

# Background

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## Reinvigorating the U.S.–Thailand Alliance

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**Abstract:** *The United States and Thailand have a long history of close relations. After 9/11, the U.S. renewed its attention to the relationship, identifying shared interests and values. The military coup in 2006 weakened the relationship, but the return of a newly elected civilian government may present an opening for the U.S. to reinvigorate economic, political, and military relations with Thailand. Since World War II, the U.S.–Thai alliance has been the linchpin of U.S. relations with the region. By demonstrating its commitment to Thailand, the U.S. can greatly strengthen its position in Southeast Asia and hedge against China’s growing diplomatic, economic, and military presence and intentions in the region.*

The United States and Thailand have enjoyed more than a century and a half of close relations, beginning with the signing of the Treaty of Amity and Commerce in 1833. They fought side by side on the Korean Peninsula and fought together again in Vietnam. However, as a result of U.S. withdrawal from Indochina, both nations’ 1970s rapprochement with China, and China’s subsequent rise to major power status, the alliance has struggled for lack of shared strategic purpose.

During the Bush Administration, the U.S. identified areas of critical overlapping interest by increasing cooperation in the global war on terrorism, designating Thailand a major non-NATO ally (MNNA), expanding intelligence and law enforcement cooperation, and pushing—ultimately unsuccessfully—for a U.S.–Thailand free trade agreement (FTA). Thailand participated in U.S.-led efforts in Iraq and contributed to

### Talking Points

- The U.S.–Thai alliance is home to a remarkable amount of mutually beneficial cooperation, such as in counterterrorism, global military logistics, military-to-military interaction, and commercial relations.
- America’s treaty commitment to Thailand is the core of the relationship. It demonstrates America’s commitment to the future of Thailand, Southeast Asia, and stability of the broader region.
- Rediscovering shared purpose in the U.S.–Thai alliance means calling off the search for a shared comprehensive strategic understanding and maximizing value in the operational areas that the alliance does best.
- The U.S. diplomatic presence in Bangkok provides a central repository for cooperation across a multitude of nonmilitary regional initiatives, from regional water conservation to joint scientific ventures to disaster relief.

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construction efforts both in Iraq and in Afghanistan. It continues to serve as a key logistics hub for operations in both conflict zones.

As critical as this cooperation is, it is not enough to reconstitute a grand strategy on the scale of the Cold War. But rediscovering shared purpose in the U.S.–Thai alliance does not require a grand strategy. The regional dynamic is too complex, Thailand's position ambivalent, and America's own relationships in the region too varied and layered to foster a strategic meeting of the minds with Thailand.

A security alliance need not serve only in times of crisis or strategic clarity. America's treaty commitment to Thailand—and Thailand's to the U.S.—as embodied in the 1954 Manila Pact and 1962 Rusk–Thanat Joint Statement is the core of the relationship. It is a standing demonstration of America's commitment to the future of Thailand and Southeast Asia. For Thailand, the alliance demonstrates that its world is bigger than its borders and close neighbors. It is for these reasons that both parties have an interest in demonstrating the alliance's continuing and potential relevance.

With the Cold War long over, no Vietnam or Korean War to fight, a rising China that represents both a challenge and an opportunity, and a changed regional balance that presages a closer relationship between the U.S. and Vietnam, what the U.S.–Thai security alliance needs is not strategic context, but rescaled, vigorous cooperation. The U.S. and Thailand should expand their relationship to fully enable a new era of security cooperation, trade, promotion of shared values, and public diplomacy cooperation, building on the U.S. embassy's role as a nexus for regional relations. The U.S. needs to take stock of the vast pattern of cooperation already underway and engage in a sustained policy dialogue at multiple levels of government—including the highest—to make the best use of it.

## The Alliance Inventory

The U.S.–Thai alliance is home to a remarkable amount of mutually beneficial cooperation.

First, the U.S.–Thailand alliance was founded on the principle of mutual defense and security cooperation, so the security side of the relationship naturally continues to be the strongest and most rewarding. Military-to-military relations remain robust with more than 40 joint U.S.–Thai exercises annually. The most prominent is the Cobra Gold exercises, the world's largest military exercise and a regular event in U.S.–Thai military-to-military cooperation for almost 30 years. Since its debut in 1982, Cobra Gold has expanded from simply a bilateral U.S.–Thai exercise to include Japan, South Korea, Singapore, Indonesia, and Malaysia as full participants in 2011 and has involved almost every other nation in East Asia, including China, as observers.

