



# IDSS COMMENTARIES (05/2004)

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## THAKSIN'S CHANCE FOR REGIONAL LEADERSHIP?

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**5 March 2004**

When Malaysian Prime Minister Mahathir Mohamad stepped down last October, he brought an end to an era of Southeast Asian politics. Mahathir was the last of a generation of core ASEAN leaders, including Singapore's Lee Kuan Yew and Indonesia's General Suharto, to depart from office. His longevity and relative economic success, combined with his bold and outspoken foreign policy, made him a leading voice for ASEAN, both within and beyond the region. Consequently, Mahathir's retirement arguably left something of a vacuum in ASEAN leadership. Thai Prime Minister Thaksin Shinawatra appears the most eager to seize this opportunity for a greater role in the region. The question is how effective he can be in augmenting his position.

Thai prime ministers have rarely bid for regional leadership in the past. Unstable domestic politics, tenuous civil-military relations, a dogged southern separatist movement, and protracted border conflicts have provided ample preoccupation for Thaksin's predecessors. Demonstrations and military intervention in 1992 undermined the country's image as a stabilizing democracy, and the 1997 Asian financial crisis hit Thailand hard, derailing many years of progress toward a greater economic role in Southeast Asia. Discomfort with English-language diplomacy and scant experience in foreign affairs also limited many Thai leaders' ambitions abroad.

### **Skills and Assets**

Only with Thaksin has Thailand seen a prime minister with the apparent mix of will and capability to exercise greater regional and sub-regional leadership. Thaksin speaks English, exhibits comfort with the camera, and travels abroad more often than any Thai leader in recent history. As a former communications magnate, he enjoys extensive contacts in the international business community. He also shows no lack of initiative. In 2002, he launched the "Asia Bond" project to promote investment in Asian economies and the Asia Cooperation Dialogue, which engages 18 states from East Asia to the Middle East with Thailand as its hub. He has also played an active role in BIMST-EC, a cooperative grouping of countries along the rim of the Bay of Bengal, leading a free trade initiative among member nations, heading last month's ministerial meeting in Phuket, and preparing to host the upcoming BIMST-EC summit in July. Further, Thaksin recently announced that Thailand would forsake foreign aid in favour of its neighbours, signalling his intent to lead what Bangkok calls a Suvannaphum ("Golden Land") of economic growth in peninsular Southeast Asia, focusing primarily on Myanmar, Laos, and Cambodia.

In addition to personal skills and ambition, Thaksin has significant economic and strategic assets at his disposal. His expansionary policies have given the economy a major lift. The Stock Exchange of Thailand has more than doubled in value, outperforming all other stock markets in Asia. The central bank also forecast GDP growth of roughly seven percent in 2004. Thailand is also centrally positioned in the region, with extensive access to both the South China and Andaman Seas. Alone in Southeast Asia, Thailand enjoys substantial military ties with both China and the United States. Geography and culture also give Thailand opportunities for influence in handling the difficult Myanmar issue and provide added economic access to neighbouring Cambodia and landlocked Laos. Planned intra-ASEAN roads and railways, a new international airport and seaport, and the planned trans-isthmian canal should further increase the country's economic and political centrality.

### **Limitations**

However, with about one-eighth of ASEAN's population and one-fifth of its combined GDP, Thailand is no regional hegemon. It does not possess the size or demographic weight that have long made Indonesia the "natural" leader of Southeast Asia. Thailand also faces ambivalent neighbours, wary of what they perceive as traditional Thai designs to dominate its immediate neighbourhood on the mainland peninsula. Thailand also does not possess Singapore's concentrated economic punching power or an obvious appeal to the region's large Muslim population.

