

# Southeast Asia Revisited in Trump Time

## Cambodia, Vietnam and Thailand

### Introduction

The purpose of this essay is to update the chapter I wrote 27 years ago, titled “Southeast Asia after the Cold War,” which was included in the 1993 book *Asia Pacific in the New World Politics*.<sup>1</sup> At that time, with the war in Vietnam over, and with the recent collapse of the Union of Soviet Socialist Republics (USSR) resulting in the end of the Cold War, Southeast Asia was not high on the international relations agenda. Nor is it today, but just as in 1993 there is again much uncertainty about what might come next in the region. Indeed, some issues that were current in the 1990s, including those dealing with the US role, sound today like hardy perennials. The reason is that questions about America’s next role in the Asia-Pacific region were as common in 1993 as they are today. Likewise with China: in 1993 I wrote that “China, communist or not, is always present,” and that concern obviously looms even larger today.

Other issues raised in 1993, including a worry that Japan might reassert some of its former negative role in the region, seem almost quaint today, especially because Tokyo is now increasingly looked to as a major source of investment and foreign aid. But some issues, such as the concept of “ASEAN Centrality,” had not yet taken root in the early 1990s, though it is certainly prominent on today’s agenda. Similarly, with the issue of terrorism: though it had long been a factor in southern Thailand and in parts of the Philippines, terrorism was hardly mentioned in 1993 but is today very high on both the Southeast Asia and global agendas.

The same is true regarding issues of internal political freedom, often grouped together these days as human rights issues. Today, they are very high on most agendas dealing with Southeast Asia, whether the particulars involve extra-judicial killings, as in the Philippines, or severe limitations on the ability of individuals or groups to speak freely on matters of local concern, as in Cambodia, Vietnam and Thailand.

Putting aside for the moment those issues of internal political freedom, a retrospective that looks back at Southeast Asia after 27 years suggests that in economic and political terms, the region today is a mixed bag. It contains some mainly economic high points but also some others that are a disappointment. The word “disappointment” of course reflects this writer’s judgement, and given the Trump presidency and related political developments in the United States, any American who comments on the state of affairs in another country needs to recall the biblical warning against concentrating on the speck in another’s eye while ignoring a bigger problem at home. Having said that,

---

<sup>1</sup> James C. Hsiung, ed., *Asia Pacific in the New World Politics*, Lynne Rienner Publishers, Boulder and London, 1993.

it also needs to be recognised that on the positive side in Southeast Asia, economic progress has been widespread and many hundreds of thousands of people live materially better off today than a quarter century ago. Also on the positive side there is a widening of political participation, as in Indonesia, which recalls a point made in the 1993 chapter: that there are in the region two “Southeast Asias”: one composed of the ASEAN states and the other involving the former French Indochina.

## **Indochina**

That distinction still applies, although it was hopefully reduced, or at least papered over when the three Indochina states joined ASEAN (Vietnam in 1995, Laos in 1997, and Cambodia in 1999). Yet despite those well-intentioned actions, the distinction between the region’s two parts is even more sharply drawn today than before and poses more of a problem now than in 1993. An important part of that distinction is that Cambodia and Laos are still largely disconnected from the economic growth that characterises much of the region. True, Cambodia has experienced modest economic progress mainly from its textile sector, but politically there has been little positive change and many signs point in the opposite direction.

Hun Sen, the former Khmer Rouge member, has been Cambodia’s leader since 1985, and there is every indication he intends to continue in that role for life. Reliable reports indicate that his objective is simple: to prevent his party (the Cambodian People’s Party or CCP) from losing power, and to do that by using whatever means necessary. The result is a bleak picture of political development in Cambodia, which Professor Sorpong Peu, now at Ryerson University in Canada has described. He reports that through the three methods of coercion, co-option, and control, all opposition is stymied and access to foreign sources of information is suppressed. Indeed, in mid-2017 he wrote that *The Cambodia Daily*, a major English language newspaper was shut down and the Phnom Penh office of the National Democratic Institute, funded by the US, was closed and its staff expelled from the country.

In terms of foreign policy moreover, Cambodia has not been a team player within ASEAN, but has instead acted as a proxy for China. That pattern first arose in 2012 when ASEAN failed to establish a single voice in disputes with China regarding the South China Sea. Then in 2016, in the wake of a ruling by a tribunal within the Permanent Court of Arbitration, based in The Hague, Cambodia’s role became altogether clear and undeniable: today, Phnom Penh is China’s voice and surrogate within ASEAN.