Both U.S. and Thai officials praise Cobra Gold as a pillar of the cooperation and interoperability of the U.S. and Thai militaries, an achievement that has proved useful for military missions, such as joint patrols of vital sea lanes, and noncombat missions, such as disaster relief following the 2004 Indian Ocean tsunami and the 2008 Cyclone Nargis in Burma.<sup>1</sup> Two other major joint exercises are the annual CARAT (Cooperation Afloat Readiness and Training) naval exercises<sup>2</sup> and Cope Tiger, an exercise involving both countries' air forces.<sup>3</sup>

Thailand has demonstrated its commitment to U.S. and multilateral priorities by participating in Operation Iraqi Freedom and Operation Enduring Freedom, U.N. peacekeeping efforts, and international counterpiracy efforts. Furthering U.S.–Thai cooperation, Thailand contributed to the reconstruction efforts in Iraq and Afghanistan, sending 130 engineers to build a runway at Bagram Airfield in Afghanistan and approximately 450 engineers and medical personnel to Karbala in southern

1. U.S. Department of Defense and U.S. Department of State, Foreign Military Training: Fiscal Years 2009 and 2010, Vol. 1, at <http://www.state.gov/documents/organization/155982.pdf> (September 6, 2011).
2. Embassy of the United States of America, Bangkok, "U.S.–Thai CARAT Exercise 2011 Kicks Off," May 11, 2011, at <http://bangkok.usembassy.gov/news/press/2011/nrot023.html> (September 6, 2011).
3. U.S. Air Force, 13th Air Force, "U.S., Thailand, Singapore Begin Cope Tiger 2011," March 10, 2011, at <http://www.13af.pacaf.af.mil/news/story.asp?id=123246230> (September 6, 2011).

Iraq. Thai officials also have allowed the U.S. to use U-tapao Air Base as a major logistics and refueling hub for U.S. airplanes bound for Iraq and Afghanistan. In addition, Thailand has deployed peacekeepers to Darfur and contributed naval vessels on two occasions to the international anti-piracy effort in the Gulf of Aden.<sup>4</sup>

Beyond these measures, the U.S. and Thai navies conduct joint patrols of vital sea lanes in Southeast Asia. In addition, the U.S. has encouraged Thailand's participation in the Malacca Strait Patrol group, an ad hoc coalition of Malaysia, Singapore, and Indonesia that has sought to prevent piracy and terrorism around the critical Malacca Strait. Since Thailand became a member of the group, the area has achieved a nearly zero incident level—a resounding success.<sup>5</sup> Finally, Thailand is a member of the U.S.-sponsored Container Security Initiative and has demonstrated its commitment to nuclear nonproliferation by interdicting a shipment of North Korean arms in 2009. Although Thailand has not joined the global Proliferation Security Initiative (PSI), the foreign ministry has unofficially expressed support for it.<sup>6</sup>

Another critical and highly beneficial aspect of the U.S.–Thai security relationship involves the International Military Education and Training (IMET) program, Foreign Military Financing program (FMF), and Foreign Military Sales (FMS). IMET, a program funded by the U.S. State Depart-

ment, provides grants for officers and civilian officials from allied and friendly nations to study in the U.S. and receive additional training, not only in strategic thinking and military tactics, but also in rule of law, civil–military relations, and democratic principles. The program has sought to expose the Thai military to universal values concerning human rights. While success on this front is difficult to measure, the program has certainly strengthened ties between U.S. and Thai military personnel.<sup>7</sup>

Arms sales and a limited amount of Foreign Military Financing has provided expanded opportunities for cooperation between the U.S. and Thai militaries.<sup>8</sup> The U.S. has historically been Thailand's leading provider of military equipment, with recent high-profile sales of Black Hawk helicopters and F-16 fighter upgrades providing the most lucrative contracts. Thailand, however, has sought to diversify its arms acquisitions, most notably by purchasing 12 Gripen fighters and an AWACS from Sweden's Saab. China has also sold large quantities of low-cost, low-quality military equipment to Thailand, more for diplomatic advantage than to further any shared strategic purpose.<sup>9</sup> Most notably, after the legally mandated suspension of \$24 million in U.S. military assistance precipitated by Thailand's 2006 coup, the Chinese provided \$49 million in military assistance, increased the quota for Thai exchange students at military schools, and escalated joint special forces exercises.<sup>10</sup>

4. Mass Communication Organization of Thailand, “368 Thai Naval Personnel Leave for International Anti-Piracy Mission off Somali Coast,” July 12, 2011, at [http://www.mcot.net/cfcustom/cache\\_page/236860.html](http://www.mcot.net/cfcustom/cache_page/236860.html) (September 6, 2011).
5. Catherine Zara Raymond, “Piracy and Armed Robbery in the Malacca Strait: A Problem Solved?” *Naval War College Review*, Vol. 62, No. 3 (Summer 2009), at <http://www.usnwc.edu/getattachment/7835607e-388c-4e70-baf1-b00e9fb443f1/Piracy-and-Armed-Robbery-in-the-Malacca-Strait—A-> (September 6, 2011).
6. Kavi Chongkittavorn, “Thailand Faces Up to Non-Proliferation Challenges,” *The Nation* (Bangkok), March 29, 2010, at <http://www.nationmultimedia.com/home/2010/03/29/opinion/Thailand-faces-up-to-non-proliferation-challenges-30125790.html> (September 6, 2011).
7. U.S. Department of Defense, Security Cooperation Agency, “International Military Education and Training (IMET),” at [http://www.dsca.osd.mil/home/international\\_military\\_education\\_training.htm](http://www.dsca.osd.mil/home/international_military_education_training.htm) (July 15, 2011).
8. U.S. Department of State, “Foreign Military Financing Account Summary,” June 23, 2010, at <http://www.state.gov/t/pm/ppa/sat/c14560.htm> (July 15, 2011).
9. Ian Storey, “Thai Massage for China's Military Muscle,” *Asia Times*, July 11, 2008, at <http://www.atimes.com/atimes/China/JG11Ad01.html> (July 15, 2011).
10. Richard S. Ehrlich, “China Muscling U.S. Aside in Thailand,” *The Washington Times*, July 31, 2011, at <http://www.washingtontimes.com/news/2011/jul/31/china-muscling-us-aside-in-thailand/> (August 1, 2011).

