Thailand's hedging strategy under the strategic competition between China and the United States

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ABSTRACT

Thailand's foreign policy stance has shifted dramatically since the Prayuth regime staged a coup in 2014. The purpose of this study: 1) Complement and expand on the theoretical meaning of hedging strategy. 2) It can theoretically support Thailand in the face of strategic conflict between China and the United States. 3) Be aware of why Thailand implements a hedging strategy and know the specific performance of Thailand's hedging strategy. 4) It will aid in the growth of Thailand’s connections with the two big countries. 5) This article can provide certain reference for research related to Thailand's diplomatic strategy. The method of this study adopts content documentary analysis, case analysis method, literature research and historical method. According to the findings of this study, Thailand has begun to tilt more toward requesting assistance from China in Prayuth government. Many researchers are concerned about Thailand's neutrality. However, Thailand has not yet vanished from the United States. Just a few steps removed from the Obama and Trump administrations. Thailand has begun to rebuild its old friendship with America as the Joe Biden era looms. But anyway, Thailand cannot choose a side. Because Thailand is a reliable ally on both sides. This has caused the Prayut government to seek cooperation from other organizations and countries, including Japan, India, and ASEAN. Thailand has accelerated the development of economic links with Japan. Accelerate the political development of relations with India. and establishing ties with ASEAN and Southeastern countries in order to find a way for small countries to maintain their own interests as much as possible in the fight between the two superpowers. Although hedging techniques are currently the preferred option for smaller countries, the variables driving this strategy differ. In Thailand, the majority of the factors that influence hedging tactics originate within the country. But all bordering countries are influenced by foreign causes. As a result, Thailand has become another special case of hedging among ASEAN countries.

KEYWORDS

The United States and China, Thailand Military, Thailand Diplomacy, Hedging Strategy, ASEAN Strategy

1. INTRODUCTION

The United States has suppressed and contained China on all fronts as a result of its rise. The Biden administration referred to China as "the most serious competitor" and "the only one
capable of transforming its economy, Diplomatic, military and technological power combined, Competitors that pose ongoing challenges to a stable and open international system" in its first speech on foreign policy after taking office. According to the current situation, China and the United States are still engaged in an intense strategic rivalry that shows no signs of abating. This seriously impairs Thailand’s ability to decide on its foreign policy. Thailand needs to develop ways to manage the strategic rivalry between the two superpowers, better protect its own interests, and not endanger its own nation. Since the colonial era, Thailand has been implementing a geopolitical strategy of “bamboo diplomacy” and and often takes a neutral stance. But as a bipolar world order eventually emerged, Thailand’s foreign policy toward China and the US saw noticeable changes. It is obvious that both internal and international causes contributed to such a significant shift in Thailand’s diplomatic approach. At this point, Thailand’s ability and operational area to continue implementing bamboo diplomacy will become increasingly limited, and the bamboo diplomacy technique is clearly unsustainable. I believe that throughout Prayuth’s reign, what was adopted toward China and the US was a hedging approach of reducing risks and maximizing interests, similar to that of other Southeast Asian countries.

This article proposes "Research on Thailand’s Hedging Strategy under the Strategic Competition between China and the United States". The main question is why Thailand chooses to implement a hedging strategy? How does the Thai hedging strategy perform? What are the results and limitations of Thailand’s hedging strategy? And where this strategic trend will go in the future.

The examination of Thailand’s hedging strategy in the context of strategic competition between China and the United States is both theoretical and practical. Therefore, the research significance of this article can be divided into two types: theoretical significance and practical significance. The theoretical significance of this article can be divided into two parts: First, it compensates for and enriches the theoretical connotation of hedging strategy through in-depth analysis of the relevant theories of hedging strategy. Second, it will help deepen the understanding of international relations theory and provide theoretical support for Thailand in the face of strategic competition between China and the United States. Furthermore, the practical significance can be separated into three parts: First, realize why Thailand employs a hedging strategy. Hedging strategy is a strategic instrument often utilized by Southeast Asian small and medium-sized economies. Thailand is also using similar method and we know the specific performance of Thailand’s hedging strategy. This article’s information can be used to educate international relations researchers who are researching the hedging strategies of Southeast Asia’s small and medium-sized countries. Second, it will aid in the growth of Thailand’s connections with the two big countries. Both big countries are attempting to establish strong and speedy relationships with Southeast
Asian countries. In particular, Thailand has a unique geographical location in Southeast Asia and is one of ASEAN’s primary member states. Third, this article can serve as a reference for future research on Thailand’s diplomatic strategy.

