

# Executive Summary

## Thailand's Outlook 2015

### 1. Strategic Outlook Methodology

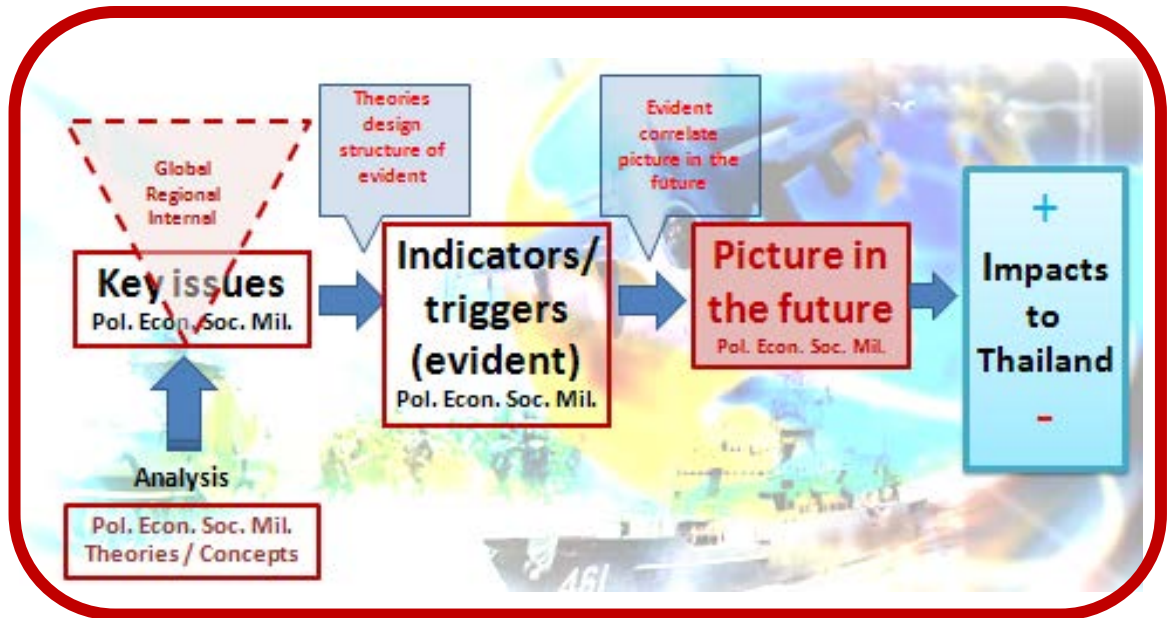


Figure 1. Strategic Outlook Methodology

The Strategic Outlook Methodology was developed by scanning the environment in order to see the outlook for Thailand in 2015. The Security Studies students of Class 7/2011 has laid out 4 development processes as follows:

**1.1. Environmental Scanning to determine the Key Issues** by considering all significant issues at the Global Level, Regional Level and Domestic Level and analyzing according to the context and theories related to the political, economic, social and military dimensions.

**1.2. Setting the Indicators and Triggers** that results in clear pictures of the future events in all 4 dimensions (political, economic, social and military dimensions).

**1.3. Analysis to predict the pictures of future events** that will occur by 2015 based on the ideas, principles, theories, information together with the key indicators and significant factors.

**1.4. Analysis on impacts** to Thailand both positive and negative impacts from the pictures of the future events in item 1.3 above

## **2. Summary of Thailand's Outlook 2015**

The Outlook for events or significant factors from the above process comprises of the following subject matters:

### **2.1. Technological Change**

Changes in information technology and communications technology brings the world into the Globalization era making the world smaller and boulder less and allowing real time communication that leads to many forms of social network such as Facebook, Twitter, etc. Such phenomenon has direct impact to the state. For example, the Jasmine Revolution that used the information from WikiLeaks to spread via the social network. Countries with monopolized government will give priority to try and prevent this phenomenon to the best of their ability. Therefore the social network issue has indeed become a significant technological change which has a lot of impact to Thailand's Outlook.

The Future Picture sees more and more use of such social network as a political tool as well as a marketing tool for products and services. At the same time the social network can also be misused and to acquire secret information from large corporations and individuals which is a violation of privacy rights.

The negative impact for Thailand includes the misuse of the social network to widen the disharmony of the people, criminal activities and misappropriation of assets. The positive impacts includes it can be used to reduce the expenses and costs for products sales and services, because of the ability to reach the target consumers quickly and in great numbers as well as the ability for the state to reach more people with ease.