*Second*, the U.S. and Thailand have undertaken numerous joint initiatives in nonmilitary security cooperation. Foremost, since 9/11, the two allies have cooperated extensively on counterterrorism and intelligence, creating the joint U.S.–Thai Counter Terrorism Intelligence Center (CTIC), a venue for U.S. and Thai intelligence officials to work closely together. The CTIC has led to high-profile arrests, such as key Jemaah Islamiyah operative Hambali.<sup>11</sup>

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Furthermore, the two countries actively cooperate on law enforcement, counternarcotics, and combating trafficking of drugs, weapons, and people. The International Law Enforcement Academy was established in Bangkok with U.S. funding to train law enforcement officials across the region in counternarcotics, anti-crime measures, the rule of law, and general professionalism.<sup>12</sup> Joint operations against arms dealing in the region have also escalated in recent years, leading to the arrest and extradition to the U.S. of notorious arms dealer Viktor Bout.<sup>13</sup>

*Third*, Thailand is an important U.S. trading partner. Bilateral trade for 2010 totaled \$31.7 billion,

making Thailand the United States' 23rd largest trading partner in goods. Economic ties are growing. U.S. exports to Thailand for 2010 were 29.7 percent higher than 2009 totals, and imports increased 18.9 percent, reducing the trade deficit to \$13.7 billion.<sup>14</sup> U.S. foreign direct investment in Thailand totaled \$12.7 billion for 2010, nearly a 30 percent increase over 2009.<sup>15</sup>

Under the Treaty of Amity and Economic Relations, the successor to the 1833 treaty, U.S. companies operate in Thailand on near equal legal footing with Thai companies.<sup>16</sup> More specifically, the U.S. is allowed majority ownership in investments in all sectors except for communications, transportation, certain kinds of banking, land exploitation, and domestic trade in indigenous agricultural products.<sup>17</sup> Thailand's Foreign Business Act does not allow any other country this status.

On the other hand, U.S. exports still face steep tariffs, particularly on automobiles and automotive parts, motorcycles, beef, pork, poultry, tea, wine and spirits, restaurant equipment, and textiles and clothing. Moreover, the Sino–Thailand FTA significantly lowered Thailand's tariffs below the Most Favored Nation rates offered to American exports across a number of industries, allowing China an opportunity to gain even more ground in Thailand at a time when the U.S. market share is at risk of eroding due to high tariffs.<sup>18</sup>

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11. Emma Chanlett-Avery, "Thailand: Background and U.S. Relations," Congressional Research Service *Report for Congress*, February 8, 2011, p. 14, at <http://www.fas.org/sgp/crs/row/RL32593.pdf> (September 22, 2011).
  12. U.S. Department of State, "Background Note: Thailand," January 28, 2011, at <http://www.state.gov/r/pa/ei/bgn/2814.htm> (July 20, 2011).
  13. William J. Burns, "A Renewed U.S.–Thai Alliance for the 21st Century," speech at Chulalongkorn University, Bangkok, at [http://bangkok.usembassy.gov/071610\\_speech.html](http://bangkok.usembassy.gov/071610_speech.html) (September 6, 2011).
  14. Office of the U.S. Trade Representative, "Thailand," at <http://www.ustr.gov/countries-regions/southeast-asia-pacific/thailand> (July 21, 2011).
  15. U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. Direct Investment Position Abroad on a Historical-Cost Basis: Country Detail by Industry, 2010," July 26, 2011, at <http://www.bea.gov/international/di1usdbal.htm> (August 1, 2011). U.S. Commercial Service, "Doing Business in Thailand," August 8, 2011, at <http://export.gov/thailand/doingbusinessinthailand/index.asp> (September 6, 2011).
  16. U.S. Commercial Service, "Doing Business in Thailand," August 8, 2011, at <http://export.gov/thailand/doingbusinessinthailand/index.asp> (September 6, 2011).
  17. Office of the U.S. Trade Representative, 2011 National Trade Estimate Report on Foreign Trade Barriers, March 2011, pp. 345–350, at [http://www.ustr.gov/webfm\\_send/2751](http://www.ustr.gov/webfm_send/2751) (July 29, 2011).
  18. *Ibid.*, pp. 345–346.

