

CHAPTER 3

**CHARACTERISTICS OF THAILAND'S FOREIGN POLICY UNDER THE
THAKSIN SHINAWATRA'S ADMINISTRATION**

In terms of domestic politics, it was known that the Thai Rak Thai Party under the leadership of Pol. Lt. Col. Thaksin Shinawatra brought change to the tradition of Thailand's politics significantly by adopting the populist policies in the political campaign. As a result, Pol. Lt. Col. Thaksin and his Thai Rak Thai party overwhelmingly gained moral support and political power from all sides which made other small parties become crippled or even paralyzed. The domination of the Thai Rak Thai Party in the Thai politics during the period of 2001 to 2006 became unprecedented phenomenon in Thailand's political landscape.

In the context of foreign policy, it is noteworthy that Prime Minister Thaksin adopted policies of the previous governments in the 1990s by giving priority to the promotion of relations with neighboring countries, namely Cambodia, Lao PDR and Vietnam as well as reversing the previously hostile policy vis-à-vis Myanmar under the Chuan's administration. This included the seeking of political consolidation and closer bilateral ties with other countries worldwide, both at regional and global levels. Prime Minister Thaksin also embarked on an aggressive and far-sighted policy of stabilizing the immediate regional environment and carving a niche for Thailand to become a prime mover in the development of mainland Southeast Asia. At a higher level, Prime Minister Thaksin intended to lead the entire Southeast Asian region through ASEAN and other cooperation frameworks. He also strengthened relations with larger countries beyond Southeast Asia, particularly the United States and became its important ally through security initiatives and arrangements by sending a 423-strong humanitarian contingent to join President George W. Bush's multi-national coalition in the war against terrorism in Iraq. However, Thailand withdrew its troops from Iraq on 10 September 2004 after 2 Thai soldiers died in an insurgent attack. As a

result, Thailand was awarded the United States' major non-NATO ally as it joined the US-led coalition forces in the anti-terrorism war in Iraq.¹

I. Characteristics of Thailand's foreign policy under the Thaksin's administration

1. Prime Minister Thaksin's personality and diplomatic ambition

Many sides were of views that Prime Minister Thaksin's longevity and relative economic success, combined with his bold gesture and outspoken foreign policy, became strong factors that made him become an influential voice for Thailand and ASEAN. After Malaysian Prime Minister Mahathir Mohamad's retirement from politics in 2003, it seemed to leave a vacuum of leadership in ASEAN which ended the vocal voice of Southeast Asian politics since Mahathir was seen as the last generation of the core ASEAN leaders, including Singapore's Lee Kuan Yew and Indonesia's Suharto. Therefore, Prime Minister Thaksin appeared the most eager to seize this opportunity for building up Thailand to a greater role in the region and that we shall see further from the following circumstances.

In the past decades, it appeared that Thai prime ministers have rarely bid for regional leadership. This was due to the undeniable fact that they were usually occupied by the instability of domestic politics, fragile civil-military relations, protracted border conflicts, etc. Concrete examples were the demonstration and military intervention in politics in 1992 that undermined Thailand's image as democratic ruling country. The 1997 Asian financial crisis also derailed Thailand from progress towards a greater economic forefront in the region for many years. With the rare exception of some cases like Mr. Anand Panyarachun, who served as Prime Minister twice between 1991 - 1992 and once again in 1992,² most of Thai leaders felt discomfort with English-language diplomacy and insufficient experience in foreign affairs which limited their ambitions from taking role as regional leader.

¹ N. Ganesan, "Thaksin and the Politics of Domestic and Regional Consolidation in Thailand," *Contemporary Southeast Asia* 26, no. 1 (April 2004): 26 - 44.

² Wikipedia, "Anand Panyarachun,"
http://en.wikipedia.org/wiki/Anand_Panyarachun.

Prime Minister Thaksin was seen as a leader equipped with an apparent mix of ambition and capability to exercise greater regional and sub-regional leadership. He was fluent in English, exhibited comfort in front of the camera, and traveled abroad more often than any his recent predecessors. As a former communications mogul, he enjoyed extensive contacts with the international business communities and his initiatives had never died out.

The remarkable examples of Prime Minister Thaksin's efforts to unveil his high profile and propel Thailand's leading role within and beyond the region are as follows:

(1) As a result of the region's far-reaching financial crisis in 1997, which greatly affected the progress of free trade and regional security vulnerabilities, Prime Minister Thaksin learnt that ASEAN had faced some limitations. He therefore initiated the multi-sided cooperation under the framework of the Asia Cooperation Dialogue (ACD) as an unofficial forum of discussion for Asian leaders. Thailand proposed to establish the one billion USD "Asia Bond" in June 2002 in an effort to match Asia's financial capital with its financing requirements by promoting investment in Asian economies, which would enable Asia to make use of their own foreign reserves to build Asian wealth. The ACD engaged 26 member states stretching from the Korean Peninsular to the Middle East with Thailand as its hub. However, the future of ACD's encountered uncertainty after Prime Minister Thaksin, founder and core supporter, was ousted from power and because of the availability of other regional mechanisms that are still active, particularly the Asia - Pacific Economic Cooperation (APEC), ASEAN, and ASEAN Plus Three which includes China, Japan, and South Korea as well as forum with other dialogue partners under the framework of ASEAN.³

(2) In 1997, Thailand established BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation formerly known as Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation), a cooperative grouping of countries along the rim of the Bay of Bengal. This framework was once inoperative as it lacked leadership and concrete cooperation among member countries.

