

CHAPTER 7

“Thailand’s Twin Transitions: Implications for the Defence Sector”

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Introduction

Thailand is in uncharted territory in view of its new king and ensuing new political dynamics. Without a clear and present threat from outside, Thailand’s defence sector and foreign and security orientation remain captured by domestic political machinations. In May 2018, the country with a 70-million population and the co-founder and birthplace of the Association of Southeast Asian Nations completed a four-year interregnum, marking its most recent military coup on 22 May 2014. Led by General Prayuth Chan-ocha and his junta known as the National Council for Peace and Order, the putsch ousted an elected government, headed by Yingluck Shinawatra and under the control of her brother Thaksin Shinawatra, who was similarly overthrown in the preceding coup in September 2006. These twin coups have bookended the twilight of King Bhumibol Adulyadej’s glorious 70-year reign which ended on 13 October 2016, first by eliminating the threat posed by Thaksin’s juggernaut and the nexus of electoral forces, police and military officers along with sections of the bureaucracy and collusive business groups, and later by ensuring the Thai military’s exclusive role as the midwife of the royal succession.¹

Now that the throne has been passed to King Maha Vajiralongkorn, King Bhumibol’s only son and the hitherto Crown Prince, Thai politics has entered a new era in need of recalibration among major institutions and protagonists of the land in search for a right moving mix between an electoral democracy drawing from a more informed electorate and a traditional monarchy underpinned by the military. The domestic power struggles that are likely to characterise the first few years of the new reign are likely to determine Thailand defence and security policy directions. During the interregnum, as this discussion paper will elaborate, the military has had a field day with budget increases and conspicuous and diverse weapons procurement,

¹ See, for example, Pongphisoot Busarat, “Thailand in 2017: Stability Without Certainties,” *Southeast Asian Affairs 2017*, Singapore: Institute of Southeast Asian Studies, 2018.

tilting openly towards China and away from the United States. This pattern in arms procurement is unsurprising, and mirrors Thailand's geopolitical standing in Asia after its latest coup, when Western opprobrium nudged Thailand further into China's orbit. This paper necessarily delves in some detail into Thai domestic politics before examining implications for the defence sector. Concluding remarks suggest that the future of Thai democracy and the roles of Asian democracies are critical to Thailand's security and foreign policy determinants, while the geopolitical mix in East Asia and the international community more broadly will also shape what happens at home in Thailand.

Thailand in perspective under a new reign

Contrary to oversimplified impressions, Thai politics is fundamentally not about the colours of yellow versus red or of democratic rule against military dictatorship. At its core, modern Thailand is about the socio-political and developmental totality of the past seven decades from 1947 to 2017 during King Bhumibol's reign, divided into the first five and the last two, demarcated by the Cold War and the 21st century. For Thailand to arrive in the 21st century, it needs to reconcile the overlapping forces of these two eras that now harbour conflicting interests and preferences through compromise and mutual accommodation. Doing so is easier said than done because we are in the midst of the digital era with runaway instantaneity and transformative technological breakthroughs. Residents of Thailand, foreign or native, who arrived or came of age over the past two decades would have difficulty relating to those whose formative years transpired earlier. So far in the 21st century, all we can see in Thai politics is polarisation and conflict, tension and turmoil, characterised alternately by elections and coups from either the military or the judiciary. But the roots of Thailand's protracted crisis lie elsewhere.

From 1947 to 1997, the Thai economy expanded almost 6 percent per annum, which remains phenomenal in the developing world. What began as an agrarian economy with poor living standards and rudimentary infrastructure ended up as a highly touted "fifth tiger" of East Asia's growth dynamos, alongside South Korea, Taiwan, Hong Kong, and Singapore. The long boom imploded in 1997-98 economic crisis but by then Thailand's socio-political foundations had been transformed. People had more means, more education, more information from media proliferation, and broader

exposure to the outside world. On the flipside of the economic crisis, the long boom culminated with unprecedented political reforms, capped by the 1997 constitution that promoted greater transparency and accountability of the political system and laid conditions for more government stability and effectiveness. Together with a network of associates that held new wealth from stock market growth and global finance, Thaksin, a telecoms magnate with ambition, was uniquely positioned to benefit from post-crisis recovery and the new politics after the 1997 constitution was promulgated.

