

CHINESE NEW IMPERIALISM ON THAILAND BORDER AREAS  
IN THE 21<sup>ST</sup> CENTURY

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**Abstract**

Thailand and China have been deepening their international relations since the Ping-Pong diplomacy in 1975. The relations between the two countries had started in the 13<sup>th</sup> century based on trading purposes. Ethnic Chinese in Thailand are the main group of people who support the Thai-Chinese trade today. On the other hand, Thailand also had become an ally of the United States since WWII. The relations between Thailand and the United States started with political purposes and has expanded to include benefits for trade since then. Thailand has always bought American arms, however, in recent years, Thailand has balanced its relations with the two powers in this regard by buying Chinese submarines to deepen their relations.

The military coup which had started in Thailand in May 2014, has been building stronger diplomatic relations with China under foreign direct investment between the two countries. That causes Thailand to develop a better relationship with China. This research is focused on the foreign policy of China towards Thailand and Thailand towards China. Prayut Chan-o-cha and President Xi Jinping have created stronger relations under the project of Belt and Road Initiative in Thailand, especially the Special Economic Zone in border areas and Greater Mekong Sub region co-operations. It is a win-win situation for Thailand government and Chinese entrepreneur but it is a losing game for the local Thai people.

**Keywords:** game theory, sharp power, neoliberalism, great power, realism, neo-realism, Belt and Road Initiative, Thai borders

## Introduction

Southeast Asia has a long history of international relations with China and it has adopted the Chinese method of commerce and politics. China has spread the power to Southeast Asia for more than a thousand years. Therefore, states in Southeast Asia, including Siam (the old name of Thailand before 1932), have fallen under imperial China's influence. The tribute system has been developing continuously between Siam and China ever since.

The tribute system is an international relations system between China and other countries (Feng, 2010), which had regulations, norms, and rules to control all the states that were willing to become a vassal state under China. Under the tribute system with China, every state needed to send diplomats to China and offer rare goods, like ivory, to the Chinese emperor. The representative of China's tributaries needed to show respect by kowtowing or kneeling three times. After that, the emperor will bestow many luxury products, such as silk, gold, and Chinese innovation. This had opened the door to military, economic, and cultural relations. Southeast Asian states would receive more than they had offered initially to China, including protection provided by China. Moreover, these states would become legal trading partners with China. Trading with China was the most important reason why Southeast Asian states were willing to be under the Chinese tribute system (Feng, X. 2011).

Trading may have been important to China, but the most paramount was the influence and the positioning of China as the center of the universe, or "Tian Xia," that the tribute system emphasized. As more members fell into the tribute system, the greater the power of China grew. All the states that surrounded China accepted the tribute system with honor until the end of the Qing dynasty. Siam in the 18<sup>th</sup> century sent a diplomat to pay respect to China. Between 1835-1846, Siam had sent diplomats to pay tribute to China a total of nine times. As a result, Siam then received molding technology from China, as evident from the records showing that Siam had sold a lot of Chinese molds to other states (Disaphol, 2008). Moreover, Siam had sent diplomats for the international relations with China 112 times during 1368-1644. Meanwhile, China had sent diplomats to Siam 19 times, two of which were the visits by Zheng He, the "sailing diplomat of China" (Feng, Z. 2010). During the Qing dynasty, from 1644 to 1911, 86 percent of Siamese goods had been sent to China, and Chinese ships made up the majority of ships in Siamese ports at that time. However, China became a disgraceful country during the Opium Wars in the mid 18 centuries until 1949. Then, when China became a communist country, Siam tried to fade out of China's influence (Yos, 2011).

After Richard Nixon, the president of the United States, had visited China in 1972, Thailand, then an ally of the United States, also consider redeveloping a relationship with China after being anti-China as a communist country. The visit of Kukrit Pramoj, the prime minister of Thailand, to China in 1974 had strengthened the relation between China and Thailand again after Thailand had been fearful of falling into the domino effect of communism. China had recognized that Thailand was an important chess piece in Southeast Asia, as Thailand controlled the natural resources among the Mekong region and could also resist the power of the United States, as the United States was trying to limit Chinese influence in Southeast Asia (Rutherford, Lazarus and S. Kelly, 2008). Leaders of both Thailand and China announced that the relations between the two countries were “special relations” as Zhu Rong Ji, the prime minister of China in 2001 stated in a speech, “China and Thailand have a very special relationship. We are like relatives.” This speech touched the hearts of both Chinese and Thai people (Kurlantzick, 2006).

