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# Thailand: Background and U.S. Relations

## Overview

Thailand is a long-time military ally and significant trade and economic partner for the United States. For many years, Thailand was seen as a model democracy in Southeast Asia, although this image, along with Washington-Bangkok relations, has been complicated by deep political and economic instability in the wake of two military coups in the past nine years. The first, in 2006, displaced Prime Minister Thaksin Shinawatra, a popular but polarizing figure who remains a source of many divisions within Thailand. The second, in 2014, deposed an acting prime minister after Thaksin's sister, Yingluck Shinawatra, was ousted from the premiership by a Constitutional Court decision that many saw as politically motivated.

As the Obama Administration executes its policy of rebalancing to Asia, many observers have hoped that Thailand could provide an anchor for U.S. initiatives in Southeast Asia such as broadening regional defense cooperation, fostering more liberal trade and investment regimes in Asia, and strengthening the region's multilateral organizations. However, Bangkok's domestic problems and the resulting damage to the U.S.-Thai relationship may mean that opportunities for further bilateral coordination are diminishing. U.S. officials face the challenge of expressing disapproval and pressuring the Thais to restore the democratic process while not sacrificing important cooperative aspects of the relationship.

## Political Crisis and 2014 Military Coup

The past several years have seen many large-scale political demonstrations and some violent clashes, including weeks of conflict in Bangkok in 2010 during which over 80 were killed. Through nearly a decade of turmoil, the country's political factions have been divided primarily between two main groups: "yellow shirts" (a mix of the military, royalists, the bureaucracy, and largely urban and middle class citizens) and "red shirts" (mostly Thaksin loyalists who supported his populist policies that benefited the poor, rural regions of Thailand).

Political parties that were either led by or supportive of Thaksin have won each of the last six national elections, dating back to 2001. However, a series of Prime Ministers have been removed from office, either via coup or judicial action. In the most recent coup, on May 20, 2014, the Thai military seized power under the leadership of Army Commander Prayuth Chan-ocha. The military then dissolved Parliament, detained hundreds of political leaders and academics, imposed a curfew, and restricted media outlets. Prayuth and a group of senior military leaders, known as the National Council of Peace and Order (NCPO), selected members of a new National Legislative

Assembly (NLA), widely seen as a "rubber stamp" legislature, which elected Prayuth as Prime Minister on August 21, 2014.

The NCPO is drafting a new constitution, and its members produced a preliminary draft in early 2015. This would grant amnesty to those involved in the 2014 coup, and allow a person to become prime minister without being popularly elected. The NCPO announced that national elections will not be held for at least a year; in May 2015, the government further pushed back elections to August-September 2016.

Thailand's widely revered King Bhumiphol Adulyadej endorsed the provisional constitution installing Prayuth as head of the government. However, uncertainty about the king's health contributes to anxiety about the succession process and further instability if the monarchy is shaken. He is 87, and has been hospitalized for much of the past four years.

Thailand
<b>Capital:</b> Bangkok
<b>Size:</b> Slightly more than twice the size of Wyoming
<b>Population:</b> 67.7 million (July 2014 est.)
<b>Infant Mortality:</b> 9.86 deaths/1,000 live births (U.S.=6.00)
<b>Fertility Rate:</b> 1.5 children born/woman (U.S.=2.06)
<b>GDP (Official Exchange Rate):</b> \$400.9 billion
<b>GDP Per Capita (PPP):</b> \$9,900 (2013 est.) (U.S.=\$49,800)
<b>Source:</b> CIA World Factbook, 2014.

## U.S. Response to the Coup

After the 2014 coup, Secretary of State John Kerry released a statement saying that he was "concerned" about the "coup" and that Thai military leaders should restore civilian rule. The United States immediately suspended military aid to Thailand, including \$3.5 million in Foreign Military Financing (FMF) and \$85,000 in International Military Education and Training (IMET) funds. However, the Administration has not suspended non-military aid, and humanitarian assistance to Thailand—including international disaster assistance, migration and refugee aid, and global health programs—largely has continued. The United States also cancelled a series of military exercises and Thai military officers' visits. Nevertheless, in February 2015, the annual Cobra Gold military exercise—the largest in Asia—went ahead, although fewer U.S. troops participated than in previous years. In 2016, the exercises will take place once again, but U.S. participation will remain limited.

After the 2006 coup, the U.S. reaction was similar: U.S. funding for development assistance and military financing and training programs was cut off while the military held power, but other U.S. assistance continued to flow.

