

## CHAPTER VII

### CONCLUSION: CONFLICT MANAGEMENT AND ANALYSIS OF THE THAKSIN GOVERNMENT'S POLICY

The roots of problems cannot be effectively resolved unless there are suitable and proper means of conflict management and conflict resolution. The Thaksin government not only tried to adopt a new policy for normalizing relations with Myanmar, but also attempted to remove domestic obstacles against the implementation of this policy, so as to prevent a confrontation with Myanmar. This dual approach, involving both domestic and foreign policy, was used to pursue and maintain good and friendly relations with Myanmar.

The new policy, initiated by the government under Prime Minister Thaksin Shinawatra and foreign minister Surakiat Sathirathai (who seemed to have played a subordinate role in the conduct of diplomacy towards Myanmar), was called "Forward Engagement". It underlined a pro-active and forward-looking approach to strengthen partnerships and maintain peace and prosperity by using economic integration in the key areas of investment and trade.<sup>1</sup> Towards Myanmar, the government decided to utilize personal relations along with the economic collaboration. Exchanges of high-ranking official visits, the convening of bilateral committees at local and regional levels, and offers of economic cooperation were the mechanisms used for the government's conflict management with Myanmar.

While many ways of external conflict management were used, the Thai government seemed to focus on efforts to resolve domestic problems as a means of improving relations with the neighboring country. In other words, internal conflict management was seen to be the best approach for external conflict management.

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<sup>1</sup> Thaksin Shinawatra, "Forward Engagement: The New Era of Thailand's Foreign Policy", Inaugural Lecture at The Saranrom Institute of Foreign Affairs, Ministry of Foreign Affairs, Bangkok, Thailand (12 March 2003), Available from: <http://www.mfa.go.th>

This approach first required a reconstruction of domestic agencies by introducing a series of reforms. To improve relations with Myanmar, the government had to effectively impose the same pattern of policy implementation on government mechanisms at all levels. The main task of the government was how to change the role of the army, which had assumed a tough stance towards Myanmar during the earlier period of the government. As mentioned earlier, the relationship between Thailand and Myanmar during the first two years of this government had been dominated by confrontations along the border. Shelling and psychological warfare through both countries' medias occurred, to some extent, because of this tough stance of the RTA, which was suppressing drug activities and guarding against border intrusions from the Myanmar side. The new foreign policy direction would be meaningless unless the army was reconstructed.

Therefore, the government first removed the army leaders who directly dealt with issues related to Myanmar. Army chief General Surayud Chulanont and Lt-Gen Wattanachai Chaimuanwong, who commanded the northern border-based Third Army Region, were removed from their positions. The reasons were clear; defense minister General Chavalit Yongchaiyudh explained that "the goal of the selection process was to pick the candidate who would best adhere to government policy".<sup>2</sup> The Thai army chief was replaced by General Somdhat Attanand, who a year later was in turn replaced by Prime Minister Thaksin's cousin, General Chaisit Shinawatra. From that moment, tension along the border from the tough stance of army was lessened.

The government's domestic conflict management efforts were later aimed at the pro-democracy Burmese movement based in Thailand. One saw a series of suppression measures against activists. From the government's perspective, those who called for democratic change in Myanmar were seen as trouble makers. They were seen to have no right to make protests or demands. As explained by the Thai Defense Minister before a visit by a high-ranking Myanmar official, "It would be wrong for Myanmar's people allowed to stay in Thailand on a humanitarian basis to do anything to disrupt the visit (the

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<sup>2</sup> The Nation (13 August 2002)

visit of Khin Nyunt to Bangkok in 2001)".<sup>3</sup> The government moves against Myanmar democracy activists started with the decision to close the Maneeloy holding center in Ratchaburi province and return to Myanmar some 130 people, who had been allowed to stay there but were now treated as illegal immigrants.<sup>\*</sup> All others who were considered illegal immigrants would be sent back to Myanmar as well. Even though the Myanmar government had always insisted that it would accommodate all repatriated Myanmar citizens, there was no guarantee for these people's safety in Myanmar as long as the fighting in Myanmar continued. Later, the Prime Minister made his attitude towards displaced persons clear, when he reaffirmed to Rangoon that his government adhered to the principle of non-interference and had no policy to provide shelter or support to Myanmar rebels.<sup>4</sup> People who fled from Myanmar would have their status redefined by Thai government. According to Internal Security Operation Command, which has the duty of monitoring movements of dissident groups and armed ethnic minorities, "we (the Internal Security Operation Command) need to enforce government policy outlawing anti-government movements from using Thailand as their base to attack neighboring countries".<sup>5</sup>

The issue became more serious for the Thai government when eleven Myanmar dissidents were arrested in Bangkok for preparing a demonstration calling for the release of pro-democracy leader Aung San Suu Kyi. All held refugee cards as "people of concern" issued by the UNHCR.<sup>\*</sup> As a measure of increased restriction on refugees, a new status as "refugee status of determination", or RSD, was defined. This was to maintain good relations with Myanmar after the Myanmar government had sent a letter to

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<sup>3</sup> The Nation (28 August 2001).