Tighter relations between China and Thailand had strengthened after 1970 for four reasons. First, there was more co-operation in commerce after China had the economic reform. Second, Thailand was an ally who played an important role during the Cambodian-Vietnam War. Third, this tighter relation was for providing an advantage to the Chinese overseas in Thailand. Fourth, Thailand was a useful ally for China in regards to economics and politics, as Thailand does not neighbor to China, so there were no conflicts about borders (Cheng, 2012). However, before 1970, Thailand had been an untrustworthy ally of China, as Thailand had been afraid of communism and tried to help the United States block communist influence in Thailand and its neighbors during that time (Li, 2011).

The Beijing government during the Mao era criticized Thailand for joining SEATO, thus causing Thailand and China relations to be weaken. Thailand, under the Sarit Tanarat’s coup at the time, had worsened relations between Thailand and China because Sarit supported the feudal system under the Thai monarchy (Chambers, 2005). The relations between Thailand and China had begun deteriorating immediately, and this caused China to see Thailand as an untrustworthy ally. At the same time, Sarit and Thanorm allowed US troops to base in Thailand for the Indochina war. The close relations between Thailand and the US threatened China, and China saw Thailand as the main player supporting the US in the Indochina War (Zhang, 2012). Additionally, Thailand allowed US troops to be based near the southern border of China, making China afraid that the US may threaten them at any time. As a result, China retaliated by supporting arms to the communist in Thailand (Chambers, 2005). China's support of the

communist in Thailand was the clue that China disliked the closer relations between Thailand and the United States, however, Thailand did not pay attention to that sign because Thailand was focused on anti-communism. Thai elites were very afraid of Chinese communism after 1949. Chinese abroad in Thailand were forced by the Thai elites to assimilate to Thai culture, and the Thai government tried to destroy the Chinese identity among the ethnic Chinese in Thailand. Moreover, the Thai government had asked for military funding from the United States to combat with the spread of communism (Zawacki, 2017).

In 1950, the Thai government supported arms to Kuomintang (KMT) troops, remnants of Chinese Nationalist forces fighting communism, at the Thai and Burmese borders to defend against the invasion of communism from Burma neighboring. On the other hand, Thailand was the first country to send troops to aid the American forces in the Korean War. The United States started helping Thailand economically and funding militarily since then. (Disaphol, 2008). In 1957, the Thai government helped the United States with its involvement in the civil war in Laos, resulting in the US announcing that it would help Thailand immediately if Thailand was attacked. This developed into the SEATO treaty, the main office of which is in Bangkok, Thailand. This serves mainly to protect Thailand from the communist (Reuters, 2017).

After the 1960s, the context of Southeast Asian geography caused Thailand's relations with China to tight up. To explain more about this issue, Nixonism affected the foreign policy of the United States and led to the US withdrawing its troops from Vietnam and ending the Vietnam War, which ceased the blockade with China and started the development of relations between the two countries. Part of the United States motivation was to use China against the Soviet Union (Tagliacozzo and Wen, 2011), which led Thai diplomats to consider banwagoning with the United States or with China. As a result, Thailand started to strengthen relations with China to balance the power between the United States and China in Thailand by considering the termination of hosting United States troops because having the US troops would be a reminder of their conflict with China and Vietnam. Thailand needed to strengthen relations with both China and Vietnam to support the stability of its own country (Dumenil, 2011).

The formal visitation of President Nixon to China influenced Southeast Asia countries to strengthen relations with China, including Thailand. Thailand and China relations had risen when Prime Minister KukRit Pramroj visited China and balanced the relations (Wang, 2006). The victory of Ho Chi Minh had prompted Thai diplomats to strengthen relations with China,

as China could convince Vietnam to withdraw their threat from Thailand. However, China did not withdraw its support for the communist in Thailand, even after Prime Minister KukRit Pramoj had formally announced the relations between Thailand and China on July 1, 1975. On the other hand, the conflict between Vietnam and China had increased, therefore Thailand and China grew closer in their relations to become a mutual enemy with Vietnam (Xinhua, 2013).