The main reference point for many Thailand watchers is right then and there, focused on Thaksin’s winning parties, the 1997 constitution, recurrent coups, and yellow-red street protests. It was as if elections and democracy bloomed when Thaksin waltzed into power, only to be thwarted time and again by putsches and conservative forces. In fact, the long boom and the 21st-century democratic politics it engendered would not have been possible without the political institutions that arose from Cold War conditions and circumstances. After King Bhumibol ascended to the throne in June 1946, the first dozen years of the reign were tentative and the role of the monarchy was still uncertain. It was only after a military-monarchy partnership that was a direct response to communist expansionism came up from 1958 when the 9th reign began to flourish.

This formation of the military-monarchy axis needs to be acknowledged for a fuller perspective. Anchored firmly in the Thai-United States treaty alliance, the military-monarchy symbiotic relationship was indispensable for seeing Thailand through the Cold War. With the burgeoning bureaucracy from the early 1960s, Thailand’s political order during the Cold War soon came into place. It revolved around the military, monarchy and bureaucracy. Notwithstanding elections and political parties that came and went, including the liberal left-wing movement in the mid-1970s, this trinity of traditional institutions was Thailand’s Cold War fighting machine. Similarly, Thailand’s domestic and international watchers pay most attention to the here and now, perhaps with a glance at recent years but rarely multiple decades. But their prognosis and prescription then risk being misguided and misplaced. The kind of compromises Thailand needs going forward entails knowing where it came from, not just the past two decades but back to the 1950s-90s.

The 9th reign was so spectacularly successful in combating communism and ushering in economic development that it became a victim of its own success, bringing

about its own challenges. The sustained growth eventually emboldened previously marginalised voices to be heard through democratisation and political liberalisation. Most importantly, international circumstances changed, with no more communists to fight but instead with new international norms of democracy and human rights to adhere to. So Thailand's two coups in 2006 and 2014 and the politically decisive judicial manoeuvre in 2008 were merely a rearguard action from the old political order to forestall changes and upend what they see as a usurping upstart, personified by Thaksin. The military government now in power comes straight from the Cold War decades, not the 21st century. The yellows are beneficiaries of the same era, not ignorant of the 21st century but demonstrably insistent on entering it under their own terms. The reds are a 21st-century movement, the beneficiaries of the development and growth of Cold War years but now more exposed to and integrated with the outside world, enabling a broad awakening and realisation that they count and that they have stakes in the Thai system that will not be denied.

Elections and a murky road ahead

In view of the global and local imperative of having elections and popular rule, the best way out for traditional forces is for them to come up with one or more political parties that can represent and protect their interests, not to pin their hopes on long-term military influence. The Democrat Party should have been such a party for them but it has not. They need to somehow change it or come up with new vehicles. For the disparate and disorganised red shirts, they will now think that their time has come. Despite the unbalance rules in the 2017 constitution, they will want to make a change through the polls. But the red shirts should know that without the willingness of the forces from the traditional political order to go along, they cannot have their way without conflict and turmoil. And they will be vulnerable to manipulation from the Thaksin camp, which has lost a lot with much to recoup. The military's own best outcome is to share power with democratic institutions during a transitional period and then to civilianise for longer-term influence. No one should be naïve or vindictive enough to expect the generals to head back to the barracks overnight. It does not work that way for countries like Thailand, Myanmar, among others. But an indefinite military dictatorship is also not palatable to people who have been keen to go to the polls.

With a return to democratic rule in sight during the first half of 2019, it is likely that Thailand will soon be mired yet again in another round of political conflict between civilian and military leaders. The Prayuth government is on its way down. The main reason for its inexorable political descent is that it has passed its expiry date. This was a government that claimed power based on royal ascent on top of a manipulated street confrontation among civilians in the run-up to the May 2014 coup. Once it took power, its source of legitimacy was the royal endorsement in the waning months of the King Bhumibol’s reign. For some time – and history will likely see it as such – the Thai people tolerated and gave the benefit of the doubt to Gen Prayuth and the junta to take over government directly and occupy most of the cabinet portfolios because the royal transition was imminent. Along the way, in August 2016, more than 59 percent of the electorate turned out to support a constitution, which the military effectively arranged through a committee it had set up, by more than a 61 percent margin. At the same referendum, 58 percent of votes cast agreed to let both the popularly elected lower house and the military-appointed senate choose the next post-election prime minister, a cue for a general to return to the helm.

But now that the royal transition from October 2016 has well gone by, with a most moving and fitting cremation of the late King on 26 October 2017, the Prayuth government suddenly looks different. The royal ascent that enabled it to assume and stay in power does not appear the same under a new reign. And its performance in government is mixed at best. Economic growth has stayed in the 3 percent range but corruption scandals have been on the rise, most noticeably in Deputy Prime Minister Prawit Wongsuwan’s dubious donning of price designer watches.² Policy directions and economic upgrading behind “Thailand 4.0” and the Eastern Economic Corridor as the new platform for economic expansion are sound but have arrived late. If these policy schemes had been implemented from the first year of military government, the economy may be faring much better.

