government is losing its legitimacy and credibility to effectively deal with the issue, which further feeds mistrust among Malay-Muslims. As the Abhisit government employs the military to squelch violent mass protests by opposition parties in the North to cement its power, the resolve to pursue peaceful policies in the South is diminished.

However, intensifying the military campaign in the South is unlikely to reduce violence. The government's continued failure in substantially addressing a long-standing list of grievances escalates political frustrations and justifies—in the minds of the southern Muslims—the hostilities. The longer the government fails to settle the conflict, the greater the risk of involvement of foreign Muslim extremists. Jihadi groups in Malaysia and Indonesia, for example, are showing increased interest in southern Thailand's conflict.[xix] The Malaysian foreign minister has expressed concerns about the possible spillover effects impacting his country as well as the possibility that regional terrorist groups, such as Jemaah Islamiya (JI), may make themselves central to the conflict.[xx]

Increased Migration and Trafficking

According to the Asian Development Outlook 2009, more than sixty million people in the region will remain mired in poverty due to the current economic decline.[xxi] A corollary of this is that Asia will experience significant increases in migration as more people search for better economic opportunities across the region. Increased migration flows will usher in greater challenges for regional governments as they attempt to maintain security and stability.

As a country with excellent infrastructure located at the heart of Southeast Asia and situated between the South China Sea and the Indian Ocean littoral, Thailand is a hub for regional commerce and transport. Thailand's economic prosperity—relative to other countries in the region—has made it an attractive destination for irregular cross-border migration—which has created opportunities for traffickers to coerce, deceive, abduct, threaten, and exploit victims for sex and forced labor. Thailand is considered a source, destination and transit point for human trafficking globally.

Although the Thai government has launched several legislative initiatives and has recently passed laws in efforts to address the human trafficking problem, the implementation and enforcement of these laws have been weak. According to the US State Department's 2004 Trafficking in Persons (TIP) Report, only 108 new victims of trafficking were identified for the entire year.[xxii] The 2008 TIP Report noted that the Government of Thailand does not fully comply with the minimum standards for the elimination of trafficking. The Royal Thai Police reported to have prosecuted only 144 sex trafficking cases for the two-year period ending in June 2007.[xxiii] Some observers see considerable evidence of official complicity in the trafficking, both among lower levels of law enforcement and senior public officials who have been identified as having commercial interests in the brothels and factories into which many victims are trafficked.[xxiv]

The combination of pervasive corruption within the government and the paralysis induced by the current political instability may position Thailand to become a safe haven for traffickers moving illicit goods and people throughout the region. The resource constraints created by the economic slump will further hinder the government's ability to address the issue.

Thailand is already overburdened by refugees and illegal migrants from the neighboring countries of Burma, Cambodia, and Laos. While Thai official figures estimate there are five hundred thousand to seven hundred thousand Burmese illegal migrants, some nongovernmental organizations (NGOs) believe the real number may be closer to two million.[xxv] Many of the migrants work jobs that are considered dirty, dangerous, and demeaning. The migrants are forced to reside in crowded refugee camps, labor camps, and densely populated slums. The plight of migrant workers in Thailand is worsened by their unregistered and illegal status, making them vulnerable to unscrupulous employers' exploitation and enslavement and in some cases the target of crooked police extortion and brutality. While it is heart wrenching to note the peril of the migrant workers, their exploiters are also eroding Thailand's stability by undermining basic human rights and the rule of law. These negative conditions can breed criminal elements within the Thai society and weaken its social fabric.

Increasing migration and slum living conditions bring added risks of health insecurity for Thailand and the region—spreading infectious diseases such as HIV/AIDS and Avian Influenza. HIV/AIDS outbreaks are known to occur along the migration and trafficking routes. Available health data on Shan ethnic migrants from Burma in Thailand indicate that the migrant population is disproportionately plagued by infectious diseases, including HIV/AIDS. Tuberculosis, lymphatic filariasis, and some vaccine-preventable illnesses are also prevalent.[xxvi] These dismal conditions in labor and refugee camps are straining the capacity of local health programs. Furthermore, Thai public hospitals increasingly bear the costs of providing charity care for migrants and refugees, who are unable to pay for their treatment. The additional costs strain healthcare budgets, which are already stretched thin as a result of insufficient government funding.