In 1982, Thailand and the United States had tightened their relations because Thailand was aware of the rise of the Soviet Union's power and its support for Vietnam in Southeast Asia. The United States responded to Thailand by sending weapons as soon as Thailand requested them. Moreover, the United States had sent submarines to survey Vietnam more frequently. Finally, Thailand and the US had started the Cobra Gold military exercise in Thailand, which was the largest military practice in Asian history (Karber, 2010).

While Vietnam attacked Cambodia, Thailand chose to send weapons to support Cambodia, and by doing so, Thailand helped China defeat Vietnam in the Khmer Rouge era. However, Thailand was also fighting the communist within Thailand, so Thai government demanded the Chinese government to stop sending weapons to the communist group in Thailand, which resulted in the end of the communist group in Thailand. After that, Thai government bought Chinese weapons and Chinese submarines, even though they are not as advanced as American weapons, but they were sufficient for the borders around Thailand (Barabantseva, 2011). As a result, relations between Thailand and China have strengthened since then.

Moreover, during the Tom-Yum-Kung crisis, or the Asian economic crisis in 1997, China had supported Thailand by giving 1 billion USD to help Thailand recover from the economic crisis. At the same time, the Japanese government did not help Thailand with anything but criticized the mistakes that Thailand had made. Compared to the United States and Japan, China was a valuable ally of Thailand during the Asian economic crisis. China had to fulfill a role to become a trustworthy country for Thailand since then, resulting in the trade between Thailand and China in the twenty-first century to rising from 138 billion USD to 436 billion USD (Lu, 2012). The lesson from the Asian economic crisis had proven that the wealth of China is a benefit for Southeast Asian countries. Therefore, China and Southeast Asia started to have more military exchanges, more visits between diplomats, and an expanse of investment in the Greater Mekong Subregion (GMS) during the 21<sup>st</sup> century.

## **Thai-Chinese Relations in the 21<sup>st</sup> Century, the started point of Thailand loose game**

Under the Prime Minister Thaksin Shinawatra era, Thailand and China became closer friends due to the mutual interest of trading in the Mekong region. This period of China's rise caused Thaksin to pay little interest to an old friend like the United States. Thaksin won his election, defeating the opposing party by claiming that the past Thailand leaders led the country by following the United State and Thailand never becoming independent and that Thailand should stand on its own feet. The best way to begin hedging power is to start balancing the relations Thailand has with China and India. During the Thaksin era, Thailand had a distance relations with the United States compared to other Southeast Asian countries due to Thaksin's emphasis on nationalist, Asianized, and Anti-western ideology. According to records, he never visited the United States during his time as a Prime Minister of Thailand (McCargo, 2008).

In 2001, Thaksin had tried to avoid conflict with China by accepting China's request to stop the Falun Gong movement in Bangkok. In 2002, Thaksin denied the visa of Taiwanese officials who would have arrived in Thailand for signing a contract of 200,000 Thai workers, and the following year, due to a Chinese official visiting Thailand at the same time, the Thai government under Thaksin era had refused to grant a business visa to Taiwanese businessmen who intended to follow up on his business project in Thailand (Chen, 2002). During the Thaksin era, the Thai government had intensely strengthened the strategic engagement with China in every aspect, especially trading and investment. China gave good feedback by being very active with engagement because it was beneficial to increase its power in Southeast Asia.

Unfortunately, the Thaksin era came to an end in 2006 by a military coup. This made China lose confidence in the Thai military government, who previously opposed the communist in Thailand. China had to secure its interests by not focusing on only one leader. After Surayud Chulanont took the chair, the relations between China and Thailand continued moving forward. Meanwhile, the United States had to oppose the government because it was not the result of elections, and it did so by halting military funding to Thailand at an amount of 24 million USD. China, on the other hand, played the role of being a good friend to Thailand by providing 49 million USD to military funds. China also stressed that it will not sanction Thai internal conflict. This led Thailand and China to strengthen their relations during the time of crisis (Wang, 2014).