³ ACD: Asia Cooperation Dialogue, <http://www.acddialogue.com> (accessed on 19 July 2006)

However, upon the suggestion of Sri Lankan Prime Minister in his opening remarks of its 5th Ministerial Meeting proposing that time had come for BIMSTEC to have its leaders' summit, the Thai Government, with the strong support of Prime Minister Thaksin, therefore did not hesitate to grasp the golden opportunity to host the first-ever BIMSTEC leaders' summit in Thailand in July 2004. This meeting was the important catalyst to materialize the progress of cooperation under this framework since it reflects political commitment and supports the top-down process that would be beneficial to the advancement of BIMSTEC at the policy level.⁴

(3) The shift of Thailand's role from aid recipient to the first-ever benevolent provider of aid in favor of Thailand's neighbors which was a part of the government's "Forward Engagement" foreign policy that advocated the principle of self-help, partnership and transformation of international diversities and differences into force of Thailand's strength and harmony. Prime Minister Thaksin was of the view that when turned to Thailand's adjacent neighbors, namely Cambodia, Lao PDR and Myanmar, it was alarmed at the big gap of economic and development disparity existing between them and Thailand. Of all combined gross domestic product (GDP), the entire GDP of those three countries accounted for only 9 percent, while that of Thailand alone made up of 91 percent. Realizing this plight, Thaksin's Government immediately applied the good neighborly principles of "Prosper thy Neighbors" and "charity begins at home".⁵ As a result, Prime Minister Thaksin had initiated the sub-regional cooperation under the framework of the Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy (ACMECS, formerly known as the Economic Cooperation Strategy or ECS) with a view to strengthening the economy and upgrading the living conditions of people in the three neighboring countries. This strategy obviously shifted priorities of Thailand's foreign policy to the Southeast Asian mainland and highlighted Thailand's irrefutable leading role.⁶

⁴ See BIMSTEC Official Website at <http://www.bimstec.org> and Press Statement by H.E. Thaksin Shinawatra, Prime Minister of Thailand, at the First BIMSTEC Summit on 31 July 2004, Bangkok, Press Release, Ministry of Foreign Affairs of Thailand, 24 July 2006 at <http://www.mfa.go.th/web/200.php?id=2985>.

⁵ Surakiart Sathirathai, "Thailand: The Path Forward" (speech delivered at Asia Society, New York, United States, 30 September 2004).

⁶ Thitinan Pongsudhirak, "Thaksin Rising as Regional Leader?" Institute of South East Asian Studies (ISEAS), <http://www.iseas.edu.sg/viewpoint/tp17apr05.pdf>. This article

(4) Prime Minister Thaksin's administration largely emphasized the development of intra-ASEAN land transportation networks, new international airport and seaports, which further benefited Thailand's economic and political hub. Prime Minister Thaksin had his own development strategy, dubbed "Thaksinomics", a self-styled approach that blended neo-liberal and export-led growth with grassroots-based domestic demand. It was wonderful that the Thai economy could emerge out of its post-1997 crisis doldrums under Prime Minister Thaksin's management and Thailand positioned herself with firm annual growth path. The strategy's most promising prospects included the promotion of industrial development, niche industries, and competitiveness-boosting cluster projects that aimed to make Thailand a global and regional center for food, fashion, tourism, automobiles and healthcare service. All of which was based on the confidence that a vibrant economy was indispensable for regional leadership.

(5) Prime Minister Thaksin was well-known for his outspokenness and fearlessness in taking political risks as he accused the United States of being a "useless friend" and boldly said "the United Nations is not my father" when he was faced with questions over the drugs-war killings.⁷ It was criticized that Thailand's strong economic performance had given him unprecedented political popularity at home and placed his Thai Rak Thai Party in a very strong position in any political campaigns. However, negative factors such as choking political opposition, adopting the media, and catering to big business interests had shortened his imagined achievements and dominance on the Thai political landscape. Many also believed that Prime Minister Thaksin was attempting to fashion a political power akin to that of Singapore or Malaysia, in which one dominant party leads a democratic state with a heavy hand in security and economic affairs.⁸

(6) On the other side of the coin, the implementation of Thailand's foreign policy under Thaksin's administration was seen as diplomacy with a personal touch

was printed in the Korea Herald (13 April 2005), Taipei Times (17 April 2005), the Jordan Times (20 April 2005), Pakistan's the Frontier Post (22 April 2005).

⁷ Don Pathan, "A Tale of Unrealized Global Ambitions," *The Nation*, 11 April 2006, p. 10A.

⁸ John D. Ciorciari, "Thaksin's Chance for Leading Role in the Region," *The Straits Times*, 10 March 2004.

and business style. It was irrefutable that this kind of diplomacy to some extent helped expand Thailand's greater role at international fora as well as build trust and confidence among other countries such as the establishment of 100 million baht Bird Flu Fund, ACMECS, ACD and Asian bond. However, it also raised alarming questions like credibility and longevity of Thailand's foreign policy since it greatly attached to the prime minister's legacy, i.e. should ACD and ACMECS wither away after the termination of Thaksin's administration.

2. Economic Diplomacy

Other than political dimension, Thaksin's administration also applied economic diplomacy as its core policy to support the forward engagement initiative. Dr. Surakiart Sathirathai had reflected basic features of Thailand's foreign policy that aimed to use diplomacy as a tool to promote Thailand's economic achievement as follows:⁹

(1) The Ministry of Foreign Affairs shall utilize other policies of the government for the interest of effective diplomacy, for instance, the international economic policy, the transport and communication policy, including the development of road or transportation network with neighboring countries, the educational policy which envisaged Thailand as being the region's potential center for education;

(2) On the economic front, first priority was given to economic diplomacy and the pro-economic diplomacy would be emphasized to push the region towards a common production base, both in terms of trade and services, with a view to projecting the right perspective to foreign investors. Economic diplomacy had been emphasized as a matter of fact that the foreign policy would have to be oriented towards in order to help sustain Thailand's economic recovery after the 1997 economic crisis;

(3) Thailand's foreign policy should reflect the need to rejuvenate the national economy from the grass-roots level and the Ministry of Foreign Affairs should be tasked to give more weight to utilize diplomacy for the optimum benefit of the country's economy. An example was the establishment of the Asian Cooperation

⁹ Press conference by Dr. Surakiart Sathirathai, newly appointed Minister of Foreign Affairs and interview given to mass media, Press Release dated 1 March 2001, Department of Information, Ministry of Foreign Affairs of Thailand.