<sup>\*</sup> The Nation (29 December 2001). Maneeloy Holding Centre in Ratchaburi was closed in 2001. Myanmar refugees who mostly are Myanmar people of concern were shifted to the Tham Hin refugee camp near the Myanmar border.

<sup>4</sup> The Nation (14 August 2002).

<sup>5</sup> Ibid.

<sup>\*</sup> The Nation (29 June 2003). Recently, the UNHCR has granted "persons of concern" (POC) status for about 1,600 Myanmar asylum seekers. A POC entitles refugees to a small sum of financial support and to travel around Thailand with prior permission. (The Nation: 23 March 2004)

the Thai government warning that dissidents planned to kidnap the Myanmar Ambassador to Thailand. As a result, “people of concern” under the criteria of UNHCR were redefined by the Thai government. According to Sarah Duffy, “the screening of refugees is to be conducted by Provincial Admissions Boards, under the Thai government’s control. Only persons fleeing fighting will qualify for protection, those who do not qualify will be classified as “illegal immigrants” under the Thai Immigration Act and will be subject to deportation, regardless of whether they face a significant threat of persecution in Myanmar.”<sup>6</sup> The new Thai policy clearly did not conform with the international definition of a refugee, considered a person who has a well-founded fear of being persecuted and is therefore unable, or unwilling, to avail themselves to the protection of their country of nationality. Recently, the government did not allow the UNHCR to grant any status to Myanmar asylum seekers in order to control their movements and their anti-Rangoon activities in Thailand more easily.<sup>7</sup>

Lastly, the government turned its drug suppression policy, which at first caused a bad impact on the relationships with Myanmar, upside down. Instead of conveying the picture of Myanmar as the cause of the problem, the government’s war on drug campaign became inward-looking. The focus was now on the demand side. This was the way that the government used to lessen chances of conflicts and confrontations with Myanmar.

In this point, one can see that the government tried to resolve many domestic problems that could irritate the Myanmar government. However, these were only short-term conflict management measures. The problems that caused distrust and misunderstanding, like Thai perceptions of Myanmar as a national enemy, have yet to be addressed. They will not disappear soon and intensify conflicts no matter when they happen in the future. Apart from Thailand’s domestic conditions, both neighboring countries have also overlooked Myanmar’s domestic problems. By strengthening relations through merely using economic instruments, the government disregarded

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<sup>6</sup> Sarah Duffy, “Balancing protection needs,” *The Irrawaddy* [Online]. 2004. Available from: <http://www.irrawaddy.org/aviewer.asp?a=3566&z=11>

<sup>7</sup> The Nation (23 March 2004).

Myanmar's domestic situation that could cause problems for Thailand. Political unrest, economic deterioration, and social uncertainty in Myanmar will continue to cause flows of refugees and displaced persons, narcotic expansion, as well as border intrusion into Thailand with, of course, consequences for Thai relationships with Myanmar.

Where external conflict management was concerned, exchanges of high-ranking official visits were one of the mechanisms to resolve the problems with Myanmar. Official visits were used to promote the importance of personal relationships between leaders of the two countries, as the Prime Minister and Defence Minister believe that they will be able to extend personal connections to help restore the countries strained ties with Myanmar. Initially, Thai Prime Minister's plan to visit Myanmar was initiated right after this government took power. The Prime Minister undertook his first official visit to Myanmar on the 19<sup>th</sup> June 2001 amid the conflicts and confrontations and intricate problems between the two countries. He met with the Junta's top officials to repair the damaged relationship between Thailand and Myanmar in the wake of recent border tensions. The meeting reached an agreement to reopen the Mae Sai-Tachilek border checkpoint which had been closed for months. Interestingly, Thaksin was the first Thai Prime Minister to visit Myanmar since 1997. This is a prominent move of the government, which was different from the previous government's, in that Prime Minister Chuan Leekpai had never even visited to Myanmar due to his government's concerns with the political situation and human rights violations in Myanmar.