In 2004, President George W. Bush and Prime Minister Thaksin Shinawatra began negotiations on a U.S.–Thailand FTA. This would have reduced trade and investment barriers between the two allies, and despite requiring heavy negotiation on intellectual property rights, patent issues, and customs issues, the two sides remained committed to negotiating an FTA. However, negotiations bogged down and were suspended indefinitely after the 2006 military coup that deposed Prime Minister Thaksin. While the Office of the U.S. Trade Representative (USTR) has not publicly commented on the possibility of reviving U.S.–Thai FTA talks, Senator Richard Lugar (R-IN) recently sponsored a resolution encouraging the USTR to establish a strategy and pursue free trade negotiations with ASEAN (Association of Southeast Asian Nations) as a whole, showing that free trade with Thailand and other ASEAN countries is still on lawmakers' minds.<sup>19</sup> In addition, the U.S. has encouraged Thailand to join the nine-nation Trans-Pacific Partnership.<sup>20</sup>

Fourth, the U.S. diplomatic presence in Bangkok has provided a central repository for cooperation across a multitude of different nonmilitary, regional initiatives, from regional water conservation to joint scientific ventures to disaster relief. Ranking among the largest U.S. embassies worldwide and comparable in size to the newly built compounds in Beijing, Baghdad, and Kabul, the U.S. embassy in Bangkok has been the hub of American activity in Southeast Asia for decades, with dozens of agencies ranging from the Drug Enforcement Administration and the Centers for Disease Control and Prevention to the Peace Corps and Voice of America basing their Southeast Asian operations there. This embassy retains a powerful role in U.S.–Thai relations and provides enormous opportunities for the agencies to work not only with their Thai counterparts, but also with regional actors.

### Agencies with Regional Offices in Bangkok

- Armed Forces Research Institute of Medical Sciences (AFRIMS)
- Centers for Disease Control and Prevention (CDC)
- Drug Enforcement Administration (DEA)
- Foreign Agricultural Services (FAS)
- International Law Enforcement Academy Bangkok (ILEA)
- Joint POW/MIA Accounting Command (JPAC)
- Regional Environmental Affairs Office for Southeast Asia
- U.S. Agency for International Development (USAID)
- U.S. Citizenship and Immigration Services (USCIS)
- U.S. Commercial Service
- U.S. Secret Service
- U.S. Trade and Development Agency
- Voice of America<sup>21</sup>

Moreover, as Thailand's economy has experienced robust growth in recent years, the country is no longer dependent on foreign development assistance. U.S. aid is now centered more around health care and medical development, with both countries working on various medical and scientific initiatives.<sup>22</sup> The benefits from such programs are immense. Thai and U.S. researchers developed a vaccine against Japanese encephalitis, led efforts to understand the impact of avian influenza on the region, and began an HIV-vaccine trial, aimed at combating the recent resurgence of the Thailand HIV/AIDS epidemic. Furthermore, the two allies

19. S. Res. 218, 112th Cong., 1st Sess.

20. "US Pitches Pacific Pact to Thailand," *Bangkok Post*, April 11, 2011, at <http://www.bangkokpost.com/business/economics/231380/us-pitches-pacific-pact-to-thailand> (July 21, 2011).

21. Embassy of the United States, Bangkok, Web site, at <http://bangkok.usembassy.gov/> (July 27, 2011).

22. U.S. Agency for International Development, Congressional Budget Justification: Foreign Assistance Summary Tables, Fiscal Year 2010, p. 19, at [http://www.usaid.gov/policy/budget/cbj2010/2010\\_CBJ\\_Summary\\_Tables.pdf](http://www.usaid.gov/policy/budget/cbj2010/2010_CBJ_Summary_Tables.pdf) (August 1, 2011).

have launched the U.S.–Thai Creative Partnership, which seeks to connect U.S. and Thai scientists, engineers, and entrepreneurs to foster better cooperation and identify new public and private partnerships, a move that could increase economic growth.<sup>23</sup>

Finally, Thailand has historically been one of the core members of ASEAN, as its geographically central location, strategic outlook throughout the Cold War, and strong economic growth dictate. Although it has lost some of its standing in recent years due to its domestic political turmoil, Thailand still maintains major influence within the organization. With a sturdy U.S.–Thai alliance, Thailand can be a channel for better regional relations with the U.S. from within ASEAN.

### Challenges to the Alliance

Without a doubt, the two greatest challenges facing the U.S.–Thai alliance emanate from Thailand's domestic political turmoil and diverging perspectives on the rise of China.

Some U.S. opinion leaders have responded to Thailand's five-year-long political impasse and strategic drift by questioning the utility and relevance of the U.S.–Thai alliance in the 21st century.<sup>24</sup> Furthermore, in the post–Cold War era U.S.–Thai relations have consistently emphasized shared democratic principles and rule of law, but the heavy-handed suppression of political dissent and military's overt role undermines this rationale. In addition, reliance on Thailand's position in ASEAN has been undermined by the immense amount of credibility it has lost within ASEAN because of its political turmoil. Some have declared it the region's "lost leader" after a 2009 regional leaders' summit in Thailand was abruptly canceled and several heads of state evacuated due to anti-government protesters storming the meeting venue.

Long before the "American period" (1962–1975), Thailand's traditional foreign policy had

been "omnidirectional"<sup>25</sup> —a position to which it seems to have reverted. Thaksin's foreign policy was the classic Thai approach in that he simultaneously acceded to closer relations with the United States, pursued a closer relationship with China, and made a bid for leadership in ASEAN. Thailand's foreign policy today reflects similarly varied objectives, but with unresolved political leadership, it lacks bold initiative.