Dialogue Forum, which would serve to bridge the missing links between the thriving regions of East, Central and South Asia.¹⁰

(4) New Thailand's foreign policy would be completely different from the pro-Western policies, projected and practiced by the outgoing foreign minister, Dr. Surin Pitsuwan of the Chuan's administration during November 1997 - February 2001.¹¹

On 28 May 2001, when Prime Minister Thaksin gave a clear explanation regarding his government's economic diplomacy in an address to some 80 Thai ambassadors and consuls-general to 58 countries in Bangkok, he pointed out quite clearly as follows:

*“My new government would not change foreign policy or shut the door before foreigners, but shall stress more on self-reliance and make the country to be an honored member of the international community. The international assistance was mutual and every nation was independent, so interference into other countries' internal affairs under the name of aid cannot be accepted. Thailand would accept foreign aid, but it shall not be totally obedient to foreign donors. To promote national revival was our basic principle. We must work out a strategy for the country's development as soon as possible, in order to speed up development and catch up with the global trend. We should focus more on Asia, especially Southeast Asia, and Africa, while endeavoring to increase foreign investment, develop tourism and boost economic recovery”.*¹²

3. Forward Engagement

Thailand's foreign policy under the Thaksin's administration had been oriented to meet the need for economic recovery of the country that had been fatally affected by the financial crisis in 1997 by using diplomacy as a tool to help achieve

¹⁰ After the press conference at the Ministry of Foreign Affairs on 1 March 2001, Dr. Surakiart Sathirathai, Minister of Foreign Affairs gave an interview to Mr. K.T. Rajasingham from Sri Lanka Daily News on the Thai Government's foreign policy, <http://ktrcom.tripod.com/trajasingham/id9.html>.

¹¹ Ibid.

¹² “No Change in Foreign Policy, But More Self-reliance: Thai PM,” People's Daily On-line, <http://english.peopledaily.com.cn/english/200105/28>.

the goal. Underlining this approach was the emphasis on the implementation of the so-called “Forward Engagement” which meant that Thailand would strengthen ties with other countries that perhaps in the past Thailand may not have had very close relations with and expand the scope of the relations with countries that already had close ties with Thailand. The Thai Government would also be examining the possibilities of establishing the closer dialogue among Asian countries.

An outstanding example of ways and means the Thai Government developed was an idea of “Forward Engagement” that ASEAN member countries could work closely to link countries in South Asia with those in East Asia. This did not necessarily entail the expansion of ASEAN or multiplying the formula of ASEAN+3 to ASEAN+4 or ASEAN+5. Although ASEAN had links with South Asian countries, such as through BIMSTEC, it still did not have a direct dialogue that would link countries in South Asia with ASEAN member countries and countries in East Asia. Furthermore, Thailand would also initiate and pursue trilateral cooperation for specific purposes such as eradication of drugs trafficking, or for specific projects, such as Sub-Mekong region development.¹³

4. Neighbors as a core of Thailand’s foreign policy

Thailand under Thaksin’s administration also gave much emphasis on having close relations with neighboring countries, namely Cambodia, Lao PDR, Vietnam, Myanmar and Malaysia. However, distrust and discord sentiments as a result of historical and internal factors could trigger tension and conflict in the relationship between Thailand and those countries. Moreover, acquisition of good cooperation from neighbors in helping Thailand solve and eliminate the existing issues, particularly those in the border areas, i.e. illegal migrant workers, trafficking in people, drugs and vehicle smuggling, etc., was another reason for having good relations with them. Thailand promoted the exchange of visits at all levels, enhancement of closeness, creation of comfort level between the Thai leader and those of neighboring countries as well as the extension of financial and technical assistance. Moreover, unofficial contact between Thailand and her neighbors was also

¹³ Press Release dated 1 March 2001, Department of Information, Ministry of Foreign Affairs of Thailand.

promoted through various means, i.e. Thai - Lao Association for Friendship, Thai - Cambodian Cultural Association and the arrangement of cultural exchange activities by making use of similarity in culture as diplomatic tool to promote more friendly sentiment, mutual understanding, trust and confidence at people-to-people level.¹⁴

5. Dual Track Policy

Prime Minister Thaksin was of confident that from the severe financial crisis that took place in 1997, it was obvious that Thailand could not largely depend on the export sector alone to achieve the sustainable growth. The rural sector must be strong and resilient at the same time. The grassroots capacity should be enhanced and equipped to survive and thrive under the globalization, while at the same time maintaining economic openness and competitiveness in trade and economic relations with the outside world. With this outside-in approach, the “Dual Track Policy” emerged and was pursued. Through the “Dual Track Policy”, the Thai Government had promoted the building of a strong domestic foundation for the national economy with special emphasis on fostering the grassroots economy.¹⁵ At the same time, the export-led sector and linkages with other countries through trade and investment cooperation were continuously promoted.

As mentioned earlier, Thailand’s foreign policy was designed to run on dual track basis, parallel and fully complementary with the domestic policy. It fully supported the domestic economic and social policies and on the other hand projected Thailand with a new perception in international arena.¹⁶

¹⁴ Policy and Planning Bureau, Office of the Permanent Secretary, Ministry of Foreign Affairs of Thailand, 21 June 2006.

¹⁵ Under the Thaksin’s administration, many assistance programs were launched to strengthen and empower the grassroots especially with regard to capacity building, enhancement of productivity and promotion of wider access to capital. These include, among other things, the revolving Village Fund and People’s Bank programs which were established to provide micro credit to rural communities in order to generate income from self-employment; the One Village One Product scheme (OTOP) with a view to enhancing local entrepreneurship and productivity; new tax incentives for the SMEs sector, the housing schemes for the poor; temporary debt suspension for farmers, and a universal healthcare scheme or 30 baht healthcare service.