2. LITERATURE REVIEW
The current research status is mainly concentrated in three aspects: First, theoretical research on hedging strategies. Second, research on Thailand’s hedging strategy selection. And third, research on the reasons for Thailand’s hedging strategy selection.

2.1. Research on hedging strategies theoretical
Regarding the theoretical research on hedging strategies by researchers, more and more scholars have proposed that hedging is a universal and dominant strategic choice adopted by Southeast Asian countries or small and medium-sized countries in response to the rise of China, such as Such as Liu Feng and Chen Zhirui(2015), Wen Yao(2016) and Wang Dong(2018). Evelyn Goh(2005) defines hedging as when actors in a country take hedging measures to find a "middle ground" in order to "prevent or avoid losses caused by being forced to take sides". Evans S. Medeiros(2005) points out that when countries choose to hedge, they often adopt "opposing positions" instead of the "middle position" at the same time. Cheng Chwee Kuik(2021) believes that small country hedging is caused by uncertainty, and researchers who claim that hedging causes uncertainty and instability are wrong. Hedging does not create uncertainty for great powers; rather, it is a reaction to uncertainty. The greater the uncertainty, the higher the propensity for rational actors to hedge.

2.2. Research on Thailand’s hedging strategy selection
Denny Roy (2005) proposed that because Thailand is located at the junction of Asia's "crossroads", Thailand tends to adopt a hedging strategy against other major powers rather than supporting and conflicting with one of them. Radin Saifu Affendi Radin Tahir, Mohd Ikbal Moha Huda (2023) examines the nature of foreign relations that changed Thailand’s policy toward the superpowers, and also examines domestic factors, including the current political crisis affecting Thailand in Southeast Asia.

2.3. Research on the reasons for Thailand’s hedging strategy selection.
Jittipat Poonkham (2023) believes that Prime Minister Prayuth Chan-ocha’s foreign policy is different from previous Thai governments in that it is not seen as following the wind, but rather as a "hedging strategy." China’s economic attractiveness, the United States’ ambivalent attitude toward the region, and Russia’s war in Ukraine have made Thailand’s long-standing strategic posture untenable. Zhou Fangye (2022) pointed out that Thailand’s strategic trend in the past ten years has clearly shifted towards China, which has caused Thailand to display a non-neutral stance in the strategic competition between China and the United States and to re-hedging strategies.
3. METHODOLOGY

Halliday's model of textual analysis has been used in several content analysis study Documentary analysis. This study will examine and explore the content found regarding Thailand's diplomacy, including official papers and interviews, using documentary analysis, one of the key research methods in social sciences and political science. Case Analysis method. This article collects primary materials from public advertisements and speeches issued by the Ministry of Foreign Affairs of Thailand, the Ministry of Defense of Thailand, the Ministry of Commerce of Thailand, the Thailand News Center, the Presidential Information Office of Thailand, the official Thai Daily News, and the Thai embassies in China and the United States. From these materials, we will select existing cases of small and medium-sized countries applying hedging strategies, hedging strategy theories and types, and so on to consider.

Literature research. This article examines domestic and foreign papers and literature concerning Thailand’s foreign policy. Begin with an examination of Thailand's foreign policy, followed by a detailed examination of Thailand's hedging strategy. Because knowledge and publications on this subject are scarce. Historical method. The method of historical research is to investigate previous events in chronological sequence using historical data. This article explains the context of hedging strategy. In order to objectively reveal and understand objective laws and further reveal the study issue, hedging strategy research needs analyze historical and present materials.

4. RESULTS AND DISCUSSION

The study discovered that the main motivation for hedging in Thailand comes from domestic factors, an outcome driven by Thailand's domestic political needs and regime "legitimacy" pressures. In other words, the causes of Thailand’s hedging are at the national or unit level rather than at the external system or structural level. This is the most distinctive element of Thailand's hedging strategy and the most significant distinction between Thailand and other Southeast Asian countries. At the same time, the United States’ attitude and behavior towards the coup is a catalyst that accelerates Thailand's hedging.