### **2.2. World System Change**

The world is progressing towards Multi-Polarity system. In particular the PRC which is striving towards becoming a new Superpower nation from the rate of their economic growth that is considered to become the nation with the largest economy overtaking U.S.A. in 2020. Even though the PRC uses the Peaceful Rise Policy, but lately there seems to be more solid attitude, for example the opposition against the west for

awarding the Nobel Peace Prize to Mr. Liu Xiaobo, the Chinese Human rights activist, and the Spratly Islands conflict.

The Future Picture sees U.S.A on one hand will increase their effort in strategically blockading the PRC by way of cooperating with regional alliances, and on the other hand, the U.S.A. will also try to strategically befriend with the PRC as well.

The positive impact for Thailand includes benefits from the large market size of China being strategically close, and China's strategy in using Southeast Asia as their sea port. The negative impact for Thailand includes the low cost products from China will create problems for Thai SME. The security impact includes the possibility of China being firm and strict on certain issues.

### **2.3. Non-Traditional Securities: NTS**

2.3.1. Food Security: the rise in number of population has result in greater demand for food. Furthermore, the increasingly severe natural disasters all over the world has put greater emphasis on the demand for supply of food and consumable water and their manufacturing processes, and less concerns on environmental impact.

The Future Picture sees the quality and quantity of food and water decreasing which will lead towards food hoarding and sharp increases in price.

The impact on Thailand will be better opportunity to supply food to the world as the geographical of Thailand is favourable, and therefore more profit and income to be gained.

2.3.2. Climate Change and Natural Disaster: the greenhouse gas effect has led to the increase global temperature and global disasters.

The Future Picture sees more frequent and more severe natural disasters around the world.

The impact on Thailand includes more and more evacuation and re-location to safety areas, agricultural area damages, rise in sea water level and seasonal change.

2.3.3. Transnational Crimes and Terrorism: Social changes has led to the changes in nation state concept to civic society concept which concentrates more on various communities of the society that has strong bargaining power towards the management of the state. This concept has led to Transnational Crimes and Terrorism such as the Al-Qaeda. The death of Bin laden is a significant current situation for this issue.

The Future Picture sees increase in Transnational Crimes and Terrorism which will become a Global Common that needs full cooperation from every parties involved. Superpowers nations will intervene in dealing with Transnational Crimes and Terrorism. Thailand will be used more and more as a passage for temporary shelters and for procurement of necessary materials to support the operations.

The impact on Thailand – Thailand may become the target for terrorists that see the nation as an alliance of the U.S.A resulting in more spending by the Government in efforts to counter Transnational Crimes and Terrorism activities.

## **2.4. The Middle East**

2.4.1. Energy Crisis: The world oil supply will only last for another 30 years. The middle east manufactures and supply 63% of oil to the world, and is currently encountered with political instability. Nuclear power is becoming unreliable on safety from radiation leakage, for example the nuclear power plant accident in Japan.

The Future Picture sees decrease in world fossil fuel supply and increases in price. There will be fierce fighting for fuel and urgent findings for renewable energy.

The impact on Thailand will be higher production cost, transportation cost, hence higher costs for finished goods.

2.4.2. Jasmine Revolution: It is found that after WikiLeaks has revealed the negative data from the Middle East namely the corruption of the authoritarian Government of Tunisia, the people began to communicate via the social network which eventually led to the Domino Effect of protests in other countries.

The Future Picture sees global protests and demands in countries with dictatorship leaders who monopolize power and lack of good governance. There may also be intervention from transnational organization.

The impact on Thailand: inbound evacuation of labour force and politically exiled civilians, short fuel supply which will push the fuel prices and consumable products prices higher.

## **2.5. Geopolitical Conflicts**

2.5.1. Border Conflict between Thailand and Cambodia: There will be conflict over border areas both on land and at sea which will lead to use of force along the border resulting in loss of lives and assets.

The Future Picture sees continuation of conflicts and use of force including the conflict with Myanmar in similar fashion as with Cambodia as there are also many disputed areas along the eastern border as well.

The impact on Thailand: Thailand will continue to face these issues resulting in trades and investment delays which will also create a challenge for the ASEAN community in 2015.