Also during Surayud Chulanont taking control of the Thai government there was a conflict in Southern of Thailand, causing Thai foreign relations to be uncertain. However, foreign relations with China was a priority for Thailand. China was the first country Surayud visited after he gained power. On May 28, 2007, Surayud met Prime Minister Wen and made a consensus on being mutual strategic partners since the countries' relations had been halted due to conflict in the South. The consensus included mutual military practice, increased mutual investment, a special economic zone in border areas, augmented mutual transportation, and facilitated tourism in both countries (Liu, 2012).

In May 2010, the Pheu Thai Party won the election and increased relations with China under much criticism from the Thai people. Yingluck, the Prime Minister of the Pheu Thai Party, had allowed a Chinese company to invest in an ore mining business in Sakon Nakhon, a province in Northeastern Thailand, comprising of 19,200 hectares to account for 12 mines for Chinese business (Yos, 2011). This created a lot of pollution problems for the local Thai people. Moreover, Chinese products could pass through CAFTA (China – Asian Free Trade Agreement) easily since 2006, which led to half of the agricultural products that local people could buy from the market were Chinese products because the price was lower than Thai agriculture products, resulting in many farmers quitting their jobs and looking for new opportunities to generate income. Moreover, Chinese agricultural products contained toxic substances, and the Thai government was afraid to test the levels of insecticides on Chinese vegetables. Local Thai people were living a risky life in their motherland without any rights to know whether or not the food they were eating was healthy (Chen and K. E.,2015).

### **The Influence of Chinese Investment and Culture in the Greater Mekong Sunregion Area**

Modernization in the GMS was constructed by territorialization, or in other words, expanding governors' power in the GMS areas. The governors became powerful in areas of which they never had control before, such as forests and mountains. What made governors have the right to control the areas that did not been belong to them? The answer was the excuse to develop the country. Since 1997, every government of Thailand has successfully brought capitalism to the Thai economy and society. Obvious example was that Thailand being the creation of the FTA (free trade agreement) with China. The FTA allowed the capitalist to take advantage of the Thai forest and exploit local people, and the governor made it even easier to do so. For example, rubber tree plantations in the northeastern area of Thailand were invested

in and exploited by Chinese companies (Aranya, 2015). Thai governors provided rights for Chinese investors to turn nature into capital but did not build any protection for the local people. On the other contrary, the Thai governor relegated the local people out of the areas, as evident by what happened in the dam-building project in the GMS areas (Xinhua, 2013). The coming of Chinese imperialism was easier with the local governors helping China turn natural resources into capital.

These newer Chinese immigrants were different from the past: the old Chinese immigrants arrived in Thailand by ships over the sea, but the new Chinese immigrants came to Thailand by land borders. Chinese immigrants could thus be divided into two groups, overland Chinese and overseas Chinese. The overland Chinese were not part of the emigration policy, but they had new strategies to look for better opportunities for new business. Most overland Chinese had a limited budget and education, therefore the border areas are a good choice for them to invest and begin trading because it was cheaper (Aranya, 2015).

In 1990, overland Chinese started becoming merchants because they wanted to continue Chinese style commerce. Chinese businessmen constantly searched for new opportunities because getting richer was always their life's goal. Chinese businessmen in the Thai border areas are mostly from the rural area of the southern and southeastern parts of China. With their smaller budget and the economic pressure from their home, instead of moving to a big city in China, they searched for new opportunities along the borders. Chinese businessmen wanted to build their wealth and success but did not want to stay long-term, but rather they intended to move on when they saw other, better opportunities, wishing to earn more money. These people could be called the Chinese diaspora. The economic system of the Chinese diaspora started from the traditional Chinese business system, where they used connections with Chinese overseas to get into Chinese society in those areas using the advantage of having the same surname and connecting to the local Chinese community (Liu, 2016).

Since 1980, there have been four main reasons why Chinese businessmen could get into Thai border economic zones successfully. First, the economy in China became better after President Deng Xiao Ping invited foreign investors to China, which brought a lot of money to China. Second, the emigration policy started around 1985, and the result was quite impressive from 2004 onward. This policy allowed Chinese people to go out and find new opportunities abroad. There were around five million people per year, and some of them were heading to the GMS area. Third, business areas around the borders had expanded because of the incoming



Chinese businessmen, which led to more investment and improved transportation in the GMS area. Lastly, the Chinese government had successfully built a nice image of China as being a good friend to Thailand during the economic crisis. This reduced the worries and panic that Thailand had regarding the Chinese government (Wang, 2015).