¹⁶ Surakiart Sathirathai, “Thailand: the Path Forward.”

6. Bureaucratic reform

The most dramatic and politically controversial of the Thaksin administration's bureaucratic reform measures was the restructuring in October 2002 through two Acts of Parliament of Departments and Ministries, popularly labeled the 'big bang.' It was hailed as an historic breakthrough because it was the first major re-organization of ministries since the establishment of Thailand's modern system of departmental government during the reign of King Chulalongkorn in 1897. Such a restructuring had been studied and discussed on and off for years within the various bureaucratic reform bodies, with a view to establishing a clear hierarchy of coordination and control and a more logical grouping of functions and activities. Before the restructuring, there were 14 ministries and 126 departments; after the enforcement, there were 20 ministries and 143 departments. Deputy prime ministers were also given responsibility to supervise a cluster of ministries. Prime Minister Thaksin said that his idea was to delegate more work to his deputies so that he could become 'more like a coach' and steer the country in the right direction.¹⁷

Prime Minister Thaksin argued that bureaucrats were inferior to businesspersons because they did not contribute directly to the national economy. In his several addresses to senior officials, he also talked about business management principles, summarized the findings of the latest business school theorists and futurists, and stressed that bureaucratic practice would have to change to this "modern" culture. As a result, Prime Minister Thaksin initiated the so-called Chief Executive Officer or "CEO scheme" by applying a business managerial style to its bureaucratic system. The ultimate goal was to enhance Thailand's competitiveness, at vertical and horizontal dimensions, amidst the tide of globalization and pushed forward the country's strategies in a more integrated and efficient way. The Thai Government therefore brought in the international management experts to train the candidates, and Prime Minister Thaksin lectured them on management and

¹⁷ Martin Painter, "Thaksinocracy or Managerialization? Reforming the Thai Bureaucracy," Working Paper Series No. 76 (Hong Kong: Southeast Asia Research Center, May 2005), p. 13, http://www.cityu.edu.hk/searc/WP76_05_Martin.pdf (Accessed on 19 November 2006).

innovation.¹⁸ The “CEO scheme” was adopted and put into effective practice through the CEO Governors and CEO Ambassadors.

6.1 CEO Governors

Under the Thaksin’s administration, the use of New Public Management’s rhetoric and instruments to serve the politicized agenda was evident in the appointment of “CEO Governors”. In practice, the Ministry of Interior appoints provincial governors who in large part perform representative and ceremonial functions. The “CEO Governors” epitomized Prime Minister Thaksin’s “transformation of the operating style of the traditional bureaucracy into a more outcome-oriented instrument that would be responsive”.

The idea of “CEO Governors” was initially raised at a government workshop in August 2001. Prime Minister Thaksin later outlined his own ideas on the role, saying that the CEO should assume the role of “prime minister’s assistant” in each province, and would acquire the power to “punish or promote officials under their own jurisdiction”. This cross-departmental, integrative role was new. The “CEO Governors” would take on the task of planning and coordinating provincial development and would be held accountable for overall provincial affairs, symbolically; the transition was “from being a ruler to an executive”. The scheme was piloted in four provinces in October 2001 and applied to all provinces in October 2003.¹⁹

6.2 CEO Ambassadors

Following the adoption of the “CEO Governors” scheme as mentioned earlier, the Ministry of Foreign Affairs also encountered the reform as experienced by the Ministry of Interior. In April 2002, the Royal Thai Embassies in Brussels, Tokyo, Beijing, New Delhi, Washington D.C. and Vientiane were chosen to run the “CEO

¹⁸ Pasuk Phongpaichit and Chris Baker, “Pluto-Populism in Thailand: Business Remaking Politics,” in *Populism and Reformism in Southeast Asia: The Threat and Promise of New Politics*, eds. Eva-Lotta E. Hedman and John T. Sidel (New Haven: Yale University Press, 2005), pp. 12 - 13, <http://pioneer.netserv.chula.ac.th/~ppasuk/plutopopulism.pdf> (Accessed on 10 February 2007).

¹⁹ Painter, “Thaksinocracy or Managerialization?” p. 12.

Ambassadors” scheme on a trial basis. Six ambassadors were required to present to the prime minister their visions and strategies towards the respective countries based on a SWOT Analysis. An academic team was invited to evaluate the effectiveness of the “CEO Ambassadors” scheme and provide useful advices. Later in October 2003, the “CEO Ambassadors” scheme was applied to all Thailand’s missions worldwide. Emphasis was given to the leadership and teamwork talents as well as shared vision, mission and strategies. Managerial skills, responsibility and accountability were also considered vital. Sixty Thai ambassadors, equipped with authority, teams, and resources, performed as assistants to the prime minister in carrying out the government’s policies overseas. The most important matter was that the “CEO Ambassadors” must closely coordinate and work in parallel with the “CEO Governors” to push forward the concept of “Local Link Global Reach”,²⁰ particularly between the CEO Ambassadors in Thailand’s neighboring countries (Cambodia, Lao PDR, Myanmar and Vietnam) and the CEO Governors in the border provinces.

Under the “CEO Ambassadors” scheme, the roles of diplomats have altered because of the change in the conduct of foreign policy. They were required to perform strategic and managerial roles, in addition to their traditional core competencies of representation and negotiation. In most cases, the diplomats were the doorknocker or pathfinder who utilized their professionalism in establishing close relations and cooperation with foreign countries and easy access to foreign counterparts, paving the way for further cooperation. Representatives of the agencies attached to the Royal Thai Embassies or Royal Thai Consulates-general abroad served on the “Executive Board of Thailand” working as a team under the authority and direction of the “CEO Ambassadors”. A board meeting was held almost every week for strategic planning, problem solving and information sharing. The team was to collectively formulate a strategic framework and an annual plan of action. Through this process, agencies were able to compare notes on their activities and avoid duplication of their work plans. A number of key performance indicators (KPIs) were set as benchmarks for team achievement.