2.5.2. South China Sea Dispute (Spratly and Paracel Islands) There are 6 countries namely China, Taiwan, Philippines, Vietnam, Malaysia and Brunei claiming the rights of ownership of the islands. So far China and U.S.A have tried to intervene in order to maintain the power within this region.

The Future Picture sees intervention of superpower nations over the dispute.

The impact on Thailand: Diplomatic relations difficulties with superpower nations and the six nations claiming for the rights of ownership together with the maritime transportation risk through the disputed areas.

**2.6. International Cooperative Mechanism:** There are many forms of international cooperative efforts. An interesting one is BRICS whose members includes Brazil, Russia, India, China and South Africa. BRICS member nations comprise a total of 40% of the world population and a total GDP of more than 18% of the world GDP. The cooperative effort has a tendency to develop further towards a political cooperation to create more bargaining power against the G7 group.

The Future Picture sees the BRICS gaining more influence in the global arena, maintaining high economic growth rate with favourable bargaining role against the G7 group making the world economic and political systems more balanced.

The impact on Thailand: Thailand will have more investment opportunity, hence more stable economy.

## 2.7. ASEAN Community

2.7.1. ASEAN Political Community and Stability: At present the political cooperation and the stability still lack suitable mechanism to prevent and to resolve conflicts because the ASEAN Charter states “No intervention of internal affairs of its members” as well as the differences in the political between member states. In any case, there is a tendency for more cooperative effort on prevention and resolution of natural disasters.

The Future Picture sees quite a loose cooperative effort within the ASEAN Community with gradual development on a continuous basis.

The positive impact on Thailand will be the freedom in implementing the political and security policy, while the negative impact will be lack of trust and disputes along the borders.

2.7.2. **ASEAN Economic Community**: In 2015 there will be cooperation and freedom in the shifting of goods, services, labour, finance and investment.

The Future Picture sees more and more movement of capital, services, labour, and goods within the ASEAN Community.

The positive impact on Thailand will be advantages in enhanced competitiveness due to lower production costs and more benefits from more available resources in ASEAN, while the negative impact will see skilled labour competing for work, because they would demand for higher pay.

2.7.3. **ASEAN Social and Cultural Community**: There is cooperative mechanism for human rights, but still lack authority to receive complaints, or investigate in case there are any human rights issue violations by members, as each member still attach themselves to their identity, language, and their own history. There are still no cooperation or involvement related to environment issues.

The Future Picture sees minimal cooperation in ASEAN Social and Cultural Community.

The impact on Thailand: opportunity loss in cultural exchange and tourism industry related to social and culture among member nations.

**2.8. The Three Southern Border Provinces problem:** The violence continued to increase since 2004 due to different ideology, beliefs, and distortion of religious teachings. Moreover, the insurgents have used the offensive mass public approach strategy such as the Krue Se mosque incident of violence in Tak Bai which was the terrorist war in the city and the test of the mass power. Human rights related issues, local popularity and peaceful means are influence factors for the insurgents. Others factors including interests gained from narcotics, and illegal fuel oil, a separate management structure, the local education system, lack of cooperation from the neighbouring country to resolve the issue, have caused the local population to feel insecure and started to migrate elsewhere.

The Future Picture sees events that create increasing violence situation on an ongoing basis.

The impact on Thailand: The local economy and the overall picture of the country will become worse, more and more budget will be spent in attempts to resolve the problem while the problem solving effort become ineffective and leads to loss of lives and properties which dishearten the spirit and morale of the people.

**2.9. Political Crisis):** The political gathering will utilize various issues to attack the Government and the opposition such as the conflict with Cambodia, income inequality problem, argument about unfairness and discrimination, using the highest institution as political tools, votes buying, weak community depending on the help from Government. Ex-prime minister in exile will become more involved. In addition, the selection of the members of the senate will be seen such that the selected senators are those who oppose Police Lieutenant Colonel Thaksin's group.

The Future Picture sees continuation of conflict and may influence the political change. Supporting factors that may lead to the said change include the mass gathering with possible unrest and use of force.

The impact on Thailand: Economic recession, division of thoughts in all sectors, affects towards participation in the ASEAN Community, and decrease in confidence from the eyes of international population.