On the other hand, the military-led government has locked future governments into what they see as Thailand’s way forward over the next 20 years. This 20-year plan now looks like a usurpation and abuse of power. Who are these generals to be deciding Thailand’s future without asking the Thai people? They have essentially

² See, for example, Marwaan Macan-Markar, “Thailand’s culture of impunity for the powerful causes backlash,” *Nikkei Asian Review*, 21 February 2018.

militarised the Thai state and society, and privileged military corporate interests over the public interest. As inspired by the military regime, the 2017 constitution will produce gridlock. If the military can get its man into the premiership, the generals will not have much legislative latitude. Civilian representatives, on the other hand, will be answerable to military-influenced agencies mandated by the charter, particularly the Constitutional Court and the National Anti-Corruption Commission. In its well-intentioned aim to keep corrupt politicians at bay, the 2017 charter has shifted power and authority to the extra-parliamentary agencies and to military appointees, which can be just as unscrupulous and abusive.

Thai politics thus appears utterly murky heading up to and after the poll. However, after Gen Prayuth's several election postponements, another poll delay would not be surprising as the military fears what comes thereafter, despite having crafted the rules to keep elected representatives down and empowered the brass to pick the 250-member senate. It would be unsurprising if the Prayuth government now goes into a campaign mode of sorts, visiting provincial areas and handing out more subsidies and largess with an eye to return to post-election power. The junta may also co-opt or form one or more outright pro-military political parties. It is also likely to put aside a firm election date until it feels more secure and popular. Its aim to stay in power will pose a dilemma for Thailand. The more the Prayuth government tries to hang on to power, the less popular it will become.³ In short,

The Thai generals have made a mess of their coup. It was supposed to be about the royal succession but it has become a runaway military power. Overall, a spirit of compromise and accommodation is paramount. Perhaps the 10th reign under King Maha Vajiralongkorn can be just the right incentive for all sides to ensure that it succeeds by making sure that Thailand's traditional monarchy moves into a moving balance with a 21st-century democracy.

Thailand's geopolitical considerations

Unsurprisingly, Thailand's foreign and security considerations tracked its domestic politics. Initially shunned by the West, Thailand had to move closer to China despite

³ See Prajak Kongkirati, "Haunted Past, Uncertain Future: The Fragile Transition to Military-Guided Semi-Authoritarianism in Thailand," *Southeast Asian Affairs 2018*, Singapore: Institute of Southeast Asian Studies, 2018.

being a treaty ally of the United States. However, this geopolitical trend changed under the administration of President Donald Trump who invited Prayuth to the White House in October 2017. The visit effectively reset Thai-US relations. It was ironic because Trump’s predecessor, Barack Obama, had done so much to promote Southeast Asia as the cornerstone of his “pivot” and “rebalance” strategy. Yet it can be said that Southeast Asia was “lost” to China during the Obama years. From 2012, China has taken over a string of artificial islands, building and stationing military installations and other assets. Despite an Arbitral Tribunal ruling to the contrary in July last year, backed by provisions in the United Nations Convention on the Law of the Sea, Beijing has kept what it took. In mainland Southeast Asia, China has built a chain of dams in the upper reaches of the Mekong River to the detriment of downstream communities in Cambodia and Vietnam in disregard of the Mekong River Commission, a sub-regional body which is tasked with overseeing river management. China insists on its own framework, known as the Lancang-Mekong Cooperation. Regional responses to China’s belligerence and subjective rule-making were tepid in the absence of a major counterweight.

At the same time, an authoritarian resurgence in Southeast Asia, from Thailand and Cambodia to Malaysia and the Philippines, played into Beijing’s hands. The Obama administration promoted democracy and human rights which became unpalatable to Thailand and other regimes in Southeast Asia. The manifestations of this neighbourhood’s slide into China’s embrace included visits of Southeast Asian leaders to Beijing in 2016-17 by Philippine President Rodrigo Duterte and Malaysian Prime Minister Najib Razak, preceded long before by Prime Minister Prayuth. Indeed, the Trump administration now appears to privilege interests over values. He has reoriented the Obama pivot by courting Southeast Asian leaders regardless of their human rights record. President Trump made a 12-day trip and joined the APEC, ASEAN and East Asia summits in Danang and Manila in November 2017. Prayuth’s trip to Washington followed in the footsteps of Vietnamese Prime Minister Nguyen Xuan Phuc, the first Southeast Asian leader to visit President Trump. While the Obama administration conditioned the restoration of bilateral ties on the resumption of democratic rule with elections and protection of basic rights and freedoms, Trump prefers bilateral deals and more business and economic preconditions, such as a reduction in the \$19 billion surplus Thailand holds over the US, than an emphasis on rights and freedoms.