²⁰ Press Release No. 293/2546 dated 20 August 2003, Department of Information, Ministry of Foreign Affairs of Thailand.

To reach the target, the Ministry of Foreign Affairs performed a “back office” role by providing the “Team Thailand” with full support on the assumption that integration of work overseas cannot be fully realized unless there is a unity at the headquarters. To reach that objective, “the National Committee on Foreign Affairs Strategy”, chaired by the Prime Minister himself, was established in 2004. The Committee, with the Ministry of Foreign Affairs in the driver’s seat, guided and pushed forward the greater unity and efficiency in the conduct of foreign affairs as well as the integration of bilateral strategy, human and financial resources.²¹

Mr. Sakthip Krairiksh, the then Ambassador of Thailand to the United States who joined the CEO Ambassadors pilot project, reflected his views on the “CEO Ambassadors” scheme that one of Thaksin’s administration priorities was to restructure the administrative system of the country to make it more effective and efficient. To reach this end, Prime Minister Thaksin had also tried to improve business practices to make Thai civil service more streamlined with less red tape. The term “CEO Ambassadors” was therefore coined to refer to the initiative of the government to try to re-organize the management of Thai embassies by unifying the work plan, command, and structure, so that the embassies will be able to work on consistent policies more efficiently and effectively for the country’s national interests. He raised the operation of the Royal Thai Embassy in Washington D.C. under the “CEO Ambassadors” scheme as an example that the ambassador shall represent His Majesty the King, act as the de facto head of all Thai government agencies and lead the “Team Thailand” in the United States.²²

On 24 August 2006, Prime Minister Thaksin chaired a last meeting of the National Committee on Foreign Affairs Strategy at the Government House before his government was toppled by the military coup on 19 September 2006 during his tour of duty abroad to attend the annual General Assembly of the United Nations in New

²¹ Vitavas Srivihok, “CEO Ambassadors: Challenges of the International Management of External Relations” (paper presented at the international conference on the theme “Challenges for Foreign Ministries: Managing Diplomatic Networks and Optimizing Value,” Geneva, Switzerland, 31 May - 1 June 2006), <http://www.diplomacy.edu/Conferences/MFA/> (Accessed on 3 February 2007).

²² The US - Thailand Business Council (USTB), “Interview with the Thai Ambassador,” <http://www.ustbc.org/activities/itvambsakthip.html> (Accessed on 31 January 2007).

York. At the meeting, Prime Minister Thaksin emphasized the relations between the “CEO Governors” and the “CEO Ambassadors”. For strategic plan on foreign affairs, he requested the development of works under the theme “Local Link - Global Reach” which was a blended harmony between domestic policy and foreign policy under the “dual track policy” that emphasized the strengthening of grass-roots economic foundation while promoting the close relations and coordination between the “CEO Governors” and the “CEO Ambassadors”.²³

6.3 Establishment of TICA

Other than the adoption of the “CEO Ambassadors” scheme, the Ministry of Foreign Affairs was among other governmental agencies affected by the bureaucratic reform under Thaksin’s administration. The ministry adopted the Department of Economic and Technical Cooperation (DTEC), formerly belonging to the Office of the Prime Minister, under its umbrella and later changed its name by a Royal Decree promulgated on 18 October 2004 to Thailand’s International Cooperation Agency (TICA).²⁴ The objective of this change was to promote the use of technical assistance as diplomatic tool to promote good understanding and mutual trust between Thailand and neighboring countries and underdeveloped countries in other regions. This also helped enhance Thailand’s role at international level. Roles of TICA in the promotion of closer relations between Thailand and Cambodia shall be elaborated in the latter part of this thesis.

II. Key players in the formulation and implementation of foreign policy under the Thaksin’s administration

1. Pol. Lt. Col. Thaksin Shinawatra

Pol. Lt. Col. Thaksin Shinawatra the entered political realm in December 1994 at the invitation of Chamlong Srimuang, leader of Palang Dharma Party (PDP).

²³ Foreign Relations Division, Government Spokesman Bureau, News No. 2/24-08049, 24 August 2006. (in Thai)

²⁴ Thailand’s International Cooperation Agency, <http://www.tica.thaigov.net>.

He made his political debut as foreign minister in the first Chuan Leekpai's government replacing Mr. Prasong Soonsiri. Thaksin, after being hand-picked by Chamlong as new PDP leader, ran for election for the first time in July 1995 and joined the government of Banharn Silpa-acha and was appointed deputy prime minister in charge of Bangkok's traffic. In May 1996, Thaksin and four other PDP ministers quit the Banharn Cabinet in a protest against the widespread allegations of corruption followed by the dissolution of parliament in September 1996. On 15 August 1997, Thaksin was invited to become deputy prime minister in General Chavalit Yongchaiyudh's government. This occurred soon after the Thai baht was floated and devalued on 2 July 1997 which sparked the Asian financial crisis. Thaksin held this position for only 3 months, leaving on 14 November after General Chavalit resigned. Thaksin founded the Thai Rak Thai (Thais Love Thais: TRT) Party in 1998 along with Somkid Jatusripitak, PDP's ally Sudarat Keyuraphan, Purachai Piumsombun, and 19 others.²⁵

In November 2000, Prime Minister Chuan dissolved the parliament which was followed by the general elections in January 2001. Thaksin Shinawatra and his Thai Rak Thai Party won a landslide victory in Thailand's first general elections following the 1997 financial crisis.²⁶ The party had fought the election on a public platform appealing largely to the rural mass, an innovation in Thai political practice such as universal access to healthcare, a three-year debt moratorium for farmers, and one million baht locally managed development funds for all Thai villages. The Far Eastern Economic Review analyzed that Thaksin "won by embracing populism on a grand scale", and over following issues referred to his "populist policies", "populist spending programs", "populist pledges", "populist sheen", "populist election campaign", and "populist brand of government".²⁷

²⁵ Wikipedia, "Thaksin Shinawatra,"

http://en.wikipedia.org/wiki/Thaksin_Shinawatra (Accessed on 30 January 2007).