The origin of that development stems from events involving the Philippines. In 2013, Manila brought suit against Chinese claims over territories and waters in the South China Sea. Three years later, in July 2016, the Court concluded its judgement and found no legal basis for China’s claims. In effect it ruled against China, but since Beijing had already announced it would not be bound by the Court’s finding there was no way the ruling could be enforced. Nevertheless, both the Philippines and Vietnam hoped to have at least an ASEAN statement backing the Court’s finding, but Cambodia refused to agree, and in a clear blow to ASEAN’s standing no communique was issued.

Vietnam's role in this affair was very different from Cambodia's and underlined Hanoi's emergence as one of the ASEAN members most alert to signs of China's worrisome regional role. That was hardly surprising, given Vietnam's 1,000-year history of subjugation and long resistance to China, reflected these days in frequent public outbreaks of anti-Chinese sentiment. That deep fissure has long been known to historians and was made crystal clear to me in 1986 when I met in Hanoi with Vietnam's then Foreign Minister, Nguyen Co Thach. No element of Vietnam's foreign policy posture is more important than its especially high sensitivity to China's behaviour, particularly in terms of how China deals with its neighbours. Beijing's return to great-power politics in the 21<sup>st</sup> century has made even more significant Vietnam's long-standing perspective.

But at the same time, in the interest of maintaining its strong economic ties with today's China, Hanoi simultaneously comes down hard against local Vietnamese who demonstrate against policies they consider too favourable to local Chinese interests. A couple of examples will help illustrate Vietnam's dilemma on the matter. In June 2018, *The Diplomat* magazine reported recent protests in Vietnam against "new special economic zones, which many [Vietnamese] think will benefit China." Similarly, in November 2018, *Open Democracy* reported that "Vietnamese scholars, activists and lawyers are increasingly charged with...aiming to overthrow the state." These and many similar cases are all reminders that at base Vietnam, which employs the full gamut of actions and laws that restrict any organised effort it regards as politically unacceptable, remains a politically repressive state that prohibits labour unions and independent political parties.

That political record needs to be taken into account when recognising that Vietnam's economic performance is nevertheless quite impressive: Hanoi has now achieved the magic marker of 7 per cent annual economic growth. In the 1993 chapter on the region, I pointed out that 7 per cent annual economic growth, if sustained over a decade, doubles a nation's GNP, and that is precisely what Vietnam has now accomplished. Its growth rate of 7 per cent is just behind that of China and India, Asia's fastest growing economies, and in that respect Vietnam has emerged as an economic model for others to follow.

In an important irony worth reporting, Vietnam's strong economic record has been recognised by no less than Mike Pompeo, the US Secretary of State. This came about when he recommended that if North Korea, a current US adversary, wants to achieve economic development it should follow the path taken by Vietnam, a former US enemy. He made that suggestion after the June 2018 meeting in Singapore of American President Donald Trump with North Korea's Kim Jong Un. And indeed, just six months later, in December 2018, that is precisely what transpired: North Korea's Foreign Minister Ri Yong Ho was sent to Hanoi to learn from Vietnam's reform program, known as Doi Moi.

## Thailand

The already-mentioned Vietnam-Cambodia differences on China policy is one factor that contributes to divisions within ASEAN. Another is the shift in Thai foreign policy towards warmer relations with China, and correspondingly cooler connections with the United States. A recent and well-regarded book by Benjamin Zawacki provides strong and persuasive evidence of that shift.<sup>2</sup> Yet looking back to the Thailand of the 1990s, this foreign policy change is essentially the only sector of the Thai political scene where today is much different from 1993.

Then as now, Thailand is a deeply divided nation. Institutionally it is governed by generals and admirals, and Thailand has about 1,700 officers at that rank. That is far more than in the United States, a nation whose population is more than five times greater and whose military is actively engaged in several global regions. Thailand is also divided along geographic and societal lines, because large portions of its population have clamoured both for more adequate political representation and more even distribution of Thailand's natural-resource wealth. The country's large and mainly rice-growing north and northeast is much poorer and less well-represented politically than the Bangkok region, which has long been the centre of Thai politics and its more modern economic development.