Any effort to reinvigorate the U.S.–Thai alliance is constrained by Thailand's political turmoil, if for no other reason than the lack of consistent high-level interlocutors on the Thai side and the lack of focus among those politicians who can be engaged.

However, with recent elections and the seemingly smooth transition into power of the pro–Thaksin Puea Thai party, Thailand may have begun a new chapter in the story of its nascent, troubled democracy. If the elected coalition is given a chance to govern and refrains from purposely and recklessly provoking anti-Thaksin sectors of the polity, Thailand may emerge from its troubled past and strengthen its foreign policy. In such a scenario, the U.S. should be engaged at the highest levels to help to shape its outlook on the alliance.

### China: A Challenge and an Opportunity

The U.S. and Thailand have divergent views of China. While neither considers China an adversary and both have an interest in regional peace and stability, the U.S. outlook is colored by its responsibility as guarantor of the regional order that has so benefited the region. This means the U.S. needs to heavily hedge against China's growing diplomatic, economic, and military presence and intentions. Thailand's outlook is colored more by the economic and political opportunity that China offers and its geopolitical balance vis-à-vis Vietnam.

China's cordial relations with Thailand date back to 1978, three years after establishing diplomatic relations, when Vietnam invaded Cambodia.

23. Burns, "A Renewed U.S.–Thai Alliance for the 21st Century."

24. "Gen Prayuth Urges Voters to Back the 'Good People,'" *Bangkok Post*, June 15, 2011, at <http://www.bangkokpost.com/news/election/242238/gen-prayuth-urges-voters-to-back-the-good-people> (July 27, 2011).

25. Seth Mydans and Thomas Fuller, "Thais Back Ousted Prime Minister's Party in Landslide," *The New York Times*, July 2, 2011, at <http://www.nytimes.com/2011/07/04/world/asia/04thailand.html> (September 13, 2011).

## Thailand's Recent Domestic Political Instability

In 2001, Thaksin Shinawatra was elected prime minister of Thailand by an overwhelming margin, benefiting from a populist message aimed at giving a voice to rural, disenfranchised, and impoverished voters. He quickly achieved unparalleled political status among rural Thais, many of whom had found their voice in challenging the elite. Thaksin further cemented his status when he won an outright majority in the 2005 elections, a first in Thailand, subsequently dumping his coalition and forming a single-party government. However, in 2006, his party came under fire from the opposition party of middle class and urban elites for corruption, slow economic growth, stifling the press, shady business deals, and continued violence in the south. Following anti-Thaksin protests, emergency elections were held in April 2006, but the elections, won by Thaksin's party, were ruled invalid by the Constitutional Court. Under pressure, Thaksin resigned and then stepped into the role of "caretaker" prime minister.

On September 19, 2006, while Thaksin was in New York, the Royal Thai Army staged a bloodless coup, the first in 15 years, forcing Thaksin into exile. The military ruled Thailand until late 2007, passing a new constitution that was designed to prevent another Thaksin from emerging and then orchestrating elections in December 2007, which were won by the successor to Thaksin's Thai Rak Thai party. In 2008, incensed at a perceived return to Thaksin-style rule, the anti-Thaksin People's Alliance for Democracy (PAD or yellow shirts) staged mass protests in Bangkok and organized a sit-in at the capital's two major airports. In December 2008, the Thai parliament selected Abhisit Vejjajiva of the Democrat Party as prime minister. The Oxford-educated economist kept a tenuous hold on power and subsequently struggled to make any meaningful impact domestically. In March 2010, Thaksin loyalists calling themselves the United Front for Democracy

Against Dictatorship (UDD or red shirts) staged nine weeks of demonstrations. The protests began peacefully, but spiraled out of control into all-out urban warfare, resulting in riots, destruction of private property, and a military crackdown that left 88 people dead and up to 2,000 wounded—the worst political violence in modern Thailand's history.

Against this political backdrop, elections were held on July 3, 2011. The two major parties were Abhisit's Democrat Party and the Puea Thai ("For Thais") party. Puea Thai is widely perceived as a successor to Thaksin's party because it includes many red-shirt leaders, appeals to lower-class and rural voters, and championed Yingluck Shinawatra, Thaksin's younger sister, for prime minister. With Thaksin believed to be running the party from exile in Dubai, the elections threatened to reignite tension between pro-Thaksin and anti-Thaksin forces.

However, Puea Thai, running on an extremely populist platform, won an outright majority in parliament (265 of 500 seats) and then formed a coalition with smaller parties to give it 300 seats. The Democrat Party conceded defeat, and Prime Minister-elect Yingluck Shinawatra assumed power. Thus far, the military leadership, despite having aired its anti-Puea Thai sentiments in declaring that Thailand should elect "good people," has not intervened in the election. Although some yellow shirts had clamored for the powerful Election Commission to declare the election invalid due to Thaksin's backstage control of Puea Thai, an uneasy peace has settled in Bangkok, with Crown Prince Maha Vajiralongkorn officially opening the new parliament on August 1 and Prime Minister Yingluck being sworn into office nine days later.<sup>26</sup> Certainly, any move by the prime minister to grant her brother amnesty—contrary to her campaign promises—could spark more unrest, turmoil, and bloodshed.<sup>27</sup>

26. National Bureau of Asia Research, "The United States–Thailand Alliance: Reinvigorating the Partnership," 2010, at <http://www.nbr.org/research/initiative.aspx?id=56f288b4-b68d-422d-b68f-9eb6e9cb1ab5> (July 11, 2011).