²⁶ Many claimed the January 2001 general elections as the first election held under the People's Constitution of 1997. It was called the most open, corruption-free election in the Thai history. Thai Rak Thai Party won parliamentary 248 seats and needed only 3 more seats to form a single party government. Nonetheless, Thaksin opted for a broad coalition with the Chart Thai Party (41 seats) and the New Aspiration Party (36 seats), while absorbing the smaller Seritham Party (14 seats).

²⁷ Pasuk Phongpaichit and Chris Baker, "Pluto-Populism in Thailand," p. 1.

The Thai Rak Thai Party and Pol. Lt. Col. Thaksin Shinawatra was re-elected by a sweeping victory again in the 6 February 2005 general elections.²⁸ With voter turnout of more than 70 percent, the ruling Thai Rak Thai Party collected more than 75 percent of seats in the 500-member lower house. Then Pol. Lt. Col. Thaksin became Thailand's first elected prime Minister to complete a full four-year term, the first to be re-elected, and the first to preside over an unprecedented one-party government.²⁹

According to information described above, it shows that Pol. Lt. Col. Thaksin Shinawatra had some background in foreign affairs as he once served as foreign minister. Mixed with his vast experience in business, Prime Minister Thaksin became a capable and active player in Thailand's foreign affairs and strongly supported the implementation of a business-driven diplomacy.

In the context of Thailand's foreign policy towards the neighboring countries, some criticized that Prime Minister Thaksin's generous policies towards neighbors had not been properly reciprocated, as was evidenced by many incidents such as the anti-Thai violence in Cambodia and Laos' outright refusal to take back Hmong refugees who were living in a condition of political limbo in the northeastern Thailand. Moreover, the relations with Burma were in limbo and ties with Muslim countries in the region hit a sour note because of the government's handling of violence in the Malay-speaking deep South. Bilateral ties between Thailand and Malaysia continued to plummet, especially when Kuala Lumpur permitted the UNHCR to interview the 131 Narathiwat villagers who fled the deadly situation in the southern part of Thailand to Malaysia.³⁰

²⁸ The Thai Rak Thai Party grasped more than 75 percent of the 500 seats for members of parliament (MPs), including 67 party-list seats. With 25 party-list seats, the Democrats mustered just under 100, less than the 129 seats they won in the January 2001 election. Chart Thai Party remained relevant with 25 MPs. Mahachon Party, a newcomer from a Democrat breakaway faction, managed to win just one constituency.

²⁹ Thitinan Pongsudhirak, "Thai Politics after the 6 February 2005 General Elections," *Trends in Southeast Asia Series 6* (Institute of Southeast Asian Studies, Singapore, 2005), pp. 1 - 2.

³⁰ Don Pathan, "Thaksin's Vanishing Act: Precious Little Remains of Five Years of Foreign Policy," *The Nation*, 12 April 2006, p. 10A.

2. Dr. Surakiart Sathirathai

Dr. Surakiart Sathirathai, former member of the advisory board labelled Ban Phitsanulok and appointed by former Prime Minister Chartichai Choonhavan in 1988 together with Dr. Chuanchai Atchanan, an economics lecturer from Chulalongkorn University, Dr. Bavornsak Uvanno who later took up the position of Secretary General to the Cabinet under the Thaksin's administration, M.R. Sukhumbhand Paripatra who later became member of parliament under the Democratic Party and was appointed Deputy Foreign Minister under the Chuan's administration, Dr. Narongchai Akrasanee, an economist, Mr. Phansak Vinyarat, chairman of the advisory team and Mr. Kraisak Choonhavan, a coordinator.³¹ Most of them were university lecturers tasked to provide a kind of intellectual power base and source of legitimacy in order to launch the new Indochina policy which was unpopular with influential sections of the bureaucracy and the military at that time.³²

When Prime Minister Thaksin took office, he set up two overall policy-planning teams (Ban Phitsanulok and Ban Manangkhasila), a legal reform committee, economic team, personal advisory team, and political advisory team. There was continuity between Thaksin's team and General Chatichai's earlier example. From the General Chatichai team, Mr. Phansak Vinyaratna took the sole leader of the Thaksin's Ban Phitsanulok team while Dr. Bowonsak Uvanno became Secretary-general to the Cabinet and Dr. Surakiart Sathirathai took the portfolio of foreign minister.³³

Earlier in 1995, Dr. Surakiart became Thailand's youngest Minister of Finance under Prime Minister Banharn Silapa-Archa. Dr. Surakiart's supporters maintained that although he inherited a national economy beset by structural challenges that ultimately exposed it to the Thai financial crisis, Dr. Surakiart designed and implemented reforms that, while deeply unpopular, moved the economy

³¹ Chulacheeb Chinwanno, "Foreign Policy in the 1980s: Looking Backward," (paper presented at the roundtable seminar for academicians and officials relating to the implementation of foreign policy under the theme of "Thailand's Foreign Policy: From the Past Decade to the Future" organized by International Affairs Studies Center, Saranrom, Ministry of Foreign Affairs, Bangkok, Thailand from 23 to 24 June 1990), p. 69.

³² Paitoon Mahapannaporn, "The Making of Thailand's Foreign Policy towards Vietnam: The Era of Reconciliation and Regionalism (1988 -1995)" (Doctorate Thesis, Australian National University, August 2000), pp. 30 - 31.

³³ *Bangkok Post*, 20 February 2001, p. 11.

in the right direction and had become an essential part of Thailand's economic policy. Nevertheless, he resigned less than a year after his appointment over his handling of the collapse of the Bangkok Bank of Commerce.

Dr. Surakiart went on to serve as Vice-Chairman of the Advisory Council on Economic and Foreign Affairs under Prime Minister Chavalit Yongchaiyudh until 1997. Following that, he was President of the Institute of Social and Economic Policy (ISEP), a think tank, from 1997 to 2001. In the late 1990s, Surakiart led several major Thai corporations through restructurings and bankruptcy proceedings, and founded and chaired a major Bangkok law firm.