From the perspective of hedging, Thailand controls and denies the United States in politics and diplomacy, with limited follow-up to China. In terms of economy, China and the United States both practice economic pragmatism. In terms of security and military affairs, it follows the United States but its degree of dependence has declined, and it maintains active but limited contact with China. Furthermore, in light of China's and the United States' risk perceptions, Thailand has chosen a hedging diversification or all-round hedging approach. Strengthening ties with ASEAN, Japan, and India to lessen political, economic, and military reliance on China and the US, as well as to reduce the dangers and uncertainties that may
result from strategic competition between China and the US, in order to maximize diplomatic strategic space.

Thailand has implemented various hedging tactics to achieve various hedging objectives. It specifically employs revenue maximizing strategies. It primarily focuses on ASEAN political and diplomatic hedging, Japan economic hedging, and India security hedging. Because internal causes are the primary motive for Thailand’s hedging, the major goal of hedging is to obtain domestic political "legitimacy" as well as the understanding and respect of the international community. As a result, while assessing Thailand’s hedging effect, the Prayuth government's achievements in the political and diplomatic spheres are mostly considered. Thailand has actively strengthened relations with China in the domains of politics and security, as well as bilateral economic and trade cooperation. The US has also increasingly improved relations with countries in the Indo-Pacific area.

Thailand also maintains security and military ties with the United States, and relations between the two countries have growing developed. Given the continued awareness of risks and concerns about China and the United States, Thailand has strengthened its ties with ASEAN, Japan, and India, gaining the understanding and recognition of the aforementioned regional organizations and major powers through all-around or diversified hedging. The Prayuth government’s hedging strategy is based on the following principles: adhering to the principle of non-interference in other countries' internal affairs; maintaining the strong attractiveness of China’s economy; strengthening theoretical innovation and exploration in diplomacy and international relations; telling China’s story well and promoting people-to-people connections. Thailand is expected to continue using hedging to deal with potential risks and uncertainties.

5. CONCLUSION

Before 2000, academics generally held that the great power strategy of small and medium-sized Southeast Asian countries was one of great power balance. However, China’s rise, the rising competition between China and the US in the Indo-Pacific area, the South China Sea dispute between China and several ASEAN nations, the US’s relative weakness, and the shift in regional dominance, etc. These have all prompted most ASEAN countries to change the traditional balance of major powers when dealing with their relations. Following the 2014 coup, Thailand gradually altered its policy of balancing major powers and adopted a hedging approach to deal with local political pressures as well as the shifting exterior environment. The goal is to gain internal "legitimacy" for the rule and regime, preserve domestic political stability and social order, and avoid hazards and protect national interests to the greatest extent possible. Previous studies have summarized hedging strategy as a
result of changes in elements such as the international system and regional levels, such as China’s growth, strategic competition between China and the United States, and the collapse of major powers. However, the foreign policy strategy of the Prayut Chan-o-cha government shows it is not entirely the result of external factors or system-level factors. It may also be the result of major changes within the country, such as a coup, including domestic pressure on the "legitimacy" of the Prayuth government and misgivings about the military government’s attempt to maintain power.

Simply put, domestic factors are the fundamental motivation that cause Thailand’s foreign policy changes. When compared to Southeast Asian countries like Vietnam, the Philippines, and Singapore, the motivations in the above-mentioned countries mainly come from external factors. This demonstrates that Thailand and other ASEAN countries differ the most in their strategies. Therefore, Thailand has become a special case of hedging among ASEAN countries. As for the external motivation that caused Thailand’s strategy to change, most were factors from the United States. Following the coup, the Obama administration publicly criticized and condemned the Thai military government diplomatically, reducing or suspending military aid and blaming human rights violations. This prompted the Prayuth government to seek and expand diplomatic strategic space, focusing on establishing closer political, diplomatic, and economic relations with China, as well as strengthening ties with China. Furthermore, the "triple jump" of the Indian government’s Indo-Pacific strategy, the intensification of competition in the South China Sea, and the impact and challenge on ASEAN’s "centrality" are all external variables influencing Thailand’s hedging.