Ties became closer when the Thai Defence Minister paid a visit to Myanmar on the 23<sup>rd</sup> July 2001, which was reciprocated later by the visit of General Khin Nyunt on 3<sup>rd</sup> September 2001. This was the first time in 11 years that he officially came to Thailand. During the No. 3 (recently appointed as Myanmar Prime Minister) leader of Myanmar's visit, narcotic cooperation was the top urgent agenda that two governments discussed.<sup>8</sup> After the talk, the two countries' commitment to stop drug activities was announced. Not surprisingly, counter-drug assistance and cooperation programs were promised to Myanmar, including 20 million baht for fighting drug trafficking. This is the concrete

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<sup>8</sup> The Nation (3 September 2001).

arrangement of Thailand's drug suppression policy of this government. Before that, the government appointed domestic severe drug situations as the national agenda that the government hurried to solve. Such a concern allowed the government to have the Convention on Drug Problem in Chaing Rai which directly mentioned the Town of Muang Yawn and UWSA's drug business. These strained the relationships between Thailand and Myanmar. Along with directly pressuring Myanmar into drug cooperation, Thailand's government has allocated large amount of money for Myanmar drug eradication, which later included the Yong Kha crop-substitution project. Amelioration of conflicts by using crop substitution projects became one of conflict management instruments, which also served to help improve the domestic drug situation.

A new chapter of relations was proclaimed by the Thai Foreign Minister when the Thai-Myanmar Joint Commission was being reconvened after an 18-month suspension.<sup>9</sup> The Thai-Myanmar JC, with the two countries' foreign ministers leading their respective delegations, is the highest institutionalized mechanism managing the relationship between Thailand and Myanmar. Friendship was strongly emphasized by Thai Foreign Minister in the Opening Remarks of the meeting on the 8<sup>th</sup> January 2002. He said, "The Sixth Meeting of the Thai – Myanmar Joint Commission for Bilateral Cooperation is taking place at a time when the relations between Thailand and Myanmar have entered a new chapter. Today, our lines of communication have been well restored; exchanges of visits are regularly taking place and various mechanisms for consultations have been revitalized and being utilized and people-to-people contacts and trade relations are flourishing. Today, we have gone beyond the 'state of normalcy'".\* The results from the meeting showed progress on many issues such as fisheries, tourism, illegal workers as

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<sup>9</sup> The Nation (9 January 2002).

\* Opening Remarks By His Excellency Dr. Surakiart Sathirathai Minister of Foreign Affairs of Thailand at the Sixth Meeting of The Thailand – Myanmar Joint Commission for Bilateral Cooperation Phuket, 8 January 2002, (<http://www.mfa.go.th>.) The Myanmar-Thailand Joint Commission on Bilateral Cooperation was firstly signed in Bangkok on 21 January 1993. The cooperation has aimed to facilitate, consult and cooperate in the areas of mutual interest. The cooperation also concerned in the field of culture, health, education, agriculture, tourism, trade, investment, finance, forestry, communication, fishery, energy and narcotic suppression. Apart from the meeting of the Thai-Myanmar Joint Commission for Bilateral Cooperation, there are three more de jure mechanism for solving bilateral problems. There are the Joint Boundary Committee (JBC), the Regional Border Committee (RBC) and the Township Border Committee (TBC).

well as anti-narcotics cooperation. The interesting issues that have gripped Thai concern should underline the cooperation between two governments in an effort to improve the drug problem and refugees repatriation back to Myanmar.

Not long after, the first visit in ten years of Vice-Chairman of the SPDC, General Maung Aye, took place on the 23<sup>rd</sup> April 2002. But the closer cooperation and personal relationships, which the government claimed to be flourishing, proved to be ineffective. For months after the visit, Thailand's and Myanmar's troops confronted each other. Relations with Myanmar soured during border skirmishes in May 2002 in which Rangoon accused the Thai military of firing artillery into its territory and sealed all border checkpoints in retaliation. Myanmar military claimed the Thai shelling was in support of Shan State Army (SSA) rebels.

Tensions between Thailand and Myanmar allowed the Thai government to look back at its domestic problems. As I have said earlier, one cause of the problems with Myanmar is that the government failed the control the role of military in the same way or direction as the government. Though the government again utilized the soft approach by launching a series of visits, the abated conflicts and confrontations should be seen as a result from the military reshuffle in some extent. In addition, the other endeavor of the government to lessen the problems with Myanmar was the government's war on drug campaign. It is the clear picture that Thai government wanted to solve domestic drug problem by using an inward-looking policy instead of criticizing that the problems came from Myanmar.