Indeed, Thaksin's opportunity for a larger regional role derives primarily from default. Indonesian President Megawati Sukarnoputri faces considerable challenges at home and an uncertain political future. She has demonstrated little apparent interest or ability in driving the ASEAN agenda, as her predecessors quietly achieved at many points in the organization's history. President Gloria Macapagal Arroyo of the Philippines is similarly beset with domestic challenges and faces accusations of excessive closeness to Washington. In most cases, the heads of Brunei and the four "new" ASEAN states lack the material resources and perceived legitimacy to play primary roles in the region. Prime Minister Goh Chok Tong has quietly maintained Singapore's economic and military position, but the city-state's small size, ethnic composition, and strategic vulnerability place restraints on the roles that it can play abroad. Singapore has spearheaded ASEAN's engagement with Europe, Northeast Asia and Latin America and led the regional drive toward free trade agreements with external powers. However, as he prepares to step down, Goh continues to take a subtle, cautious approach to foreign policy. The same is true of new Malaysian Prime Minister Abdullah Badawi, who has made much of his intention to pursue a "quieter" policy than his controversial predecessor. Badawi's approach may yield considerable dividends, but given his country's modest size and resources, a Malaysian leader less outspoken than Mahathir is unlikely to assume his stature in regional affairs.

### **Political Strengths**

By contrast, Thaksin is highly outspoken and appears relatively unafraid to take political risks. Strong economic performance has won him unprecedented political popularity at home and places his Thai Rak Thai party in a very strong position for the coming general elections. Thai Rak Thai already holds 296 of the 500 seats in the House of Representatives, and coalition partners raise the number to 363. Although Thaksin has been widely accused of stifling political opposition, co-opting the media, and catering to big business interests, he appears to have achieved at least short-term dominance on the Thai political landscape.

Many believe that Thaksin is attempting to fashion a political order akin to that in Singapore or Malaysia, in which one dominant party leads a democratic state with a heavy hand in security and economic affairs.

Thaksin has also been controversial but strong-willed on the security front. His 2003 “war on drugs” brought about the death of roughly 2,500 people and drew heavy fire from human rights activists and the Democrat Party. King Bhumibol Adulyadej demanded an investigation into the killings in December. However, Thaksin’s unrelenting attack on the Thai drug trade has brought him more domestic support than opposition. Thaksin has also moved from an initial posture of neutralism in the war on terror to a strong supporter of the Bush-led agenda. The capture of Hambali in Ayutthaya last August was a major coup, especially in such close proximity to the October APEC summit in Bangkok. Faced with unrest in the south of his country and with opportunities for stronger U.S. ties, Thaksin has manoeuvred his country into an important role in the regional campaign against terrorism.

### **Leadership Potential**

Thaksin’s ambition, economic success, and relatively strong domestic position make him the most likely ASEAN leader to seek a greater regional voice in the post-Mahathir period. It is highly unlikely that Thailand will ever achieve the primacy that Indonesia enjoyed at selected points in ASEAN’s history, and is also improbable that Thaksin will take on the same degree of vocal leadership that Mahathir sometimes exercised. He will not be able to push Indonesia and Malaysia behind major political or security initiatives, and he will not dominate ASEAN economic expansion, but Thailand is well positioned to enhance its role as the leading “mainland node” in the regional political system. Thaksin should also be able to play a vocal and instrumental role in coordinating economic and security initiatives among like-minded countries inside and outside of the region.

### **Implications**

For Singapore, a modest rise in Thailand’s regional influence could well prove a blessing. The two countries share basic free-market ideology and enjoy close military ties. Their views on a number of key political issues, such as free trade, managed free-market economics, terrorism, American and Chinese regional influence, domestic law and order, and the Myanmar question, are roughly aligned. Singapore may benefit from a larger neighbour that is willing to take the lead, and occasionally the brunt of other countries’ criticism, in pushing its agenda. As Deputy Prime Minister Lee Hsien Loong prepares to take the reins, he will face the same dilemmas that his father faced in asserting the interests of the small nation-state. A modest reorientation of the Southeast Asian power structure and development of a stronger mainland node may prove even more conducive than the old “ASEAN core” to the pursuit and realization of Singaporean interests.

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