27. Center for Strategic and International Studies, "U.S. Alliances and Emerging Partnerships in Southeast Asia: Out of the Shadows," July 2009, at [http://csis.org/files/publication/090710\\_southeast\\_asia\\_alliances\\_partnerships.pdf](http://csis.org/files/publication/090710_southeast_asia_alliances_partnerships.pdf) (August 1, 2011).

Fearing that the Soviet Union meant to conquer the entirety of Indochina through Vietnam, China and Thailand cooperated strategically against this threat, leading to a friendship between the two former enemies.<sup>28</sup> Since then, China has made major progress in building strong economic, political, and military relations with Thailand. Thailand—and the Kingdom of Siam before it—has historically proved extremely adept at hedging between powers, thereby maintaining its independence and freedom of action. This behavior is seen to this day in its complex simultaneous relations with China and the U.S.

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***China's willingness to do business with anyone has defined its global economic posturing and allowed it to easily ride the ups and downs of Thailand's recent political turmoil.***

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Thailand does not share a border with China, has no territorial disputes with it, and has had no direct military conflicts with China in modern times. Beijing's policy of noninterference in countries' domestic affairs, meaning it does not scold Thailand for its domestic turmoil and occasional human rights problems, and its commitment to expanded economic growth through cheap exports to Thai markets appeal to Thailand's leadership. Under Thaksin, Sino–Thai relations improved dramatically and the current government run by his sister will likely seek even better relations with China.<sup>29</sup> China's willingness to do business with anyone has defined its global economic posturing and allowed it to easily ride the ups and downs of Thailand's recent political turmoil.

Economically, the two countries have rapidly escalated their economic trade, with bilateral trade reaching \$46 billion in 2010, a 30 percent increase over 2009 levels and 31 times 1991 trade levels.<sup>30</sup> Most notably, in 1997, after the Americans' seemingly harsh response to the Asian Financial Crisis, China donated \$1 billion to the International Monetary Fund recovery fund for Thailand, a much appreciated gesture in Bangkok.<sup>31</sup> In addition, Thailand and China signed a bilateral FTA in June 2003, which served as a basis for the broader ASEAN–China Free Trade Area (ACFTA) agreement of 2010. Chinese investment in Thailand and prominent Thai investments in China further intertwine the two countries.

Militarily, China has continued its policy of boosting military relations with Thailand. Since the 1980s, China has sold low-quality military equipment, according to Thailand's military, at discount “friendship” prices, although recent arms sales of armored personnel carriers and naval vessels have been of a slightly higher-tech nature. In addition, when the U.S. suspended IMET and FMF funding to Thailand after the 2006 coup, China offered to double the military assistance that the U.S. had been granting, with no strings attached. China has also opened its military academies to Thai students in recent years, although the majority of Thai military officials still prefer to study in the U.S. Finally, after participating in Cobra Gold as an observer, China has expanded its military exercises with Thailand. Although these exercises cannot begin to compare with the scope of U.S.–Thai exercises, Sino–Thai military relations continue to expand as China presents itself as a reliable alternative to U.S. military assistance.<sup>32</sup>

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28. Chulacheeb Chinwanno, “Rising China and Thailand's Policy of Strategic Engagement,” in Jun Tsunekawa, ed., *The Rise of China: Responses from Southeast Asia and Japan* (Tokyo: National Institute for Defense Studies, 2009), p. 89, at [http://www.nids.go.jp/english/publication/joint\\_research/series4/pdf/4-3.pdf](http://www.nids.go.jp/english/publication/joint_research/series4/pdf/4-3.pdf) (September 13, 2011).

29. Xinhua, “Pheu Thai Wants Better Ties with China: Thai PM Hopeful,” *People's Daily*, June 17, 2011, at <http://english.peopledaily.com.cn/90001/90776/90883/7413484.html> (September 13, 2011).

30. “China Becomes Thailand's 2nd Largest Trade Partner,” *People's Daily*, March 23, 2011, at <http://english.peopledaily.com.cn/90001/98649/7329282.html> (September 13, 2011).

31. Chinwanno, “Rising China and Thailand's Policy of Strategic Engagement,” p. 98.

32. Ian Storey, “China and Thailand: Enhancing Military-Security Ties in the 21st Century,” Jamestown Foundation China Brief, July 3, 2008, at [http://www.jamestown.org/programs/chinabrief/single/?tx\\_ttnews%5Btt\\_news%5D=5032&tx\\_ttnews%5BbackPid%5D=168&no\\_cache=1](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=5032&tx_ttnews%5BbackPid%5D=168&no_cache=1) (September 13, 2011).