At the beginning of 2003, the government's economic approach in dealing with Myanmar became more evident. Relations seemed to be much improved after the gas deals were signed. After the end to border and diplomatic tensions in 2002, Rangoon has agreed to cut the price of gas sold from Myanmar' Yadana and Yetagun fields to Thailand.<sup>10</sup> Thereafter, the economic-led approach for the conduct of relations with Myanmar was emphasized as having a crucial role in solving bilateral problems

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<sup>10</sup> The Nation (4 October 2002).

especially the influx of drugs and illegal workers. After one day of informal visit to Myanmar, the Prime Minister said government officials would periodically evaluate the outcome of bilateral cooperation in various areas, including trade and investment, tourism, illegal workers and narcotics.<sup>11</sup> The talks also covered infrastructure development between the two countries, pointing to possible road and rail links from Thailand to India and Bangladesh through Myanmar.<sup>12</sup>

The Thai government's efforts to have better relations with Myanmar through economic cooperation were tested by the political crisis in Myanmar after Aung San Suu Kyi had once more been arrested. Even though the Association of Southeast Asian Nations (ASEAN) had broken its longstanding tradition of non-interference in members' internal affairs by calling on Myanmar to quickly release her and her supporters from detention, Thailand maintained its non-interference position during the ASEAN Ministerial Meeting in June 2003. In the eye of the world, Aung San Suu Kyi was not only leader of the political opposition to the Myanmar military government, fighting for democracy, but also considered as the icon of freedom and liberty.\* The Thai government avoided directly criticizing Myanmar concerning the arrest of Aung San Suu Kyi, because it did not wish to help transmit a negative image of Myanmar's to the world community. Furthermore, the Thai version's Road Map to democracy in Myanmar was also initiated by the Thai government to Myanmar instead of criticizing and pressuring the Junta for releasing Aung San Suu Kyi. Unfortunately, Myanmar refused to use Thai Road Map because it was considered interference in Myanmar's domestic affairs. Later, the 7 stage Road Map of Myanmar was introduced to the world by the newly appointed Prime Minister Khin Nyunt on the 30<sup>th</sup> August 2003 which started reconvening of the National Convention in May 2004.\* As a result, the Road Map initiation of Myanmar has

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<sup>11</sup> The Nation (11 February 2003).

<sup>12</sup> Ibid.

\* Aung San Suu Kyi has been received the Nobel Peace Price for her nonviolent struggle for democracy in 1991.

\* Nation Convention for drafting the constitution was firstly convened in 1993 but was dismissed in 1996 after withdrawal of NLD by reasoning that national convention was the government's apparatus to extend its power and authority of military regime.



received a warm welcome from Thailand as the Prime Minister saying, “I regard him as showing spirit in explaining his country's road map to other leaders. He did not have to do it, since it is an internal issue. I praise him for that.”<sup>13</sup> From Thailand’s perspective, the Road Map of Myanmar was a concrete progress towards democracy.

Bilateral ties between the two administrations were further strengthened during the Prime Minister Thaksin’s visit to Myanmar in November 2003. On the 12<sup>th</sup> November 2003, the four Prime Ministers from Myanmar, Cambodia, Laos and Thailand met to sign the Pagan Declaration aiming to transform the border areas of their four countries into zones of durable peace, stability and economic growth.<sup>14</sup> The declaration was a result of the Thai Prime Minister’s initiative to integrate the four neighboring countries by encouraging collective economic prosperity. The new cooperation framework was to be pursued under the Economic Cooperation Strategy, which had been raised by Prime Minister Thaksin at a special ASEAN Summit on SARS in Bangkok on the 29<sup>th</sup> April 2003. Later, at the first summit of the four neighboring countries under the ECS framework, the leaders of Cambodia, Laos, Myanmar, and Thailand affirmed their commitment and endorsed the Economic Cooperation Strategy Plan of Action. The leaders agreed to call this newly created economic cooperation the “Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy or ACMECS”.<sup>15</sup>

The Pagan Declaration was a milestone marking the end of the 2001-2002 round of conflicts and confrontations between Thailand and Myanmar. The Thai Prime Minister’s Economic Cooperation Strategy (ECS) initiation was proposed to develop Thailand’s poorer neighbors by offering unilateral grants and loans to those countries.<sup>16</sup> At least Bt10 billion of Thailand’s budget a year was to be distributed for development

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<sup>13</sup> The Nation (8 October 2003).

<sup>14</sup> The Nation (13 November 2003).

<sup>15</sup> The Ministry of Foreign Affairs of Thailand [Online].

<sup>16</sup> “Business,” *The Irrawaddy* (5 November 2003).

projects in Myanmar, Laos and Cambodia.<sup>17</sup> To Myanmar, Thailand granted concessionary loans of about Bt1.2 billion for a proposed 200-kilometer road linking Tak province to the southern Myanmar town of Thaton.<sup>18</sup> The declaration also aimed to reduce tariffs, increase tourism, and encourage Thai investment in neighboring countries. The Thaksin government's conflict management seemed to have succeeded.