## U.S.-Thailand Security Relations

Security cooperation arguably is the strongest pillar of the U.S.-Thai relationship. In addition to hosting Cobra Gold and other military exercises, Thailand has provided access for the U.S. military to important facilities, particularly the strategically located and well-equipped Utapao airbase. The U.S. military used Utapao for refueling efforts during operations in Iraq and Afghanistan in the 2000s, as well as for multinational relief efforts after the 2004 Indian Ocean tsunami and April 2015 Nepal earthquake. Intelligence sharing and law enforcement cooperation remain valuable as the United States confronts international criminal networks and the transnational nature of the ISIS threat.

Before the most recent coup, U.S. military leaders touted the alliance as apolitical and praised the Thai armed forces for exhibiting restraint amidst the competing protests and political turmoil. However, the coup put the Thai army at the center of politics, repudiating years of U.S. training about the importance of civilian control of the military. Prior to the 2014 coup, military funding had just returned to pre-2006 coup levels. With the United States suspending military assistance and cancelling exercises, security ties between the United States and Thailand could weaken. Some analysts express concern that this provides China with an opportunity to expand its influence in the Thai defense establishment.

## U.S.-Thailand Trade and Economic Relations

Thailand is a middle-income economy, and trade and foreign investment play a large role in its economy. In 2014, Thailand's GDP grew 0.7%—the slowest rate in three years. In 2013, Thailand was the United States' 24<sup>th</sup> largest goods trading partner, with \$38 billion in total two-way goods trade. Thailand is not a participant in the Trans-Pacific Partnership (TPP) negotiations, the Obama Administration's signature economic initiative in Asia.

According to the U.S. Trade Representative, some of the largest barriers to trade in Thailand are high tariff rates in selected industries, particularly in agriculture; a lack of transparency in customs policy where Customs Department officials have "significant discretionary authority"; and the use of price controls or import licenses in some industries. Poor intellectual property rights protection also placed Thailand on the USTR's Priority Watch List in 2013.

## Thailand's Regional Relations

Thailand's importance for U.S. interests in Southeast Asia stems from its large economy, its good relationships with numerous neighbors, including Burma and China, and, until the coups, its relatively long-standing democratic rule. However, because of Thailand's ongoing political paralysis, the country's neighbors increasingly are concerned about

Thailand's ability to play a leadership role in regional initiatives, especially those relating to human trafficking and mediating maritime disputes in the South China Sea.

Historically, Sino-Thai ties have been quite close, particularly when compared to China's relations with most other Southeast Asian states. Thailand has no territorial disputes with China in the South China Sea, and trade with China has boomed under the China-ASEAN Free Trade Agreement, which came into effect in January 2010.

## Human Rights and Democracy Concerns

Some observers, including those in Congress, have long criticized Thailand's record on human rights. Alleged abuses include extra-judicial killings, curtailment of the press and non-governmental groups, restriction of freedom of expression under strict *lèse-majesté* laws, and the bloody suppression of demonstrations in 2010. Since the 2014 coup, observers increasingly are concerned about Thailand's human rights record. Prime Minister Prayuth lifted martial law in April 2015, but afterwards invoked Article 44 of the interim constitution, granting him the authority to issue any order to "strengthen public unity and harmony" in Thailand. Human rights groups immediately criticized the move as overreaching and claimed it increased the likelihood of future human rights abuses.

Thailand's security forces also have been accused of human rights abuses, particularly in the southern Muslim-majority provinces where a separatist insurgency has existed for decades. Since 2004, violence in the region has intensified, resulting in the deaths of around 6,000 people.

Thailand is surrounded by considerably poorer countries, and many economic migrants and refugees illegally cross into Thailand. Once they arrive, they are vulnerable to sexual exploitation and forced labor. Many observers say Thailand largely has overlooked these concerns; Thai officials argue that the influx is due to consensual human smuggling. In 2014, the State Department downgraded Thailand to Tier 3 status—the worst ranking—in its annual Trafficking in Persons report, finding that the Thai government was not fully in compliance with the minimum standards for the elimination of trafficking. In one widely reported case from 2013, Thai immigration and military officers were accused of trafficking Rohingya Muslims, a persecuted minority from neighboring Myanmar. In mid-2015, Thai authorities were loath to help Rohingya refugees stranded in smugglers' boats in the Andaman Sea, despite pressure from Western countries.

For more information, see CRS Report RL32593, *Thailand: Background and U.S. Relations*, and CRS Insight IN10072, *Military Coup in Thailand*.

**Emma Chanlett-Avery**, echanlettavery@crs.loc.gov, 7-7748

**Ben Dolven**, bdolven@crs.loc.gov, 7-7626

**Wil Mackey**, wmackey@crs.loc.gov, 7-5050