While democratic norms were increasingly sought both in the capital and the north, those north and northeast portions have largely been ignored by a Sino-Thai Bangkok business elite, which along with the military and the monarchy, have long dominated Thailand's politics. The Thai-Chinese billionaire Thaksin Shinawatra, who had been increasingly active in Thai politics since the 1990s, has been a central figure in that pro-democratic striving. He was Prime Minister from 2001-2006 and his sister Yingluck was in office from 2011-2014, but both were ousted by groups closely associated with what is regularly termed the triumvirate of the military, the monarchy, and the Bangkok-centred financial and bureaucratic elite.

Both Thaksin and his sister now live in exile, but their prominence is a good reflection of the revival of "populism." It is now a global phenomenon, and in Thailand it has been reflected in Thaksin's programmes to give more voice to the overwhelmingly rural poor of the north and northeast, and to deal with their health and income needs in ways that had not been met by the nation's traditional leaders. His sister Yingluck's efforts to achieve higher and more stable prices for Thai rice were a classic example of a traditional populist programme, though her policies ultimately failed because of poor understanding of their unintended economic consequences.

Both their histories, and those of other groups and parties loosely in the Thaksin orbit, reflected what had become a strong desire in Thailand to achieve greater popular participation. That goal has been an especially powerful magnet among the younger, more organised and more politically aware urban

---

<sup>2</sup> Benjamin Zawacki, *Thailand: Shifting Ground Between the US and a Rising China*, The University of Chicago Press, 2017.

population. The combination of those two factors — the rural less well-off and the urban classes anxious for more representation — represented a heady mixture. It is a mixture long regarded as a threat by the ruling Bangkok triumvirate comprised of the military, the bureaucracy and allied business groups, and those most supportive of the monarchy. As a result, even after the long delayed March 2019 elections, much of the Thai opposition is still attuned to and supportive of Thaksin and what he represents.

The years before those elections were characterised by Bangkok's often violent conflicts, symbolised by the battling Thai "red and yellow shirts." The 2014 military coup brought an end to that frequent and open instability, but it also brought many promises to "return to democracy." The March 2019 elections were the result, but their true purpose was to put a legitimate face on what continues to be the reality of military-led authoritarian rule. Indeed, Thailand's newest 2017 constitution guarantees that outcome: the general (Prayuth Chan-ocha) who led the 2014 coup and then became Prime Minister, now continues in that role in Thailand's post-election environment.

What this brief review of recent events demonstrates is that there is little change in Thai politics since 1993, when I wrote that the military "combined political power with dominance of the economy." Several studies since then have found the same pattern: one concluded that "the trinity of military, monarchy and bureaucracy [has] called the shots in Thailand,"<sup>3</sup> and another that "a military party, the military, and unelected allies... run the country together."<sup>4</sup> But the details of that military involvement in the economy have now extended well beyond Thailand's traditional commodity-export sectors, as well as its more modern transport, communications and industrial sectors, and those specifics are worth reporting.

Even in 1993, as I wrote then, the military controlled at least half of the nation's TV channels and radio stations, its national airline and its phone companies. Since then, especially since the 2014 coup returned the military to more overt rule, the dominant role in Thailand's economy of its generals has intensified, as an impressive new book, *Khaki Capital*,<sup>5</sup> lays out in often bewildering detail. The military now controls the nation's richest bank, its entertainment and sport sectors, and of the 56 state-owned enterprises, 42 now have military directors, as do several private companies. Finally, and perhaps not surprisingly, recent reports by Oxfam and Credit Suisse found that "Thailand is the third most unequal country after Russia and India [and that] Thailand's richest 1% control 58% of the wealth."

Thailand's recent foreign policy shift warrants a separate discussion, because for much of the post-World War II period it was closely aligned with the United States. Bangkok was a founding member of the now-forgotten SEATO, the acronym for the Southeast Asia Treaty Organization, established in 1954, and in the 1960s, Thailand played an important part in the development of regional consciousness

---

<sup>3</sup> Thitinan Pongsudhirak, Thai politics under a new reign, *East Asia Forum*, 4 September, 2018.

<sup>4</sup> Joshua Kurlantzick, "The Tragedy of Thailand," *Washington Monthly*, April-June 2018.

<sup>5</sup> Paul Chambers and Napisa Waitookiat (eds), *Khaki Capital, the Political Economy of the Military in Southeast Asia (Copenhagen, Nordic Institute of Asian Studies)*, NIAS Press, 2017.

in Southeast Asia. In the steps that led to the establishment of ASEAN in 1967, in which it was a founding member, Thailand's role was especially important.