Acceptance by the Myanmar government to attend an international forum concerning political reconciliation, in Bangkok on the 15<sup>th</sup> December 2003, reflected the cordial relationship now existing between Thailand and Myanmar. The forum has been initiated by the Thai government, which also invited representatives from Austria, Australia, France, Germany, Italy, China, India, Japan, Indonesia, Malaysia and Singapore. Bangkok became a mean for conveying the 7 point Road Map of Myanmar to the world community.<sup>19</sup> However, the second international forum on that country's "road map" for national reconciliation, to be held in Bangkok on April 2004, was postponed due to the Myanmar government's failure to attend. Despite this setback, Thailand continued to offer assistance to Myanmar. It agreed to provide 4,000 million baht for infrastructure projects and poverty eradication in Myanmar during the visit of the newly appointed Prime Minister Khin Nyunt on the 4<sup>th</sup> June 2004 in order to improve the quality of life for people in Myanmar.<sup>20</sup> 53 bilateral projects have also been discussed and 119 million baht was given to Myanmar to build an 18-kilometer road from the border town of Myawwady into Myanmar.<sup>21</sup>

Economics was the first priority of the government, and it was not surprising that the government's perspectives towards problems with Myanmar were influenced by economics. In the perception of the government, economic integration and cooperation

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<sup>17</sup> The Nation (13 November 2003).

<sup>18</sup> Ibid

<sup>19</sup> The Nation (16 December 2003).

<sup>20</sup> Manager Daily Newspaper (4 June 2004)

<sup>21</sup> Ibid.

could resolve all problems between the two countries. There were parallels between this economic diplomacy and the government's domestic policy, which held that security and wealth at all levels could resolve all political and social problems. In other words, economics could improve politics and society. To explain this economic-centric approach, one has to examine the Thai Rak Thai Party.

The emergence of TRT as a political party was rooted in economics. The Prime Minister, himself a successful business man, was able to gather many big capital groups, which had been able to withstand the economic crisis, under one party and present the party as new alternative for people. The new alternative proved appealing because people were tired of economic crises and had lost their faith in the old political system that seemed to have caused them. The success of the TRT condition gave opportunities for big businessmen to stand in the front line of Thai politics. Thus, it was not surprising that the TRT-led government opted for policies heavily influenced by economics. This is the source of the "Forward Engagement" policy.

Administrative management of such policy cannot be determined by using "right or wrong". Likewise, foreign policy cannot be divided into merely "black and white". But the point that has to be pursued is what the government has been neglecting.

Economic-centric domestic and foreign policies lessen the importance of human security both in Thailand and Myanmar. Economics can enhance human security in some aspects, such as employment, the quality of life and the standard of living. But it cannot bring about fundamental rights to live in a peaceful and safe environment. Economics could not guarantee that people can live without fear from threats to their daily lives. Only democracy can help guarantee it. Instances of the government's disregard for the rights and freedom of people are not hard to find. One example is the government's suppression of the resistance of those who opposed the construction of Pak Moon Dam in Ubon Ratchatani and of those who protested against the gas pipeline from Malaysia to Thailand in 2002. The police were permitted to suppress the protest leading to confrontation. Moreover, the war on drugs campaign, launched in the beginning of 2003, allowed state authorities to use the harshest of measures to suppress drug trafficking and

abusers. The campaign allowed people to be killed by the authorities, with the government labeling such deaths as extra-judicial killing. The people who were arrested or put to death had not been received protection under Thai judicial process. In Myanmar, economic interest and cooperation with Thailand appear to be de facto mechanisms used by Myanmar to solve her internal problems, such as remaining human rights violation. The Myanmar democracy activists in Thailand, who are urging for political progress in Myanmar, were seen as Thai national security threat. Many restrictions were adopted to put Myanmar activists in Thailand to follow the government line. Freedom of expression becomes influenced by economic interest of both countries.

Economic-centric perspectives of the government can overlook the fundamental roots of the problems. We have to accept that the problems between Thailand and Myanmar have long been deep-rooted and have accumulated over the years. Therefore, conflict management needs time and understanding. Economic theory may be used to strengthen and develop the relationship in the short term, but economic theory can not provide an understanding of the roots of problems, which have remained for generations. Importantly, economic cooperation between Thailand and Myanmar, as it stands, is only relations at the administrative level or G-to-G only. Thus, it can change when the government in Bangkok or Rangoon changes. Political, social and cultural integration is needed to help increase mutual understanding, improve problems between the two countries, and forge sustainable cooperation over the long term.

As mentioned earlier, the Thaksin government's emphasis on economics has as its foundation the economic bases of the TRT Party. Policy is aimed at constantly providing new products to respond to what the people want. Policy towards Myanmar is a new and alternative product of the government to introduce to the people. Economic-centric approach to policy towards Myanmar was implemented to differentiate this government from the previous one, in order to legitimize itself. Friendship and warm relations have replaced the persistence of the previous government's aggressive stance towards Rangoon, which failed to establish peaceful co-existence with Myanmar.