In 2001, Prime Minister Thaksin appointed him as Minister of Foreign Affairs, a position he held until early 2005 when he became Deputy Prime Minister and devoted his energy to a bid for the United Nations' top position as its Secretary General next to Mr. Kofi Annan who was scheduled to complete his terms at the end of 2006. With the strong backing of Prime Minister Thaksin, Dr. Surakiart won support from many other nations, including ASEAN members.³⁴ However, his dream has never come true as his Korean competitor, Pan Ki-Moon, finally won a strong support to take up this important position.³⁵

Serving as Foreign Minister, Dr. Surakiart sought to promote the regional economic development through various cooperative frameworks, including Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy (ACMECS). He oriented Thailand's foreign policy towards the intra-Asian cooperation, vigorously promoting the so-called "Prosper thy Neighbor" policy of regional economic development as well as laying out the 'Bangkok Process' for jump-starting political dialogue between various factions in Myanmar to achieve national reconciliation, but failed. Dr. Surakiart changed the modalities of intra-Asian diplomacy by building cooperative networks among an extremely diverse set of nations called Asia Cooperation Dialogue (ACD). His supporters contended that he spear-headed Thailand's "Prosper thy Neighbor" policy of regional economic coordination and that

³⁴ Wikipedia, "Surakiart Sathirathai," http://en.wikipedia.org/wiki/Surakiart_Sathirathai (Accessed on 29 January 2007).

³⁵ Wikipedia, "Ban Ki-moon," http://en.wikipedia.org/wiki/Ban_Ki-moon (Accessed on 12 July 2007).

his quiet diplomatic style helped resolve numerous long-standing regional disputes. Moreover, when he served as Deputy Prime Minister and Acting Minister of Culture in the second term of Thaksin's administration, Dr. Surakiart oversaw the Ministries of Foreign Affairs, Education, and Culture, which made him become one of the most influential figures in the Thaksin's administration.

Dr. Surakiart also played a leading role in bringing Thailand to the international forefront when Thailand hosted the Asia Pacific Economic Cooperation (APEC) Summit in November 2003. He also served in broader multilateral organizations. For example, as the Vice-President of the Eleventh Session of the United Nations Conference on Trade and Development (UNCTAD XI) in 2004, strengthening of South-South cooperation at the multi-lateral level and promoting partnership and self-help as being crucial to achieving the United Nations' Millennium Development Goals. He was also a strong supporter of the Forum for East Asia-Latin America Cooperation (FEALAC).³⁶

3. Dr. Kantathi Suphamongkon

Dr. Kantathi Suphamongkhon, one of the founding members of the Thai Rak Thai Party, was a Thai diplomat and politician. He was the 39th Foreign Minister of Thailand, serving from 11 March 2005 when Prime Minister Thaksin was elected to a second term and appointed a new cabinet until 19 September 2006.

Upon completion of his Ph.D. in International Relations from the University of Southern California in 1984, Dr. Kantathi returned to Thailand and joined the Ministry of Foreign Affairs for nine years. After leaving the Foreign Ministry, he started his political career in 1995 when he was elected to the House of Representatives as Member of Parliament and then again in 2001. In 1996, he was Adviser on Foreign Affairs to the Prime Minister.

Dr. Kantathi was appointed Thailand's Trade Representative in 2001 when the position was newly created by Prime Minister Thaksin and his geographic responsibilities included Europe, North and South America, Australia and New Zealand. As Foreign Minister, he continued foreign policy as laid down by his

³⁶ Surakiart.com, "Biography of Dr. Suraciart Sathirathai," http://www.surakiart.com/bio_e2.asp (Accessed on 17 February 2007).

predecessor, Dr. Surakiart, particularly the “Prosper thy Neighbor” policy and the promotion of Thailand’s leading role both at regional and international levels.³⁷

III. Other supporting mechanisms under the Thaksin’s administration

Other than normal governmental agencies involved in foreign affairs like the National Security Council (NSC), the National Economic, Social Development Board (NESDB) and other relevant ministries, under the Thaksin’s administration, many mechanisms at committee and sub-committee levels were used as driving forces for the promotion and strengthening of bilateral relations between Thailand and Cambodia. Some of them were the Joint Commission for Bilateral Cooperation (JC) between Thailand and Cambodia headed by the Minister of Foreign Affairs, the Joint Trade Committee (JTC) headed by the Minister of Commerce, the General Border Committee (GBC) led by the Minister of Defense. Moreover, the Thai Government also established and re-activated roles of some institutions to work as mechanisms to effectively enhance the conduct of foreign policy towards neighboring countries including Cambodia as follows:

1. Committee on the Development of Cooperation with Neighbors

The Thai Government under the second Thaksin administration set up this committee and assigned Deputy Prime Minister Surakiart Sathirathai as its chair. The committee was responsible for making decisions, formulating guidelines, monitoring the development projects given to neighboring countries and proposing recommendations to the Cabinet for consideration. Outstanding works of the Committee included the consideration for extending grants and soft loans for the infrastructure development in neighboring countries, the promotion of trade with and investment in neighboring countries as well as the cooperation with neighbors under the existing frameworks such as Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy or ACMECS, Greater Mekong Sub-region or GMS, Indonesia,

³⁷ Wikipedia, “Kanthathi Suphamongkhon,” http://en.wikipedia.org/wiki/Kantathi_Suphamongkhon (Accessed on 3 February 2007).

Malaysia, Thailand Growth Triangle (IMT-GT), Joint Development Strategy (JDS) with Malaysia and BIMST-EC.³⁸ However, the committee terminated its role after the coup d'état on 19 September 2006.