In that period, and indeed through much of the post-WWII era, both the broad lines and details of Thai foreign policy were shaped and managed by its foreign-trained and foreign-influenced diplomats and technocrats. As long as the nation's budgets did not limit the generals, the Thai military largely stayed out of foreign policy. It left those matters to trained diplomats such as the long-serving Foreign Minister Thanat Khoman. He was in that post from 1959-1971, and in other positions until 2016, when he died at the age of 101. Thanat, who I was pleased to have known, was educated in France and was genuinely a man of the west and a strong supporter of the US war in Vietnam. Indeed, he sometimes mildly berated me during that period because he knew of my connection to Hans Morgenthau, my Professor at the University of Chicago, who later became known as a critic of the American war in Vietnam.

Thanat's career, and that of several other leading Thais who were influential in shaping Bangkok's foreign policy, perfectly illustrate a traditional description of Thai foreign policy as "the reed that bends with the wind." Today's winds increasingly come from China, in recent years Thailand's principal export market. In 2017, for example, China imported almost \$30 billion in Thai products, which put it in first place with 12.4 per cent of Thailand's total. The US market ranked second at 11.2 per cent, and that downward trend is likely to continue, though it was interrupted in 2018 and 2019.

In those two years, Thailand again exported more to the US than to China, and the explanation is rooted in America's trade conflict with China. The suddenly high US tariffs on imports from China — a hallmark of the Trump presidency — did precisely what Mr Trump wanted: America's imports from China fell very sharply after 2018. In 2017, according to trade figures from the US Commerce Dept., US imports from China were more than \$505 billion, and reached almost \$540 billion in 2018. But in 2019, reflecting the Trump tariffs, those imports dropped by almost \$100 billion, to \$452 billion. And because so much of Thailand's exports to China were involved in China's export trade, Thai exports to China in those years were likewise reduced.

As China retools and regains its place as a major manufacturing and export hub, Beijing very probably will resume its place as Thailand's principal export market. Likewise, Thailand's pattern of increasingly close relations with China, along with the cooling of its relations with the United States that began several years ago will also continue. That pattern will be reinforced by several issues that aggravate the US-Thailand relationship, and which many Thais now believe shape the overall negative thrust of American policy toward their nation.

Two developments in particular continue to rankle, and one stems from American behaviour in the Asian financial crisis of 1997-1998. Many Thais then and now concluded that in that crisis America was unconcerned with Thailand. They fault in particular Treasury Secretary Lawrence Summers, who they believe let Thailand down by coming too late to their aid. Another factor has been official US and

especially Congressional impatience with the pace of Thai democratisation efforts. Indeed, that led Washington to terminate some aid programmes, both in 2006 and 2014, a policy the Thais regarded as essentially hypocritical. Long-time diplomat and former Prime Minister Anand Panyarachun, a man generally friendly toward the United States, reflected the angry Thai reaction:

*What happened in Egypt in 2013? They [America] helped the army dismantle a democratically elected government...the U.S. did that in Guatemala, in Panama, in Nicaragua...Yet they keep on carping about a roadmap for...democracy. It's absurd.*<sup>6</sup>

China of course makes no such demands but concentrates instead on expanding business and especially long-term economic ties. Particularly interesting is China's interest in a possible Kra Isthmus Canal, an idea whose roots date from at least the 17<sup>th</sup> century, and is potentially attractive today because a canal that cut through the Isthmus would reduce sea-borne travel times by 2-3 days. Among the factors favouring the idea is that China, as part of its Belt and Road Initiative, reportedly wants to see such a canal built; its Ambassador to Thailand has remarked that China regards the Kra Canal as a "strategic investment."

The idea gained prominence in November 2018, when Thailand's Prime Minister ordered canal-related feasibility studies. Thaksin Shinawatra is among the many who supported the idea, no doubt attracted by the prospect of China-supported plans for 30,000 workers and \$30 billion to the project.<sup>7</sup> While no final decision has yet been made, it is likely that a canal across the Kra Isthmus would once again inject Southeast Asia into world and Asian politics.

---

<sup>6</sup> Quoted by Paul Wedel, in "Thailand between a US rock and Chinese hard place" (*Asia Times*, 23 September 2018). It is worth noting that Panyarachun was a professional diplomat before he became Prime Minister and, like Thanat, was trained in the west; at Cambridge University.

<sup>7</sup> *Firstpost* (India) 5 November 2018. *Firstpost* is an Indian news and media website based in Mumbai. Its reports suggest that Indian government and security people are apprehensive about the Chinese-led Kra Isthmus project.