As Southeast Asia turns more authoritarian at the expense of human rights and democracy, China will have an upper hand. In fact, China is now the trump card of authoritarianism in Southeast Asia and everywhere at a time when the European Union is hemmed in by its own rightwing challenges and Trump's rising protectionism as he sees the US as the aggrieved party, a victim that has suffered from shouldering the international order over the past seven decades. A regional pushback against rising authoritarianism can go in three directions. First, the electorates in countries, such as Cambodia and Thailand, have to stand up for their own rights and popular rule. The challenge for them is the decoupling between political progress and economic performance. Strong economic expansion in the region broadly buys off potential social discontent. Domestic constituencies will have to step up for democratic rights and freedoms for their intrinsic worth because fighting for democracy will have to take place while their stomachs are taken care of.

Second, the established democracies must contain their rollbacks. This means people in Europe and America must address internal grievances and prevent rightwing populism from gaining more ground. Established democracies also must perform better on bread-and-butter issues to set good examples that another kind of cake – rights and freedoms with growth and development – can be had and eaten at the same time. For Southeast Asia, Australia, India and Japan are critical. These are major Asian democracies that should do more to lead developing Asia. Finally, China's political dissidents should be supported and state-nurtured firms that leverage their large internal market for external market shares should be scrutinized and not be accepted at face value. History is evidently not ending with democracy and free markets but it should not be allowed to head in the direction of state-led capitalism and centralized political control that deprive basic freedoms and fair play in the long run.

Implications for defence sector

In the case of Thailand, we can see that geopolitics and defence policies can be largely determined by domestic political manoeuvres. As the Thai military has dominated politics since the May 2014 coup, the generals have ensured that annual military budgets increase steadily. However, even prior to the coup, the elected government of Yingluck Shinawatra also placated the military and accommodate higher military expenditures. As Table 1 shows below, the Thai military's budget

inched up annually. A major hike, a 4.7 percent increase on a year-to-year basis, took place in the immediate pre-coup period. But in the first fiscal year of the coup from October 2014 to September 2015, the defence budget rose by a conspicuous 6.5 percent to more than 206 billion baht (\$6 billion). Since then, the annual increases were more modest but always on an upward trajectory at a time when the Thai military did not have an overall strategic outlook to warrant such increases.

Table 1: Thai Ministry of Defence Budget (Unit: Million Baht)

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Ministry Of Defence Budget | 180,491 (-) | 183,820 (+1.8%) | 192,949 (+4.7%) | 206,500 (+6.5%) | 210,700 (+1.9%) | 214,347 (+1.7%) |

Sources:

<https://www.sipri.org/sites/default/files/SIPRI-Milex-data-1949-2016.xlsx>

http://library2.parliament.go.th/giventake/content_nla2557/d062359-02-26.pdf

Table 2: Comparable Budget Outlays for Education, Defence and Public Health

(Unit: Million Baht)

| Ministry Of | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|---------|---------|---------|---------|---------|---------|
| Education | 420,490 | 460,411 | 482,788 | 501,326 | 517,076 | 519,292 |
| Defense | 180,491 | 183,820 | 192,949 | 206,500 | 210,700 | 214,347 |
| Public Health | 91,996 | 99,788 | 106,102 | 109,658 | 123,542 | 126,196 |

Sources: Thailand’s Ministry of Education, Ministry of Defence and Ministry of Public Health

Table 3: Thai Military Weapons Procurement

| Fiscal Year | Force | Type | Country of Origin | Number | Billion Baht |
|-------------|-----------|-------------------------------|-------------------|--------|--------------|
| 2015 | Army | VT4-Battle Tanks | China | 28 | 4.9 |
| | Navy | Patrol Vessels | Locally Built | 4 | 0.49 |
| | Air Force | N/A | N/A | N/A | N/A |
| 2016 | Army | Mi-17 Helicopters | Russia | 6 | 5 |
| | Navy | Patrol Vessels | Locally Built | 5 | 0.62 |
| | Air Force | KAI-T50 Light Combat Aircraft | South Korea | 4 | 3.7 |
| 2017 | Army | VT4-Battle Tanks | China | 10 | 2 |
| | | VN1- Armoured Vehicles | China | 34 | 2.3 |
| | | Black Hawk Helicopters | USA | 4 | 3 |
| | Navy | Offshore Patrol Vessel | Locally Built | 1 | 5.5 |
| | | S26T Submarine | China | 3 | 36 |
| | Air Force | KAI-T50 Light Combat Aircraft | South Korea | 8 | 8.9 |

Source: *The Bangkok Post*, 15 June 2017.