2. Sub-committee on the Development of Economic Cooperation with Neighbors

This Sub-committee was established by the Cabinet's resolution dated 18 November 2003 and entered into force in May 2004. The Minister of Foreign Affairs chaired the Sub-committee as a mechanism to enhance Thailand's competitiveness and promote Thailand's leading role among neighboring countries, including Cambodia. Moreover, it was empowered to screen and make the recommendation on policies, plans and projects related to border economic arrangement, development of economic cooperation with neighbors covering trade, investment, tourism, development of infrastructure, human resource development and environment management as well as cooperation under the framework of ACMECS. This Sub-committee shall report directly to the National Committee on International Economic Policy headed by the Prime Minister or the designated Deputy Prime Minister³⁹ and the Committee on the Development of Cooperation with Neighbors under the guidance of Deputy Prime Minister Surakiart as mentioned earlier.⁴⁰

3. Neighbouring Countries Economic Development Cooperation Agency (NEDA)

The Thaksin's administration established the Neighbouring Countries Economic Development Cooperation Agency (Public Organization) or "NEDA" on 17 May 2005 under the supervision of the Ministry of Finance. NEDA was transformed from Neighbouring Countries Economic Development Cooperation Fund (NECF), which was responsible for consideration and provision of financial assistance to Thailand's neighbors. NEDA is responsible for providing official

³⁸ "Handbook of Cabinet and Parliamentary Liaison Officer," <http://www.soc.soc.go.th/SLK/showlist3.asp?pagecode=63545&pdate=2006/08/01&pno=1&pagegroup=1> (Accessed on 12 March 2007). (Accessed on 12 March 2007).

³⁹ Department of Trade Negotiations, Ministry of Commerce of Thailand, <http://www.dtn.moc.go.th/web/98/121/st.asp> (Accessed on 20 February 2007).

⁴⁰ Department of Information, Ministry of Foreign Affairs of Thailand, "Press Release No. 293/2547," 7 October 2004, <http://www.mfa.go.th/web/463.php?id=3122&lang=th> (Accessed on 21 February 2007).

development assistance in the form of finance to Thailand's neighboring countries on a non-profit basis. The major role of NEDA is similar to that of Japan Bank for International Cooperation (JBIC) by providing financial assistance, for instance concessional loans and grants to neighboring countries to meet the demand for the development of basic infrastructure under the GMS and ACMECS frameworks, both government-to-government projects and joint investment projects. The Thai Government provided 5,000 million baht as its initial fund plus 4,000 million baht transferred from relevant agencies under the Ministry of Finance.⁴¹ NEDA is still active under the new government after the coup d'état on 19 September 2006.

4. Export-Import Bank of Thailand (EXIM Thailand)

EXIM Thailand is a state-owned financial institution under the umbrella of the Ministry of Finance. It was established under the Export-Import Bank of Thailand Act B.E. 2536 (1993) and was amended in 1999 to expand its role in supporting investments. EXIM Thailand is mandated to provide financial services for the promotion and facilitation of Thailand's exports, imports and investments for national development.⁴² Moreover, one of the major initiatives to establish the bank is to assist in the economic development of neighboring countries and strengthen Thailand's relationship with them. EXIM Thailand provides loans to governments and public agencies under more lenient terms and on condition that some part of the loan must be used for the purchase of Thai goods or services. EXIM Thailand has placed special emphasis on projects under the frameworks of ACMECS, BIMST-EC and GMS.⁴³ For Cambodia, EXIM Bank was asked by the Thai Government to provide loan, in collaboration with the NEDA, in the amount of 1,300 million baht for the development of the National Road No. 67 (Anlong Veng - Siem Reap).⁴⁴

⁴¹ Neighbouring Countries Economic Development Cooperation Agency (Public Organization), <http://www.mof.go.th/neda/home.html> (Accessed on 22 February 2007).

⁴² Public Relations Division, Office of Top Management, Export-Import Bank of Thailand, 15 August 2006.

⁴³ EXIM Bank of Thailand, "Roles in the Government's Policy Agenda," http://www.exim.go.th/eng/about_exim/policy-agenda.asp (Accessed on 17 February 2007).

⁴⁴ EXIM Bank of Thailand, "EXIM Annual Report 2006," p. 25, http://www.exim.go.th/about_exim/pdf/EximAnnualReport2549.pdf (Accessed on 12 February 2007).

IV. Conclusion

Thailand's foreign policy under Thaksin Shinawatra's administration was considerably distinct from that of preceding governments since it comprised a lot of new initiatives, both in terms of format and substance. New concepts and features were coined together to make the brand new and pro-active foreign policy under this administration with an aim to enhance Thailand's competitiveness at global and regional levels and in the meantime to support social and economic policies at home which are the so-called "Thaksinomics" and "Populist Policy".

The said policies were blended into the "Forward Engagement" which emphasized on many initiatives namely the strengthening of ties with other countries that perhaps in the past Thailand may not have had very close relations to or the shift of Thailand's role from aid recipient to become aid provider; the "Prosper thy Neighbors" which aimed to help reduce the gap of socio-economic development between Thailand and her neighbors and gave birth to the ACMECS scheme; the "CEO Ambassadors" which required the ambassadors to perform strategic and managerial roles under the framework of "Team Thailand" in addition to their traditional core competencies of representation and negotiation and which expected Thai ambassadors to neighboring countries to work closely with the "CEO Governors" under the concept of "Local Link Global Reach".

Although Prime Minister Thaksin was dubbed by others as outspoken and authoritative, however, he was considered as one of the charismatic leaders in Southeast Asian region as it appeared that his initiatives, for example the ACD, Asian bond and ACMECS, were broadly welcomed by others although they would face uncertainty after the termination of his administration. Prime Minister Thaksin also had a good background in business and politics which was beneficial to his position as prime minister. Moreover, he was backed up by a strong advisory board led by Mr. Phansak Vinyarat and other prominent figures like Dr. Surakiart Sathirathai, Minister of Foreign Affairs and Dr. Bavornsak Uvanno, Secretary General to the Cabinet.