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Thailand: Background and U.S. Relations

Thailand is a long-time military ally and economic partner of the United States. These ties endure, but more than a decade of political turmoil in Thailand, including two military coups in 2006 and 2014, have complicated U.S.-Thai relations. The Thai government's efforts to manipulate political processes and suppress critics has raised questions about Thailand's prospects for returning to full democratic governance including the peaceful transfer of power and protection for civil liberties, and eventually recognizing civilian authority over the military. After holding elections in early 2019 that many regarded as flawed, Thailand has indicated it wants to reset its relationship with the United States after five years of coup-triggered constraints.

As one of Southeast Asia's most developed nations and a long-time U.S. partner on a range of issues, Thailand has the potential to support U.S. initiatives, such as broadening regional defense cooperation. Thailand is the 2019 chair of the Association of Southeast Asian Nations (ASEAN), and is to convene and lead the region's key multilateral forums this year. However, U.S. policymakers face challenges in rekindling the bilateral relationship with Thailand, which was frustrated by U.S. criticism of the coup, while also encouraging it to fully return to democratic norms.

March 2019 Elections

Thailand conducted nationwide elections in March 2019—its first since 2011—and in June seated a new government led by Prime Minister Prayuth Chan-ocha, the former Commander-in-Chief of the Royal Thai Army who led the 2014 coup. The polls were conducted under new rules drafted by the junta that provided structural advantages for military-backed parties, raising questions about the new government's popular legitimacy. Voting overall ran smoothly, but the Election Commission of Thailand was widely criticized for releasing inconsistent and delayed results, raising skepticism about the credibility of the tallying process. Official results showed that the main opposition party had won the highest number of elected seats. Prayuth's party, however, was able to form a coalition government with the full support of the military-appointed Senate.

On July 19, 2019, the U.S. State Department notified Congress of its certification that a democratically elected government had taken office in Thailand. (Under the Foreign Assistance Act of 1961 [P.L. 87-195; 22 U.S.C. 2151 et seq.], certain categories of military assistance may not be used to “finance directly any assistance to any country whose duly elected head of government is deposed by military coup or decree.”) With this certification, the United States can resume the provision of military assistance that was suspended after the 2014 coup, which includes Foreign Military Sales (FMS) and International Military Education Training (IMET).

Background on Thailand's Political Landscape

As demonstrated in the close election outcome, Thailand remains deeply politically divided, with the potential for more conflicts ahead. Thailand's political turmoil has involved a broad clash between the nation's political establishment (a mix of the military, royalists who are staunch supporters of the monarchy, senior bureaucrats, and many urban and middle class citizens) and democracy activists and backers of former Prime Minister Thaksin Shinawatra, who was deposed in the 2006 coup and now resides overseas. Thaksin was popular, particularly with the rural poor, because of his populist policies, challenges to the traditional elites, and political empowerment of traditionally marginalized communities.

Between 2001 and 2011, Thaksin and his supporters won six consecutive national elections, but their leaders were repeatedly removed from office, by either military or judicial coup. During this period of instability, Thailand saw numerous large-scale demonstrations, several of which resulted in violent confrontations between factions, or with the military and police. In 2010, clashes between the military and pro-Thaksin demonstrators over several weeks killed 80 civilians in Bangkok.

Thailand

Capital: Bangkok
Size: Slightly more than twice the size of Wyoming
Population: 68.6 million (July 2018 est.)
Infant Mortality: 9 deaths/1,000 live births
Fertility Rate: 1.52 children born/woman (U.S.=1.72)
GDP (official exchange rate): \$455.4 billion (2017 est.)
GDP per capita (PPP): \$17,900 (2017 est.)
Source: CIA World Factbook, 2018

The 2014 coup was Thailand's 12th successful coup since 1932. The junta drafted a new constitution that created a military-appointed Senate and limited the power of political parties.

The monarchy is one of Thailand's most powerful political institutions. The former king, Bhumibol Adulyadej, passed away in 2016, ending a 70-year reign that had made him the world's longest serving monarch. The palace has few formal authorities, but Bhumibol enjoyed tremendous popular support and, in turn, political influence. After his accession to the throne, Bhumiphol's son Maha Vajiralongkorn, now officially known as King Rama X, has been more politically active than his father was in his last years, opposing some parts of the 2016 Constitution and taking control of the bureau managing the throne's vast fortune in July 2017.