Compared to the education and public health ministries, the two largest receipts of state coffers, the defence budget was did not rise as much in nominal terms but its annual marginal increases were on par. Evidently, the military did not suffer in budget terms after staging the 2014 coup. On the other hand, what is more noticeable is what the generals spent the money on. Arms procurement were diverse during the coup period but there was a qualitative shift away from US arsenal that traditionally equipped the Thai military. As table 3 highlights, apart from four Black Hawk helicopters from the US, the rest of arms acquisitions were sourced mainly from China, particularly a big-ticket package of three submarines. Despite widespread public opposition, the Thai navy inked a 13.5 billion baht contract in April 2017 for the first of what will be three Chinese submarines in an 11-year deal worth 36 billion baht. Yet there are four broader implications against the submarine deal that should be mentioned. First, the deal stems from a military dictatorship without public accountability. Unless the submarines can be financially sustained in their maintenance and operation, they could well end up like the HTMS Chakri Naruebet,

Thailand’s unused aircraft carrier which was Southeast Asia’s first when it was built and commissioned in the mid-1990s. The carrier was relatively small and geared for UK-made Harrier jump jets with vertical take-off and/or advanced helicopter gunships. To be sure, HTMS Chakri Naruebet is known for disaster relief, including the Tsunami in December 2004, but not for combat. The most militarised use of the carrier, in command and control coordination with the army and air force, was the evacuation of Thais following the riots and the burning of the Thai embassy in Phnom Penh in January 2003.

Second, the submarine deal should fit within Thailand’s geostrategic outlook but it does not. Thailand is traditionally a land power, not a maritime player in the region. Thai history is rife with land battles with next door neighbours. There are no major sea victories or defeats in Thai military history. When the Japanese invaded in December 1941, the Thai military, particularly its navy, put up an admirable but futile resistance. After several days, diplomacy settled military hostilities. Third, at a time of heightened geopolitical rivalry and tensions in the region, Thailand should not have gone too far in China’s direction. It should tread a balancing act much as it has done for centuries. Buying Chinese subs, tanks, and an assortment of other weapons is a long-term commitment in terms of training, funding, maintenance, and geopolitical association. Finally, acquiring submarines for prestige and ‘face,’ let alone the potential kickbacks that have lubricated weapons purchases in the past, risks undermining regional security. Paradoxically, Thailand may be less secure with submarines as regional maritime neighbours eye it with more suspicion, not less.

Concluding remarks

Thailand’s defence sector is a function of the military’s role in Thai politics. As the military has been ascendant, the defence sector has benefited from budget increases and unchecked weapons procurement that reflects Thailand’s geopolitical constraints. Because of Western sanctions in the first three years of the coup, especially under the Obama administration, Thailand’s military rulers turned to Beijing for superpower succour, which greased Thailand’s arms purchases from China. These weapons systems, in turn, has made Thailand beholden and tied to China for the longer term. The expensive and complex submarines deal, for example, means the Thai navy will have to rely on Chinese expertise and

maintenance means for a long time. Thailand's military arsenal is now more diverse than ever, especially compared to the Cold War period when Thai-US ties were tight, and it is increasingly dominated by Chinese arms.

What will decide the contours and dynamics of Thailand's defence sector will be the domestic political landscape. The junta government under Prayuth is on its way out whether the election takes place in late 2018 or 2019. Its main job was to ensure a smooth royal transition. Once that took place, with a new monarch and a new reign underway, the Prayuth government exceeded its mandate and overstayed its welcome. Thailand is now set for growing tensions as Prayuth tries to make his way to retain the premiership after the election. In the end, if Thailand is more authoritarian as it has been over the past several years, China will be the geopolitical beneficiary. But if Asian democracies can aid Thailand in its quest for genuine and lasting democratic rule, then the Thai military will likely be under civilian rule and therefore more accountable. However, it is a matter of degree. China is ascendant and assertive in East Asia, and Thailand will have to pay heed to China's pre-eminent role. Put this way, the US-China rivalry is consequential. If the US can provide more counterbalance, as we can see from the early months of the Trump administration when Southeast Asian leaders visited the White House, then the chances are better that China will not be able to dominate at will.