More important than the political, economic, and security issues are Chinese public diplomacy and outreach in Thailand. China has sponsored various study trips of Thai politicians to China. The most notable was Prime Minister Thaksin's visit to his ancestral home in Guangdong during his first trip abroad as prime minister. Beijing has also appealed to Thai domestic groups by agreeing to purchase Thai agricultural products, assuaging fears over Chinese dumping. Moreover, as the U.S. has enacted stricter visa policies and as education costs soar, China has opened its doors to Thai students wishing to study in China, providing scholarships and easy access to student visas. Within Thailand, China has also established Confucian centers, Chinese language schools, and other institutions intended to emphasize the two countries' shared cultural heritage. Finally, China provides economic assistance without the restrictions that accompany American aid, such as adherence to democratic principles. This charm offensive has proved remarkably successful in Thailand, despite the simmering territorial conflicts that have harmed China's image in the region. Countering or coping with Chinese public diplomacy will be a major challenge for the U.S.<sup>33</sup>

### What the U.S. Should Do

A more robust U.S.–Thai alliance would demonstrate the strength of America's commitment to Thailand and Southeast Asia. It would also provide significant opportunities and advantages to both parties. To reinvigorate the relationship, the U.S. should:

- **Strengthen relations with the newly elected government of Thailand.** After the recent democratic elections, the U.S. needs to stand by its oldest Pacific partner and ensure that political strife does not damage the alliance's solid foundation. A number of initiatives could strengthen relations with the new government. First, the two countries need to increase their high-level exchanges in bilateral fora and not rely simply on interaction at ASEAN and Asia–Pacific Economic Cooperation (APEC) summits. Second, the U.S.–Thailand alliance merits the attention of a U.S. presidential visit. For all of his talk on strengthening U.S. relations with Southeast Asia, President Obama has not traveled to Thailand or the Philippines, America's only two treaty allies in Southeast Asia. Finally, the U.S. needs to continue to emphasize shared democratic principles and values because this shared democratic identity will further strengthen the bonds between the two countries.
- **Focus on core alliance interests, not strategic vision.** The alliance oftentimes seems little more than a series of agreements and random cooperative initiatives. The geopolitics of Asia is too complex and U.S. differences with Thailand are too divergent to forge a new strategic vision. The alliance would do better to focus on core areas of convergence, including protection of international trade, promoting democratic values, and ensuring East Asian stability through commitment to mutual defense, counterterrorism cooperation, and military interoperability. To this end, the U.S.–Thailand Strategic Dialogue should be changed from a biannual event to an annual event and elevated to the Secretary of State level. This will help both sides to address the more complex issues in a timely and comprehensive manner.
- **Expand security cooperation in certain low-cost areas.** The U.S.–Thai security partnership remains extremely stable, despite the recent political turmoil in Thailand. Cooperation on Cobra Gold, intelligence sharing, and law enforcement are just a few highlights of the relationship. These measures should be maintained and expanded wherever possible. With the expected deep U.S. defense budget cuts, the U.S. will need to focus on key low-cost, high-yield initiatives. The U.S. should double annual IMET funding from the current \$1.5 million to \$3 million and increase the quotas for Thai students attending the U.S. service academies. This

33. Joshua Kurlantzick, "China's Charm: Implications of Chinese Soft Power," Carnegie Endowment for International Peace Policy Brief, June 2006, at [http://www.carnegieendowment.org/files/pb\\_47\\_final.pdf](http://www.carnegieendowment.org/files/pb_47_final.pdf) (September 13, 2011).

will allow more Thai military personnel to study at U.S. institutions, building further connections between the two partners. Increasing arms sales, whether FMS, FMF, or excess defense articles, would also help to maintain and expand interoperability with U.S. forces and stymie the growing influence of Chinese arms sales on Thailand.

- **Build on the U.S. Embassy in Bangkok's value as a regional hub of U.S. presence.** As one of the largest U.S. embassies in the world, the U.S. should preserve and expand the status of the embassy in Bangkok as the linchpin of U.S. activity in mainland Southeast Asia. Existing initiatives, such as the Lower Mekong Initiative should be based out of this embassy. Furthermore, the U.S. should pursue new initiatives, including increasing the on-site presence of non-governmental organizations that can work with Thailand's civil society to strengthen democratic institutions, solidifying the embassy's central role in U.S.–Burma policy, and hosting discussions on broadening U.S.–Thailand initiatives to include other ASEAN states.
- **Increase U.S. public diplomacy and outreach.** China's growing public appeal in Thailand and the relatively declining perception of the U.S. in Thailand<sup>34</sup> mean that the U.S. needs to increase public diplomacy, educational exchanges, academic dialogues, and humanitarian work. First, the U.S. needs to ease its draconian visa restrictions on foreign students studying at U.S. institutions to allow more young Thais to attend U.S. colleges. Surveys clearly demonstrate that Thai students prefer to study in the U.S., and the U.S. Department of Education should streamline the visa application process and increase merit-based scholarships to make it easier for students from

allied countries to study in the U.S.<sup>35</sup> Increasing funding for Fulbright scholars to study in Thailand and vice versa would also be beneficial because only around two dozen Thai and U.S. students receive Fulbright grants annually.<sup>36</sup> Next, development assistance and cooperation in medical initiatives, most notably measures aimed at combating the spread of HIV, should be well advertised within Thailand as part of a larger public diplomacy strategy. Furthermore, the U.S. State Department should remain committed to assigning the best and the brightest Foreign Service officers to Thailand. To that end, the State Department should make Thai a critical language to encourage the next wave of Foreign Service officers to become experts on Thailand.

