US-China rivalry compounds Thai election tension

Peter Symonds
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As Thailand prepares to go to the polls on Sunday, the result threatens to unleash further political unrest after five years of a bitter power struggle within the Thai ruling elites between supporters and opponents of former Prime Minister Thaksin Shinawatra.

A major factor adding fuel to these internal tensions is the sharpening rivalry between the United States and China. Under the Obama administration, the US has aggressively intervened in Asia by strengthening military ties throughout the region and encouraging regional allies to take a tougher stance against China on contentious issues, such as maritime disputes in the South China Sea.

Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell has already indicated that the US intends to actively intervene in Thailand. Speaking to the Centre for Strategic and International Studies on May 31, he declared that he would like to see "a more consequential engagement" in Thailand. After referring to the election, Campbell added: "Overall, we believe that as a treaty ally, that this is a relationship that we need to focus on more and the course of the next few months is likely to be decisive."

A comment by Council of Foreign Relations fellow Joshua Kurlantzick on June 9 hinted at the methods that the Obama administration might use—the cynical banner of "human rights" that is being exploited to justify the bombing of Libya and other US interventions around the world. "To be sure, Thailand's political crisis is an internal matter and the United States can only exercise so much leverage over another country's domestic politics. But Washington could begin to treat Thailand more like other countries with serious human rights problems."

Kurlantzick warned that Bangkok had already "become more comfortable with China's rising power than most other countries in South East Asia." He continued: "The United States should not be worried that criticism will push it entirely into China's camp. Washington still has significant leverage in South East Asia. Bangkok still cannot get from the China relationship what it obtains from the United States, in terms of high-level military ties and training, as well as effective intelligence cooperation."

This renewed focus on Thailand stems from a sense in Washington that China has been able to use its economic muscle to strengthen its influence in Bangkok to the detriment of longstanding strategic ties with the US. Campbell's comments indicate that the US is not about to allow the potential for exacerbating political turmoil to deter it from reasserting a dominant role in Bangkok.

The US is accustomed to regarding Thailand as a loyal client state. During the Cold War, Thailand was a useful ally. It committed troops to the US-led war in Korea and joined the Southeast Asia Treaty Organisation (SEATO) in 1954. During the Vietnam War, the US military based tens of thousands of troops on Thai soil and flew bombing raids against North Vietnam out of Thai airfields. Washington directly assisted the right-wing regimes in Bangkok in fighting guerrillas connected to the Communist Party of Thailand (CPT).

Thailand's frigid relations with China began to thaw after Washington reached a rapprochement with Beijing in 1972. Like the US, Thailand shared a common interest with China in containing Vietnam after the American military withdrawal from Indochina in 1975. Thailand established full diplomatic relations with China in the same year, with the added benefit that Beijing cut off support to the CPT thus assisting the Thai military to crush the guerrilla movement.

Vietnam's invasion of Cambodia in 1978 brought China and Thailand even closer together in a de facto pact against "Vietnamese expansionism." The right-wing Thai junta headed by General Kriangsak Chomanand, undoubtedly with Washington's approval, agreed to allow the Chinese military to use Thai territory to supply Khmer Rouge guerrillas fighting the pro-Vietnamese regime in Phnom Penh. Throughout the 1980s, Thailand and China had a tacit understanding to come to each other's aid in the event of a military confrontation with Vietnam. While Thailand retained close military ties with the US, it also bought cheap Chinese armaments, including tanks, artillery, missiles and frigates.

Although the 1991 Paris Peace Agreement on Cambodia and Vietnam's military withdrawal ended the need for Thai-Chinese military cooperation, ties remained close. Thailand played a key role in assisting China to normalise relations with other members of the Association of South East Asian Nations (ASEAN) and to play an increasing role in the regional body. Like other Asian countries, China's economic rise assumed increasing prominence for Thailand's economy. Major Thai corporations such as the Charoen Pokphand Group invested heavily in China and bilateral trade trebled from $US1.48 billion in 1991 to $4.05 billion in 1997.

The Asian financial crisis of 1997-8 that began with the collapse of the Thai baht, marked a key turning point throughout South East Asia. Washington seized the opportunity via the IMF to impose drastic restructuring package on Thailand that lead to a huge economic contraction, wiped out large sections of Thai business and sent millions into poverty. Thaksin came to power in 2001 promising to overturn the IMF agenda, protect Thai companies and stimulate the economy, including with handouts to the rural poor.

In foreign policy, Thaksin sought to balance between Thailand's strategic alliance with the US and the growing importance of China for

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Thai business. He fully backed the Bush administration's "war on terror", allowing the US military to use Thai airfields and ports to transport troops, equipment and supplies to Afghanistan and Iraq. He committed small numbers of Thai troops to both US-led occupations, Thailand collaborated with the CIA both in hunting down alleged terrorists and reportedly operated a secret centre for interrogating "rendered" CIA prisoners. In recognition, Bush designated Thailand as a "major non-NATO ally" giving the country greater access to US aid and military assistance.