**2.10. Narcotics and Drugs Problem:** Thailand has been used as a temporary shelter and a passage for drugs trafficking, as well as the marketing channel for drugs trade particularly Methamphetamine while the production bases are located in the areas where ethnic minority groups live in the neighbouring country to the north. At present drugs trafficking problem exists along the borders all over the country with development in the production using small mobile units, and trading practice making use of advanced communications technology and the internet to directly reach the buyers with ease while the problem solving methods of the state for the past 10 years remain the same.

The Future Picture sees the problem becoming more severe with statistic of arrests and statistic of drugs pushers increased by more than 20%. The majority problem (80%) being methamphetamine with youth and children continues to be the target for drugs sales, and the area where the problem is more severe is Bangkok and vicinity as well as large cities around the country.

The impact on Thailand: Lower Thai human resource quality, weaker family institution, decrease in safety of people's lives and properties, large amount of the state's budget has to be used to fight the problem, which in turn will create more problems for the availability of the overall budget for development in other areas.

**2.11. National Education:** At present the Thai National Education is on the decline particularly the development of good quality teachers. The Education System still does not promote thinking process for the students which can be seen from the decline in educational achievement. Furthermore, the outcome from the Program for International Students Assessment (PISA) reveals that 74% of Thai children are incomprehensive of the Thai text they read, unable to analyze the meanings from the text, and are unable to make use of the Thai language in other subjects. Another problem that exist for the Thai children is their morale and ethics are on a decrease.

The Future Picture sees further decline in the Thai Education quality even though more and more students enter the educational institutions.

The impact on Thailand: Social problems such as crimes, HIV AIDS, narcotics, lower quality population, decreasing national competitive ability, and weaker politics.

**2.12. Thai Economic Crisis and Sustainability:** The international economic system that is dependent upon each other, the Tohoku Crisis in Japan, Public Debt in Europe and the high Twin Deficits Crisis in U.S.A. all play a hand towards the economic stability in various countries including Thailand. There are other factors as well, such as natural disasters, energy crisis, economic cooperation among groups of countries, global politics situation and the domestic economic structure ( export income being 65% of GDP), and the gap between the rich and the poor are also affected factors. However, there are also signs that indicate that the global economy is improving.

The Future Picture sees the Thai economy still dependent on the world economy as well as the domestic factors particularly the political factor and the natural disaster which is beyond control.

The impact on Thailand: Thai economy will increase by 3-5%, price of goods and services will increase, but there will be a risk of inflation caused by higher fuel prices and higher cost of commodity. Political instability will continue to affect image and confidence in the eyes of the rest of the world. In the long term, Thai economy will still easily be volatile due to the above mentioned factors



**2.13. Good Governance:** With regard to Fraud and Corruption, according to Transparency International Organization, the Thailand scores 3.5 points out of 10 of countries' transparency, which ranks Thailand at 78<sup>th</sup> in the world. In Asia, Singapore has the highest score of 9.3 and is ranked 3<sup>rd</sup> in the world. According to the data from the Political and Economic Risk Consultancy (PERC) which explores countries the countries in Southeast Asia with records of high fraud and corruption, it was found that Thailand is ranked quite high. The outcome reveals bribery, fraud and corruption are found in the Thai civil servant organization, Thai Politicians, Public Service Organizations at various levels right down to villages and local communities even though the sufficiency economy philosophy is used as the modal for the 8<sup>th</sup> National Economic and Social Development Plan (B.E. 2540 – B.E. 2544).

The Future Picture sees fraud and corruption problems still continue to exist and rising, and deep rooted to become a major obstacle for the national development.

The impact on Thailand: Country's image and trustworthiness will be on a decline. Efficiency and effectiveness in civil servant organizational management decreases, economic and social development slows down, more and more unjustified will be seen in society, and higher cost of living.

From the methodology and analysis of the Strategic Studies Students of Class 7/2011 which covered the political, economic, social and military dimensions including the consideration of geopolitical outlook at the global level, regional level and domestic level together with the deliberation of other related data to achieve Thailand's Outlook 2015 and the significant impact on Thailand, it was found that the vital issues include Social network, the change in global temperatures, the energy crisis, border conflict with neighbouring countries, cooperation among ASEAN Community, Political Crisis in Thailand, the Three Southern Border Provinces problem, narcotics and drugs problem, educational system problem, fraud and corruption problem as detailed above, which can be used to formulate the strategy, plan, policy, national development or strategic planning for related agencies. As such, all circumstances and all variable data at any moment in time must carefully be weighed and cautiously considered at all times.

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