U.S.-Thailand Relations

The United States and Thailand have longstanding bilateral relations, including a treaty alliance that derives from the 1954 Southeast Asian Treaty Organization, which the U.S. and Thailand reinforced in a bilateral 1962 agreement, the Thanat-Rusk Communique. The United States operates numerous regional offices from the Bangkok Embassy, one of the largest diplomatic missions in the world. Bilateral cooperation includes security initiatives and operations, regional health and education, and others.

Security Relations

Security cooperation, which dates back to cooperation in the Korean and Vietnam Wars, has long been the highest profile pillar of the U.S.-Thai relationship. In addition to hosting military exercises, Thailand has provided the U.S. military with access to important facilities, particularly the strategically located Utapao airbase and Sattahip naval base. The U.S. military used Utapao for refueling operations during its campaigns in Iraq and Afghanistan in the 2000s, as well as for multinational relief efforts, including after the 2004 Indian Ocean tsunami and 2015 Nepal earthquake. For U.S. officials, intelligence and law enforcement cooperation with Thai counterparts remains a priority, particularly as the United States confronts international criminal and drug networks.

Before the 2014 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. Following the coup, the United States suspended military aid to Thailand as required by law, including \$3.5 million in FMF and \$85,000 in IMET funds. The United States did not suspend non-military aid or cooperation, and capacity building assistance to the country was largely uninterrupted. The large-scale annual Cobra Gold military exercises continued.

Several analysts have suggested that limits on U.S. engagement allowed U.S.-Thai security ties to weaken, and that Sino-Thai ties—which already were strong and growing—expanded to fill the vacuum. China’s state-owned arms industries provided an appealing and less-expensive alternative for Thailand, particularly in light of U.S. restrictions on arms sales following the 2014 coup. In 2015, Thailand acquired three diesel-electric submarines from China, Thailand’s most expensive defense procurement to date. In 2017, the Thai government announced it would buy 34 Chinese armored personnel carriers, perhaps in an attempt to reduce its reliance on U.S.-made weapons, and also purchased a \$530 million submarine from China.

Trade and Economic Relations

Thailand is an upper middle-income country, and trade and foreign investment play a large role in its economy. In 2018, Thailand’s GDP grew 3.7%, continuing a period of slow growth compared to previous years. The United States is Thailand’s third largest trading partner, behind Japan and China. In 2018, Thailand was the United States’ 20th largest goods trading partner; its 26th largest goods export market; and a source of \$44.5 billion in total two-way goods trade. In 2018, the United States ran a \$19.31 billion trade deficit

with Thailand, ranking Thailand as the country with the 13th largest bilateral surplus with the United States.

Thailand did not join negotiations for the proposed regional Trans-Pacific Partnership (TPP) agreement, and trade discussions between the United States have focused more recently on Thailand’s poor intellectual property rights protections and its protection and subsidization of its large agriculture industry. Thailand has remained on the USTR’s Section 301 Watch List since 2018.

Thailand’s Regional Relations

Thailand’s importance for U.S. interests in Southeast Asia stems from its large economy and its good relations with its neighbors. Thailand is chair of ASEAN for 2019, and Thailand helped broker consensus on an ASEAN position on the Free and Open Indo-Pacific, a strategic concept adopted by the Trump Administration. Thailand has extensive trade and investment relations across the region. Japan is its largest source of foreign direct investment and its second largest trading partner, after China.

Historically, Sino-Thai ties have been close, and trade has burgeoned under the 2010 China-ASEAN Free Trade Agreement. Unlike several of its Southeast Asian neighbors, Thailand has no territorial disputes with China in the South China Sea and has been generally loathe to take an assertive stance against China’s actions there. As a member of the China-led Belt and Road Initiative (BRI), Thailand is involved in a high speed railway project that would connect southern China with several Southeast Asian nations to its south. The project, which has been backed by the Prayuth government, has raised concerns in Thailand by some who question whether it can be operated profitably.

Human Rights and Democracy Concerns

International organizations have criticized Thailand’s alleged human rights abuses, including the military government’s curtailment of freedoms of speech and assembly; harassment of government critics; use of *lese majeste* laws to muzzle dissent; arbitrary arrests; and the lack of protections for human trafficking victims, laborers, and refugees. International groups have also identified human rights violations in the Muslim-majority southern provinces where an ongoing insurgency has killed over 7,000 people since 2004.

In its 2018 Trafficking in Persons report, the State Department ranked Thailand as a Tier 2 country, an improvement over recent years. Thailand argues that human smuggling, not trafficking, is the main cross-border issue. Thailand is not a signatory to the 1951 Refugee Convention nor its 1967 Protocol and does not have a formal national asylum framework. In 2019, the United Nations High Commissioner for Refugees reported that Thailand hosted over 95,000 refugees and stateless people.

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