Thailand has reaped significant political and diplomatic gains from the hedging effect, substantially widening its diplomatic strategic space. On the one hand, it has strengthened connections and collaboration at all levels with China, allowing it to effectively oppose US diplomatic censure and military sanctions. Currently, China’s growing power and influence in Southeast Asia in sectors such as politics, security (traditional and non-traditional), military, and economy exposes Thailand to hazards and increases Thailand’s reliance on China. Trade, investment, and tourism have made China a key economic engine in Thailand. Starting with trade, China has surpassed Japan as Thailand’s top trading partner since 2013. China was the trade balance winner last year. Many Thai agricultural exports, such as rubber and fruits such as durian, are strongly reliant on the Chinese market. Similarly, China is currently Thailand’s greatest investor. Direct investment is undoubtedly an economic opportunity, but it also carries a number of risks and challenges. China will become a more formidable competitor for Thai investors and enterprises. Furthermore, the Thai economy will be forced to rely increasingly heavily on Chinese finance and technology, such as high-speed train projects. Despite the fact that Thailand utilizes its own cash, the railway system, building technology, and operation technology are entirely Chinese. Thailand’s tourist
industry is another that is strongly reliant on China. Prior to the Covid epidemic, Chinese tourists accounted for a quarter of Thailand’s total foreign visitors each year, a situation that might easily put the country in jeopardy and lead Thailand’s tourism revenue to plummet dramatically. Another critical risk aspect to address is domestic politics, namely how China’s power and influence affect Thailand’s ability to make policy decisions, particularly the expression of varied stances on the world stage.

The Prayuth government’s early selection of the Sinovac vaccination to prevent COVID-19 demonstrates the Prayuth government’s decision-making power, which is related to China. Domestic anti-democrats may exert pressure on Thailand to follow more pro-China policies, resulting in a worsening of Thailand’s international status and reputation. The incoming government must strengthen its attitude and reassert liberal values immediately. On the other hand, the US and Thailand’s military and security links have not been fully severed, and relations between the two nations have progressively restored and normalized. The United States is the number one political, military, and economic force in the world. And Thailand’s military security has long been tied to the United States. Thailand is one of the United States’ military allies in Asia, along with Japan, South Korea, and the Philippines, all of which are key non-NATO allies. The United States has always emphasized that both countries share the same political values and democratic ideals. As a result, Thailand cannot readily relocate to China. Because it will make the US feel insecure. However, military options are not confined to these two factions. The Thai government may have to take India’s presence seriously. If the Thai military develops a better military partnership with China, Indian and other military technology may be a possibility.

Furthermore, since taking power, the Prayuth government has chosen to deepen relationships with various groups. And it has been embraced and supported by regional organizations and key countries such as Japan, India, and ASEAN, in as well as to executing profit-maximizing activities, this has the potential to broaden the scope of diplomatic strategy operations. Thailand’s economy is becoming increasingly connected and dependent on China, which may be becoming excessive, and there is an urgent need to discover more diverse economic development possibilities than previously. Thailand has, in reality, created bilateral and multilateral economic tools and agreements with strategically significant countries such as Japan and the ASEAN group. Thailand has historically had diplomatic relations with Japan. For decades, Japan relied on Thailand as a manufacturing and supply chain hub until being surpassed by China. Importantly, Japan is and has long been a country that places a high value on Southeast Asia. It is the driving force behind Mekong Subregion infrastructure development projects. Furthermore, Japan has good connections with Thailand’s immediate neighbors, such as Burma and Vietnam. And Thailand is currently focusing on deepening economic relations with Japan in order to reduce its economic
reliance on China and the United States. ASEAN is a regional organization of which Thailand is a founding member. It has long been the focal point of Thai foreign policy and serves as a clearing house for members and the outside world. If foreign organizations offer an option for enacting policies that avoid or reduce hazards, the Thai government should consider ASEAN first. For example, The Prayuth government uses ASEAN as a negotiating chip in order to decrease political and diplomatic pressure on the US and Western countries. Thailand and India have long had historical and cultural ties. However, Thailand has paid little attention to it. Some facts about India that Thailand ought to look at are that it is a growing regional power with significant policy and security freedom, as well as a partner in the US Indo-Pacific strategy alongside Australia and Japan. As a result, Thailand has chosen to focus on political cooperation with India, its aim is to promote political and military relations between the two countries. In addition, sub-regional organizations such as the Mekong River Commission and various multilateral cooperation frameworks exist with all major powers. such as Mekong-Lancong cooperation with China, US-Mekong Partnership, Japan-Mekong Cooperation, Korea-Mekong Cooperation and Mekong-Ganga Cooperation with India are also available based on needs in a variety of issues.

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