- **Study Chinese activity in Thailand.** Echoing another analyst's recommendation, the U.S. should commit State Department personnel within Thailand to studying Sino–Thai relations.<sup>37</sup> The U.S. should not be alarmed at increased trade between Thailand and China; the U.S. has also benefited from Chinese markets. Moreover, Sino–Thai trade liberalization leads to economic growth, and as a rising tide raises all boats, regional economic growth and economic interdependence will only bolster regional stability. However, the U.S. needs to closely monitor how China uses its public diplomacy, positive image, and economic clout.
- **Build stronger relations with ASEAN through Thailand.** Thailand's traditional leadership role and democratic credentials make it a natural part of ASEAN's democratic bloc. The U.S. should work with Thailand to remind ASEAN of the commitment of its charter to “strengthen democracy, enhance good governance and the rule of

34. Philip P. Pan, “China's Improving Image Challenges U.S. in Asia,” *The Washington Post*, November 15, 2003, p. A1, at <http://www.washingtonpost.com/ac2/wp-dyn/A42820-2003Nov14> (September 22, 2011).

35. Patricia Chow, “What International Students Think About U.S. Higher Education: Attitudes and Perceptions of Prospective Students in Africa, Asia, Europe and Latin America,” Institute for International Education, May 2011, at [http://www.iie.org/en/Research-and-Publications/Publications-and-Reports/IIE-Bookstore/~media/Files/Corporate/Open-Doors/Special-Reports/IIE\\_Student\\_Attitudinal\\_Survey\\_Report.aspx](http://www.iie.org/en/Research-and-Publications/Publications-and-Reports/IIE-Bookstore/~media/Files/Corporate/Open-Doors/Special-Reports/IIE_Student_Attitudinal_Survey_Report.aspx) (July 20, 2011).

36. Thailand–United States Educational Foundation, “History,” at <http://www.fulbrightthai.org/history/index.asp> (August 1, 2011).

37. Kurlantzick, “China's Charm.”

law, and to promote and protect human rights and fundamental freedoms.”<sup>38</sup> An active position on issues of democratic governance both encourages ASEAN and reinforces the democratic impulse at home.

- **Revive U.S.–Thai FTA discussions.** The FTA talks, suspended after the 2006 coup, should be resumed as soon as a Thai government is in a position to make the commitment. Free trade benefits all parties involved, and although a number of obstacles complicated the original negotiations, these issues can be resolved by committed political leadership. At the least, the U.S. should encourage Thailand to join the Trans-Pacific Partnership and commit to lowering barriers to trade.<sup>39</sup> Washington policymakers should bear in mind that Sino–Thai trade has skyrocketed since the passing of their FTA, so the U.S. needs to act quickly or it will find itself outmaneuvered in Thai markets by government-directed Chinese economic interaction.
- **Not overreact to political role of the Thai military.** The Thai military is a part of Thailand’s political system—even part of its democracy—in a way that militaries in other countries are not. The U.S. should support efforts to evolve away from this system. The last military government was a poor steward of Thailand’s domestic economy and undermined Thailand’s image abroad and the fundamentals of its relationship with the U.S. Yet in some circumstances, military intervention could be the least bad outcome, especially given the declining health of King

Bhumibol. In such a circumstance, the U.S. is legally required to suspend military assistance, as President Bush rightly did in 2006. However, other areas of the relationship, such as participation in joint exercises like Cobra Gold, are not subject to legal restrictions under Section 508 of the Foreign Operations Appropriations Act<sup>40</sup> and should continue.

## Conclusion

In a speech at Bangkok University in 2010, U.S. Undersecretary of State William Burns summarized the purpose of the U.S.–Thai alliance by declaring that the “alliance with Thailand, in particular, is a key example of America’s enduring commitment to the region, and it plays an indispensable role as a platform for projecting shared interests and values, and ensuring regional peace and security.”<sup>41</sup> Now more than ever, the U.S. needs to demonstrate its commitment to its bilateral alliances across Asia. The U.S.–Thai alliance has historically served as the linchpin of relations with the region. The alliance’s extensive institutional infrastructure is a testament to that history. By reinvigorating the alliance the U.S. will increase its credibility across Southeast Asia.

If and when Thailand emerges from the intense political turmoil of recent years, it will almost certainly resume its role as a regional leader. It is in America’s interest and Thailand’s interest that it do so as a full alliance partner.

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38. Charter of the Association of Southeast Asian Nations, November 20, 2007, Art. 1, para. 7, at <http://www.asean.org/publications/ASEAN-Charter.pdf> (September 22, 2011).

39. Office of the U.S. Trade Representative, “Generalized System of Preference (GSP),” July 2011, at <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp>

40. Public Law 109–102, § 508.

41. Burns, “A Renewed U.S.–Thai Alliance for the 21st Century.”