Chinese businesses were more important in the border area between Thailand and Laos during the 1970s. The old Chinese who immigrated to Laos, Cambodia, and Vietnam were quite similar to each other but different from other Chinese immigrants in Indochina because the older Chinese immigrants had to face the difficulties of civil wars in Laos, Cambodia, and Vietnam, while Chinese immigrants to Thailand, Malaysia and Singapore did not. Therefore, it was only 10,000 Chinese immigrants in Laos, while there were millions in Thailand, Malaysia, and Singapore (Pinkaw, 2013). These 10,000 Chinese immigrant in Laos became more successful compare to the other three countries as they have fewer competitors and be able to have a bigger share in the market. On the other hand, most of the old overseas Chinese immigrants in Laos are Chaozhou, Chinese Hainan, and Cantonese. However, some of them moved out of Laos in 1975 to escape the difficulties during the civil war, and some of those people have since moved back to Laos to search for new opportunities in places such as Vientiane, Pakse, and Savannakhet (Phua, 2011).

The new Chinese immigrants, the overland Chinese, in the northern areas of Laos had begun moving to Laos during the 1990s after the borders opened. Overland Chinese can be divided into four groups. First group was the investors in casinos, hotels, factories, and fresh market. Second group was the workers, such as construction workers, could become small business owners later on. Third group was people who rent local agricultural land for their agricultural businesses. Fourth group was the smalltime businessmen who immigrated alone or with a family. This group likes to rent a small shop and do business in a market. The new wave of Chinese immigrants is mostly from Hunan, Yunnan, Anhui, Zhejiang, Chongqing, and Sichuan. Their people could take advantage of the emigration policy and free economic zone successfully (Wang, 2015.). There were two main reasons for emigrating which are personal need, and support by the Chinese government. For the latter, the Chinese government supported the Chinese businessmen both directly and indirectly, such as providing the emigrants with 500,000 Thai baht for each businessman for one time to assist in building or investing in business. Moreover, the Chinese government also helped them look for more funds or loans from the banks and other big companies. On the other hand, the Chinese government pushed the Asian development bank to support the ASEAN community project. The emigration policy

was established to distribute Chinese products and let Chinese businessmen hold the duties of expanding Chinese products to Southeast Asia via Thailand's borders. Moreover, the emigration policy was also for procuring new natural resources from Southeast Asia, such as gas and oil.

## **Conclusion**

Thai government should pay attention to these small businesses, as they will become a group of people who could control everything in the GMS areas as they are growing quickly every day. These people will slowly push local Thai and Laos businessmen away. The question is how local people can adapt to this situation and not let Chinese businesses take control of everything. Since 2015, the ASEAN community has also allowed border areas to be more flexible for Chinese businessmen. There have been some local businessmen changing their career to be an employee or to no longer do business but rent their land to Chinese businessmen instead. Some have moved out of the border areas to look for a new place to do business.

The new businesses on Thai and Laos borders have been creating a new wave of commercial generation. This group of people have been able to assimilate to established local Chinese people and also receive support from the Chinese government. The Chinese government has been able to pressure Laos and Thai governments to give all facilities to the incoming Chinese businesses by using sharp power. The most important thing is, soon, these new businessmen will replace all local businessmen, or, at the least, local businessmen could become only a small portion of the businesses in the GMS area.

Nowadays, businesses in Thai border areas have been growing very rapidly, including Thailand- Cambodia and Thailand-Myanmar borders in addition to the previously mentioned Thailand –Laos border. The value of the market in the GMS area has also been growing very high, especially Chinese vegetables imported from the GMS area. New Chinese immigrants have continued coming to do business, including small businessmen, laborers, investors, skilled workers, and retailers. These people will be the group of people who will drive GMS business and will cause local businessmen to slowly fade away or force them to become employees of the Chinese businessmen in the future. It is a new challenge for the Thai government to dial in relations with China, but the benefit of the local people should be the top priority when making policies.

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