Therefore, strengthening legitimacy in the country will also benefit the Thaksin government at the regional level. The Prime Minister's strong domestic position has provided a chance for him to replace Prime Minister Mahathir of Malaysia and Prime Minister Goh Chok Tong of Singapore as the regional leader. The opportunity is more vastly opened when the premierships in the two countries passed to Prime Minister Badawi and Lee Hsien Loong respectively. Having domestic economic growth and massive domestic and political support, Thaksin has been talked about as the next ASEAN leader. To achieve this, Thaksin and his government have to address unresolved domestic problems and forge regional consolidation with ASEAN countries, particularly with those on mainland Southeast Asia. A number of reforms, projects, and policies have been initiated domestically in order to ensure continuation of his power and authority in the country. Where regional consolidation is concerned, the deteriorating political situation in Myanmar has been a crucial question: should the Thai government try to resolve it in order to pursue ASEAN leadership or not? Amid criticisms concerning Myanmar and its political situation after Suu Kyi was arrested by former ASEAN leaders such as Malaysia's Prime Minister Mahathir and former Indonesia Foreign Minister Ali Alatas, Thailand chose to engage Myanmar in the positive way and maintain cordial relations. Economics was given priority over political agenda. This was evident from the Thai government's attempts to involve Myanmar in regional cooperation, such as ACMECS and BIMST-EC, which would lead to closer relationship with Thailand.

Regional cooperation is essential; some problems need to be addressed at the regional level. The only way that the "Myanmar problem" can be resolved is through regional cooperation, particularly within ASEAN community. The ASEAN members should show readiness to help Myanmar with its problems. But how can they help if it is considered contradictory to the long-standing ASEAN principle of non-intervention. There is an unclear dividing line between "being interfered with" and "not being interfered with" in the Myanmar government's perception. On this point, the historical background of Myanmar needs to be understood as much as possible. Myanmar has been interfered with by many external powers since the colonial period till the Cold War. Domestic problems, such as the strength of the military in the country, impede efforts to improve the situation, and ASEAN cannot be seen to be interfering. Thus, the only way

that the ASEAN members could bring their concerns to the regional level is through adherence to the principle of prosperity of the people in Myanmar. Thailand can take leadership in this approach. Its leader can put forward his vision in solving Myanmar's problems with readiness to bring peace and prosperity to the Myanmar people as a member of the ASEAN community, instead of emphasizing merely bilateral economic cooperation, which can only help Myanmar in the short term. The long-term approach such as education and cultural cooperation should be brought to the ASEAN regional level as well.

Furthermore, ASEAN should be used more as the bridge to other influential countries such China and India in solving the drug problem in the region. Myanmar's close relationship with China and India can be useful for drug eradication in Myanmar. China and India are now the channels for drug precursors transportation. Drug business in the northern area of Myanmar still needs raw material and advanced technological tools in order to produce drugs. To have more bargaining power, the ASEAN countries should collectively urge China and India to cooperate to stop the transference of drug precursors and technologies. A collective ASEAN approach is also more helpful when dealing with Myanmar.

Foreign policy implementation brought good and concrete consequences to the relationship between Thailand and Myanmar. Economically, Myanmar can provide Thailand with abundant natural resources and cheap labor. Politically, economic cooperation may pave the way to suppressing drug activities along the border. Economic cooperation between Thailand and Myanmar also brought peace to the two neighboring countries where the government could curtail problems, which lead to confrontations. The local people who live along the border benefit. They have no need to fear violence or destruction from the fighting that resulted in the evacuation of hundreds of people out of the area. Indisputably, the quality of life of the people along the border, which should be one of the first concerns, has been improved.

An end to the fighting on the border will also increase trade and investment in Myanmar. At present, many projects such as cooperation in constructing an economic

road linking the Gulf of Thailand's coast with Andaman Sea at Thailand's Prachuap Khirikhan and Mergui of Myanmar and second Thai-Myanmar Friendship Bridge at Thachilek, Myanmar, linking with Chaing Rai's Mae Sai, have only been work in progress.<sup>22</sup> Trade between Thailand and Myanmar has been estimated at 50,000 million baht per year. In the third quarter of 2003, bilateral trade figures showed Thailand's 19,875 million baht imports from Myanmar and 4,261 million baht exports to Myanmar.<sup>23</sup> At Ranong checkpoint, trade during the first half of 2004 between Thailand and Myanmar has increased accounting of 2,494 million baht compared to 1,309 million baht at same period in 2003 due to Pagan Declaration.<sup>24</sup> At present, there are 51 Thai projects invested in Myanmar accounting for \$US1,312 million.<sup>25</sup> Increased trade and investment profited both countries' people. Uncertain situations along the border may not only cause decreased trade and investment, but may also harm the quality of life of people along the border especially in Myanmar. Myanmar's need for Thai goods is still a fact of life we have to be concern with because of massive differences in the level of economic development. Transportation of goods from Thailand to Myanmar will be cut due to the close of the border, which immediately affected the local people in Myanmar. As the numbers have shown, border trade growth rate between Thailand and Myanmar drastically decreased by -44.2 per cent as the tension along the border during the early 2001.<sup>26</sup>