At the same time, however, Thailand's economic recovery, like that of much of South East Asia, relied heavily on supplying the rapidly expanding Chinese economy. Thaksin visited China five times and signed a free trade agreement with China in 2003. While Thaksin was in power, trade with China jumped from $6.56 billion in 2001 to $25.33 billion in 2006. Chinese investment began to flow into Thai manufacturing, construction and telecommunications. Strategic cooperation also broadened with annual defence consultations beginning in 2002, regular military exchanges and small-scale joint exercises.

Sections of the traditional Thai establishment—the monarchy, military and state bureaucracy—began to turn against Thaksin in 2005. He had promised to protect Thai businesses but under the pressure of international capital continued to open up the economy to foreign investment. Moreover, the billionaire businessman ran the country as Thai Inc with himself as CEO, benefitting his family interests and cutting across longstanding patronage systems centred on the traditional elites. His autocratic methods of rule alienated sections of the middle classes in Bangkok, even though he retained considerable support among the rural masses as a result of his government's handouts.

Mass anti-Thaksin protests erupted in early 2006 over alleged corruption in the sale of his huge Shin Corp, leading to months of political turmoil that culminated in the ousting of Thaksin in a military coup in September. WikiLeaks cables revealed that US ambassador Ralph Boyce met with coup leader General Sonthi *Boonyaratglin* in late August and effectively gave the green light for Thaksin's ousting. In line with Boyce's comments, the US response to the coup was very muted—a call for an early return to democracy and the suspension of some military assistance. However, the Cobra Gold joint war games, the centrepiece of some 40 bilateral exercises, went ahead in 2007.

If Washington expected that the coup would undermine Thai-Chinese relations, it would have been disappointed. Beijing quickly dispatched senior officials including state councillor Tang Jiaxuan to Bangkok in a show of support for the regime. The junta's prime minister, Surayud Chulanont, visited Beijing in mid-2007 to sign to major agreements, including the Joint Action Plan on China-Thailand Strategic Cooperation. Among other proposals is one for enhanced transport links from China that would transform Thailand into a hub for China's economic activity in South East Asia and beyond.

Further political upheaval erupted in 2008 after the pro-Thaksin party won national elections and formed government. Months of anti-Thaksin protests, tacitly backed by the monarchy and military, and the ousting of two pro-Thaksin prime ministers in what can only be described as judicial coups, culminated in the installation of Abhisit Vejjajiva and his Democrat Party in power. Sustained anti-government protests in 2010, in which the urban and rural poor increasingly voiced their social concerns, were brutally suppressed in an army crackdown in May that left 91 dead and many more injured.

The Obama administration made clear its intentions to roll back Chinese influence in Asia with a speech by US Secretary of State Hillary Clinton in July 2009 at an ASEAN summit in Thailand bluntly declaring that the US was "back in South East Asia." Since then Clinton and other US officials have provocatively intervened in maritime disputes between China and its ASEAN neighbours in the South China Sea, insisting that the US has "a national interest" in ensuring open access to the waters.

According to a background paper on US-Thai relations published this February by the US Congressional Research Service, "growing US engagement with Indonesia and Thailand's domestic problems appear to have dimmed the prominence of the US-Thai relationship in South East Asia." At the same time, the paper noted the strategic importance of Thailand and urged greater focus on the country, declaring: "One of the primary motivations for maintaining strong relations with Bangkok is the ongoing competition with China for influence in South East Asia."

To date the efforts of US Assistant Secretary of State Campbell have been largely counterproductive. He intervened directly into the political crisis in May last year attempting to broker a compromise between the government and opposition, and thus enhance US standing in Bangkok, just days before the military crackdown. Incensed by Campbell's actions, Abhisit took the unusual step of dispatching an envoy to Washington to issue a formal rebuke over US political interference.

Such an action would have been virtually impossible two decades ago. The rise of China, however, has dramatically altered power relations in Asia enabling regional governments room to manoeuvre as they balance precariously between Beijing and Washington. The Obama administration is clearly intent on redressing this situation by seeking to exploit issues such as the South China Sea to drive a wedge between China and ASEAN countries. In the case of Thailand, which has no direct interests in the South China Sea, the US could well use Bangkok's concerns over the construction of Chinese dams on the upper Mekong River for the same purpose. In 2009 the US created the Lower Mekong Initiative including Cambodia, Laos, Thailand and Vietnam, and excluding China, to have a greater say in regional affairs.

Whatever the immediate outcome of tomorrow's election in Thailand, Campbell's comments to Centre for Strategic and International Studies last month are a sign that Washington intends to aggressively intervene in Thai politics to bolster US influence at China's expense, compounding an already explosive situation in the country.

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