Thailand's inability to tackle healthcare issues of the migrant and refugee populations could have wider health implications both for Thailand and for the region. Many of today's global pandemics have originated and spread from impoverished slums where dense numbers of human live in close proximity with animals and food sources. Pandemics are thus closely linked to the emergence of "hot zones" in slums and refugees camps.[xxvii]

Clashes at the Thai-Cambodian Border

In July 2008 an armed conflict erupted over a long-running border dispute between Thailand and Cambodia. The ongoing tension between the two countries centers on a 1.8 square mile strip of land near the nine-hundred-year-old Preah Vihear Temple, which the United Nations declared a World Heritage Site in June 2008. The temple sits on top of a cliff and is accessible only from Thailand because most of the surrounding area on the Cambodian side is littered with mines from the earlier Cambodia-Khmer Rouge conflict. The International Court of Justice awarded the temple to Cambodia in 1962. After long and bitter dispute throughout the 1950s, Cambodia became the owner of the temple building while the surrounding land and the pathway to the temple are inside Thailand's territory—creating an untenable situation and fueling a historic rivalry between these two countries. When the United Nations Educational, Scientific and Cultural Organization (UNESCO) listed the temple as a World Heritage Site, the simmering tension boiled over into an armed conflict.

The conflict was localized along a small border area, but the larger threat lies with unscrupulous politicians willing to manipulate nationalist sentiment on both sides. The temple issue is symbolic of a long-standing historical rivalry between the two countries and thus ripe for political manipulation. In Thailand, PAD exploited rising nationalist sentiment around the Preah Vihear case to mobilize mass demonstrations that contributed to bringing down the Thaksin government in 2008.[xxviii]

The increased tension along the Thai-Cambodia border could also have a wider global impact. In February 2009 the World Health Organization (WHO) reported the emergence of a drug-resistant strain of malaria along the Thai-Cambodia border and has been working in the area to contain the spread of this new strain.[xxix] However, the rising tension and armed conflict could impede scientists' ability to continue working in the area. The disruption of work to contain this deadly disease in a "hot zone" could undermine the global effort to control infectious diseases.

Malaria kills more than a million people every year. The United States and Thailand, through programs developed under the US Agency for International Development (USAID), Centers for Disease Control and Prevention (CDC), and the Armed Forces Research Institute of Medical Sciences (AFRIMS), cooperate closely on efforts to fight malaria and a range of other public health initiatives, including tuberculosis, dengue, HIV/AIDS, and avian/pandemic influenza.[xxx]

Recommendations for US Engagement

The United States and Thailand share a 175-year history as allies, with especially close relations since the end of World War II. In December 2003 the United States designated Thailand a "major non-NATO ally," further solidifying this relationship. Viewed in this historical perspective, recent political events in Thailand should not be allowed to undermine what continues to be an important political, economic and military relationship for the United States. The United States should actively seek out ways of improving engagement and dialog with the Thai government, emphasizing the fundamentals of democracy and effective governance.

The United States could leverage regional forums to facilitate confidence building measures to address cross-border issues between Thailand and its neighbors and to address Thailand's southern insurgency. To further complement formal multilateral efforts, the United States should facilitate and encourage increased engagement and sharing of best practices through Track II unofficial channels.

As part of mutual defense cooperation over the last three decades, Thailand and the United States have developed a vigorous joint military exercise program, which has engaged all the services of each nation (with an average of forty joint exercises per year). Current levels of military engagement with Thailand seem appropriate and do not require any major adjustment.

At the same time, this strong military relationship needs to be buttressed by stronger assistance to address some of the issues discussed above. The formal USAID bilateral program for economic assistance to Thailand ended in 1995, and the United States should reconsider extending economic assistance in the areas of rural development, education, science and technology. The United States also should consider expanding current assistance programs in the areas of health and HIV/AIDS programming, refugee assistance, and trafficking in persons. The United States and Thailand also should reinvigorate Free Trade Agreement (FTA) negotiations (championed by Thaksin) that have been dormant since 2006. A peaceful and prosperous Southeast Asia is in the strategic interests of the United States, and Thailand lies at the heart of Southeast Asia.

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