During the fighting, lack of trust and understanding between Thailand and Myanmar seemed to be so deep in our subconscious and would not evaporate. Mutual trust and understanding can grow as long as there is no further fighting between the two neighboring countries. As mentioned earlier, problems between Thailand and Myanmar have long been deep-rooted in history. Negative attitudes have been transferred from

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<sup>22</sup> "Myanmar, 2003: Defying the world," Current issue, Thai Farmer Bank Research Center (8 August 2003).

<sup>23</sup> Bank of Thailand, Economic and Financial Statistics, Fourth Quarter 2003, p.66.

<sup>24</sup> Matichon Daily Newspaper (11 May 2004).

<sup>25</sup> Press Release, The Board of Investment of Thailand (10 May 2004)

<sup>26</sup> Business Brief, Thai Farmer Bank Research Center (3 September 2001).

generation to generation through socialization processes and were used by both sides whenever the problems arose, arousing innermost feelings towards each other. Therefore, no fighting means increased trust and understanding.

On the other hand, Thai foreign policy implementation has also brought bad impressions of Thailand, particularly in the case of Thai leaders who have been accused of pursuing their personal business interests. This is unfortunate. Myanmar still has abundant natural resources in the country. Due to the failure of the Burmese Way to Socialism which made it lag behind neighbors, Myanmar still has abundant needs, especially where infrastructures, technologies and technical expertise are concerned. Therefore, one has to be careful in trading with and investing in Myanmar, to avoid accusations of conflicts of interests. During May 2002, there was a controversy, when Shin Satellite\* signed a deal to provide telecommunications services to Myanmar villages.<sup>27</sup> There was a \$US12-million (Bt514-million) deal with Bagan Cybertech, the Internet service provider run by Ye Naing Win, the son of Myanmar Prime Minister General Khin Nyunt, to operate the system in Myanmar.<sup>28</sup> Later in November 2003, the Board of Investment in Thailand decided to support the investment of Shin Corp's IPStar satellite project so that the cooperation can deduct cooperation income tax which is from foreign country.<sup>29</sup> As a result, the maximum amount of money, which Shin Corp will be able to get from tax reduction, accounts of 16,459 million baht.<sup>30</sup> Differences in the level of economic development between Thailand and Myanmar allow the conflict of interests to take place and damage the image of the government in the eye of the world community. The government needs to be cautious with any investment in Myanmar. In August 2004, it was reported that Myanmar's Ministry of Communication, Post and

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\* Shin Satellite is a public company affiliated with Shin Corp Plc, the telecommunications group owned majority of stock by Prime Minister Thaksin Shinawatra's family.

<sup>27</sup> The Nation (16 May 2002).

<sup>28</sup> Aung Zaw, "Thaksin and tyrant," *The Irrawaddy* [Online]. Available from: <http://www.irrawaddy.org/aviewer.asp?a=3184&z=102>

<sup>29</sup> Somkait Tangkitpanich, "Policy corruption," in *Ruu Than Thaksin (Know Thaksin)*, ed. Chermesak Pinthong (Bangkok: Kor Kid Doaw Khon Press, 2004), pp. 63-65.

<sup>30</sup> Ibid.



Telegraph had drafted a loan request to Thai government for 1,217 billion baht from Export-Import Bank, of which 962 million baht was a low-interest loans and grants, in order to expand the country's fiber optic networks, build more phone lines, provide scholarships for information technology students and set up an information technology center.<sup>31</sup> The project is proposed under the 4 billion baht credit line that Thailand gave to Burma to help improve its poor infrastructure, with the condition that materials be purchased from Thailand and loans repaid within 12 years with interest of 3 per cent.<sup>32</sup> The soft loan will go to three Myanmar telecommunication development projects which are Myanmar telecommunication development project plan via broadband satellite, Myanmar nationwide transmission project: 1,500 Km optical fiber, and Myanmar information and communication technology development project.<sup>33</sup> It has also been reported that the telecom development plan had involved the appointment of eligible suppliers for the project. These are Bagan Cybertech Company Limited as service manager of the project as well as Shin Satellite Plc. from Thailand to be technical consultant and equipment supplier.<sup>34</sup> Even though the Thai officials both from the government and EXIM Bank have noted that the approval of the project had been done with transparency, the conditions of the loan project need to be fully disclosed to the society. Assistance to a neighboring country is necessary for improving people's lives, but such assistance has to be undertaken, with the guarantee that the benefit of the assistance will be extended to ordinary people, not particular groups of people.

