

## Can U.S. Assistance Reinvigorate the U.S.-Thai Alliance?

By Thomas Parks

Mainland Southeast Asia is a pivotal region in the geostrategic landscape. It is also the area of the Indo-Pacific region where the United States and its allies are the least well-equipped to compete with China. Within this context, Thailand is poised to play a crucial role in shaping the stability, prosperity, and geopolitical balance. Thailand is ASEAN's second-largest economy, and the subregion's economic hub. Thailand is critical for promoting sub-regional cooperation and economic integration. As the only country that shares borders with Myanmar, Cambodia and Lao PDR, Thailand has a major stake in the future of the Mekong River. It is also the largest trading partner for Lao PDR, and a key destination for migrant workers from Myanmar, Cambodia, and Lao PDR. Thailand's role in mitigating the crisis in Myanmar, while often criticized, will be crucial to any viable pathway back to peace and democracy. Given Thailand's extensive cooperation with China – and its treaty alliance with the United States – this subregional middle power is likely to influence the geopolitical balance in this region for years.

Arguably, U.S.-Thai relations matter now more than ever. Since 2018, the United States has been expanding security cooperation with Thailand, after the historic lows of the post-2014 coup years. In mid-2021, U.S. efforts in vaccine diplomacy also proved to be a major break-through. Just as the Delta variant was ripping through the region, and in response to urgent requests from key segments of Thai society, the United States has responded with donations of 2.5 million Pfizer vaccines, along with \$5 million in assistance for Covid response. Meanwhile, millions of Thais are eagerly awaiting the arrival of vaccine orders from Pfizer and Moderna in the coming months.

But what about U.S. assistance to Thailand more broadly? Officially, USAID has no bilateral program. Thailand graduated from U.S. assistance in 1995 and given USAID's focus on the Journey to Self-Reliance it is unlikely that the U.S. will re-start a dedicated bilateral aid program. Despite this, U.S. assistance programs continue to operate in Thailand, albeit mostly through regional activities. Some forms of U.S. assistance are highly valued and have contributed to positive U.S.-Thai relations in recent years. For instance, U.S. regional programs on health and law enforcement were implemented in close cooperation with the Thai Government and have made important contributions to the bilateral relationship. Other areas of assistance, however, have been irritants in the relationship, particularly democratic governance and programs addressing the ongoing conflict in the southern provinces of Thailand.

Recent developments at USAID indicate an important shift towards more strategic cooperation with Thailand on development assistance. Recognizing the important role that Thailand plays in supporting development in the rest of the region, USAID is embarking on a new partnership with the Thailand International Cooperation Agency (TICA). In August, USAID and TICA announced a new \$5 million partnership to jointly support development in neighboring countries. The recently released Regional Development Cooperation Strategy (2020-2025) includes a commitment by USAID to "elevate Thailand's role within the region" through more trilateral cooperation in third countries.

This new strategy is a possible game-changer for the US-Thai relationship. Thailand has a clear stake in ensuring that development in this region is done in a way that protects against external influence. For example, the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), initiated by Thailand in 2003, is an

**Thomas Parks**, the Thailand Country Representative for The Asia Foundation, explains that "U.S.-Thai relations matter now more than ever. Since 2018, the United States has been expanding security cooperation with Thailand, after the historic lows of the post-2014 coup years."

important effort to provide alternative financing for development and infrastructure for the five Lower Mekong Countries, without the accompanying pressure of an external power. A 2019 study found that there are 13 separate multilateral development schemes in mainland Southeast Asia, but only ACMECS includes the five governments with no external powers. This is a crucial advantage when compared to the Mekong-US Partnership or Lancang-Mekong Cooperation. Admittedly, ACMECS has been very slow to take shape, and is unlikely to be a serious provider of development finance in the coming years. But as a platform for the five countries in the region to come together, it is an important step towards greater self-determination of the development and geopolitical trajectory of the region.

Despite recent progress, if U.S. assistance is going to reinvigorate the U.S.-Thai Alliance, then a few other changes are needed. First, U.S. assistance needs to work more closely with the Thai Government. USAID programs are delivered through the Regional Development Mission Asia (RDMA), which manages a complex portfolio of regional programs across Asia. In normal conditions, USAID bilateral missions are 100% dedicated to a single country, manage a pipeline of programs in that country, and invest in building relationships with the counterpart government. For RDMA, Thailand is a very small part of their portfolio, there is no dedicated bilateral budget, and as such, it is often more challenging for them to develop relations with the Thai Government compared to bilateral missions.

“The most important way for U.S. assistance to strengthen the U.S.-Thai relationship, is to prioritize areas of shared interest, and respect Thai sensitivities.”

The situation is further complicated by U.S. government funded programs that focus on sensitive issues for the Thai government. For the past 25 years as economic development assistance and direct support to the Thai government was phased out, U.S. funding has continued to support a range of democratic governance and peacebuilding programs in Thailand that have largely been implemented by civil society and U.S. contractors. They include programs in the conflict-affected regions of southern Thailand, and various political participation and democracy promotion activities. Given Thailand’s ongoing problems with military coups, eroding democratic norms, and human rights violations, these issues are important for Thailand’s future. However, the focus of U.S. assistance on these problematic areas has created mistrust among Thai diplomats and senior officials.

On these sensitive issues, Thai authorities expect significant oversight of foreign funded programs. On multiple occasions, senior Thai officials have expressed their frustration to me, noting that they are rarely consulted on the selection of issues, and object to some of the activities. While the U.S. government’s interest in these areas is justifiable and likely to continue, without significant changes, these programs will continue to be an irritant in US-Thai relations.

The most important way for U.S. assistance to strengthen the U.S.-Thai relationship, is to prioritize areas of shared interest, and respect Thai sensitivities. The new strategy for trilateral cooperation in the Mekong sub-region is a great start. But the United States could also support Thailand with its efforts to escape the middle-income trap, jumpstart post-Covid economic recovery in the tourism sector, promote innovation and start-up led growth, and strengthen the Bio-Circular-Green Economy (BCG). Programs addressing democratic governance will require much more engagement with Thai authorities and a focus on issues amenable to both sides. This will not require a large influx of funds. However, it will require more programs that focus on issues and needs identified by the Thai government, not Washington.

Thailand and the United States have a clear mutual interest in the rest of mainland Southeast Asia. Getting behind Thai-led efforts can help to transform the perception of U.S. assistance and create a new sense of shared strategic interests and cooperation. But unlike the past, it is crucial for the United States to allow Thailand to take the lead.

*Thomas Parks*, Thailand Country Representative, The Asia Foundation, can be contacted at [thomas.parks@asiafoundation.org](mailto:thomas.parks@asiafoundation.org).

APB Series Founding Editor: Dr. Satu Limaye | APB Series Coordinator: Lance D. Jackson

The views expressed in this publication are those of the author and do not necessarily reflect the policy or position of the East-West Center or any organization with which the author is affiliated.

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.