Economic-centric policy may cause the government to overlook the importance of the people's rights and freedom. Due to needs of economic integration with Myanmar, Thailand has to remove issues that may affect Myanmar's domestic affairs in order to pave the way to better relations. Restrictions on the Myanmar democracy activists, as well as the close of Maneeloy Holding Center, for instance, were adopted in order to

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<sup>31</sup> Matichon (23 August 2004).

<sup>32</sup> The Nation (25 August 2004).

<sup>33</sup> Matichon (23 August 2004).

<sup>34</sup> Matichon (24 August 2004).

adhere to the principle of non-interference with Myanmar. These cases resulted in concerns with Thailand's human rights situation, particularly when the war on drugs simultaneously occurred. The freedom of movement and speech is a basic right of the people Thailand, and the world community questions whether it is still so.\* The crucial factor that we should not overlook is that the economic prosperity will not be successful and effective if the rights and freedom of people are not maintained. In addition, trade and investment offers, which Thailand has made for the sake of good relations with the central government of Myanmar, must ensure that the rights and freedom of the Myanmar people, in particular, have not been overlooked. Actually, the central government of Myanmar is merely a representative of a small group of people, not of all the people. There are also "ethnic minorities" and other "Burman" themselves. The rights of ethnic minorities to pursue their role in democracy were dismissed when the military government refused to accept the results of the 1990 election. More than 80 per cent of the voters voted for NLD to run the country, but the military staged a coup after that. This is why this Myanmar government does not have full legitimacy in the eye of the entire population of Myanmar. Therefore, the role of Thai foreign policy can be criticized as the role of legitimizing the military government in Myanmar, who are actually a small group of people compared to the millions of people whose rights of expression are still limited. Economics may cause many vital issues such as the struggle of freedom, rights and democracy of people, human rights violation and internally displaced people fleeing from fighting in Myanmar to be neglected.\*

Focusing on economic cooperation, trade and investment in Myanmar without considering historical, social and cultural perspectives may cause the perceptions of Thailand as a hegemonic country both in terms of economic and political perspectives.

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\* Concerns on Thai human right situation have been expressed by Hina Jilani and US senator John McCain. Hina Jilani is the UN envoy for human rights defenders. She expressed her concerns to Thailand as saying, "Many of Myanmar human rights defenders feel very insecure with the regard to their freedom of movement inside Thailand." On the other hand, US senator John McCain expressed his concerns over the actions by Thai authorities along the border in order to curtail activities of democracy activists. (Irrawaddy: 2003)

It is estimated that up to two million of people from Myanmar reside in Thailand due to the inability to survive or find safety in their country. Fleeing from persecution, fear and human rights abusers, forced relocation and confiscation of land, forced labor and political oppression are the causes of migration from Myanmar to Thailand currently. (Refugees International: 2002)

Thai expansion of economic interest in Myanmar can paint Thailand as an exploiter of Myanmar abundant natural resources and emphasize the sense of enmity of both countries. Economic ties will bring the two countries closer as long as there is no fighting on the border. Interestingly, when fighting occurred, historical interpretations together with sense of nationalism usually dominated the relationship. Therefore, engagement with Myanmar should not be narrowly focused only on the relationship between the two governments, particularly in economics, but cooperation should also extend to social and cultural areas in order to allow the people of both countries to become closer.

In conclusion, Thailand's economic diplomacy as the prominent policy towards Myanmar has brought both good things and bad things to our relationship. Such an approach can gradually solve what we call "economic problems" between the two countries. Of course, people will gain benefit from economic development especially in Myanmar. However, the deep-rooted problems, which have affected bilateral relations, are more than "economic problems". Every single problem needs time and will not be solved by economic cooperation solely. The problems also need the continuation of genuine and mutual cooperation, not only at the government level, but also at the people-to-people level. Such a role of the people cannot be sustained if the system does not provide for the people who are in need. Education and socialization should play a crucial role in building mutual understanding and reducing the sense of distrust and skeptic perception as long term of conflict management for fundamental stage. Perhaps most importantly, resolving conflicts and confrontations between Thailand and Myanmar must proceed on the basis of the people's rights and freedom, in order to maintain security and peace for the people on both sides. If this can be done, economic integration will bring sustainable prosperity to the people and peace between neighbors.