



THE CONTESTED CORNERS OF ASIA

Subnational Conflict and
International Development Assistance

The Case of Southern Thailand
Executive Summary

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Aid agencies aiming to address the subnational conflict in the Deep South confront a difficult, entrenched situation. The structure of the Thai state, including its regional economic disparities, highly centralized governance, and ethnic nationalism is a cause of many of the problems experienced in the Deep South and a barrier to future transformation. Enduring inequalities continue to feed a sense of resentment among many Malay Muslims and foster a violent response on the part of a small minority of them. Violence is also exacerbated by local competition for resources and power. The Thai Government has not yet been able or willing to enact significant changes that might help address these causes and encourage a negotiated peace process. The insurgents have not shown that they are ready to negotiate a peaceful settlement, and serious questions remain regarding their capacity to collectively negotiate due to divisions among the core groups.

In foreign policy and aid circles, the southern Thailand case is the least well known of the country cases considered in this research, and has by far the lowest levels of international aid. However, compared to Aceh and Mindanao, this case is important because it is much closer to the norm in terms of subnational conflict in Asia. The protracted low intensity violence, contestation over state authority, low levels of international involvement, and major constraints on international assistance due to government sensitivities, have parallels in many other subnational conflicts across the region.

This report looks at development assistance to the area since the re-eruption of violence in 2004, focusing on internationally-funded initiatives. The report asks: Is there a meaningful role for aid if there is no transition to peace underway? How can international aid effectively address critical issues in a highly constrained, politically-sensitive environment?

The report draws on new data, including a large perception survey, locality case studies, a stocktaking of aid, and key informant interviews. The report also utilizes official statistics, violence data, and previous studies of southern Thailand.

Understanding Southern Thailand

Violent resistance against the perceived domination of the state in the Deep South of Thailand occurred over several periods during the 20th century, before declining in the early 1980s. The current insurgency built up momentum from the late 1990s, but was not officially recognized until 2004 when the number and scale of violent incidents rose rapidly.

Violent unrest in the Deep South of Thailand stems primarily from long-running tensions between the nation state and a minority population. Malay Muslims make up a clear majority of the Deep South's population of around two million yet are a tiny minority—only a little over 2% at the national level. Like most conflicts, the conflict in the Deep South is not purely one-dimensional. The main axis of contestation—between the Thai state and Malay Muslims—is complicated by other



forms of tension and violence. At the local level, inter-elite violence and inter-communal tensions are sometimes intertwined with the broader axis of state-minority contestation. Compared to the Philippines and Aceh, however, these localized forms of contestation are less significant in terms of violent conflict.

Transforming the Conflict

Aid agencies can play a supporting role in the search for peace, as many agencies have already demonstrated. In a middle-income country with ample government budget and without an ongoing peace process, the main contribution that aid agencies can make is to promote policy change that increases the likelihood of reaching a just solution to the conflict.

Most conventional forms of development and post-conflict assistance are not likely to contribute to transformation. The traditional goods provided by international aid programs are designed to improve economic growth, deliver better services, or reduce poverty,

but do not directly address the causes of the ongoing conflict. Unless these development interventions are accompanied by other measures that help to change government policies or transform institutions in the Deep South, they are unlikely to have much impact on the conflict.

The southern conflict touches on sensitive issues of both national identity and territorial control, and the Thai Government closely monitors donor and other international involvement in the Deep South. In this environment, external and non-governmental actors aiming to promote peace are likely to have the greatest impact if they take a long-term and pragmatic perspective. They can support small steps to help organizations that are interested in promoting peace, changing national and regional-level policies, offering opportunities for constructive debate on possible reforms, and/or finding other ways to ‘nudge’ the conflict towards peace.



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The most urgent priority is to help initiate and sustain a political transition that will move the context from conflict to durable peace. Significant changes in government policy could help to initiate a credible transition. These measures would also build public confidence that change is possible. Significant measures and symbolic gestures could encourage local leaders and the wider public to think that change is viable. However, in order to make a sustainable difference, reforms would need to go beyond symbolic gestures and instead make a genuine difference to people's lived experiences and perceptions of injustice and inequality. Some form of new governance structure or self-determination within the Thai state, alongside special allowances or dispensations to help redress key enduring inequalities, could help to alleviate the underlying drivers of the conflict.

Aid Strategy and Practices

Thailand is a middle-income, moderately high-capacity state that has seen rapid economic development over the past 40 years. Historically, foreign aid helped to bring most Thais out of poverty, build infrastructure, provide universal education, and improve healthcare. However, these changes have also contributed to ongoing inequalities and perceptions of injustice in the Deep South. Over the years, aid agencies rarely demonstrated interest in, or sensitivity to, the specific context of the Deep South. Even today most aid to Thailand remains focused on the core central growth region around Bangkok, and arguably has contributed to the skewed development processes that have added to tensions in the Deep South.

Current foreign aid flows are very small in comparison with Thai Government budgets and the wider domestic economy. For example in 2009, the Thai Government approved a 3-year special budget of 76 billion baht (then US\$ 2.4 billion) for the Deep South, whereas from 2000 to 2010, official aid commitments to the area were a total of only US\$17 million. The subnational conflict in the Deep South of Thailand presents a challenging environment for international aid agencies interested in promoting peace. There is no immediately obvious role for foreign aid in support of a peace process, and the Thai state, like many others across Asia and elsewhere, is generally reluctant to accept external involvement.

Those agencies that have found ways to support peace promotion typically prioritize



human rights, equality and justice rather than a narrower and more conventional development agenda. Also, aid agencies engaging in the Deep South have tended to adopt a politically-aware approach and have recognized that long-term peace requires changes in how the state operates. All donors work through intermediaries, or implementing organizations. Some channel most of their funds through one or two organizations (mainly national or international NGO). Other donors work with a variety of institutions and agencies.

Most of the international agencies that address conflict in the Deep South have recognized that the most critical level of contestation is between insurgent leaders, or self-appointed representatives of the minority population, and the central Thai state. Generally speaking, aid agencies funding development in the Deep South have a sound understanding of the causes and dynamics of violence. These donors recognize the need to transform institutions, and use their limited resources and influence to encourage policy that helps build a basis for peace.

The majority of aid agencies addressing the conflict have adopted a thematic approach and aim primarily to influence government policies and improve how the state operates in the area. Other agencies directly promote reconciliation by funding peace promotion or promoting negotiations to end the violence. Practical and critical elements of aid agency working methods are: setting priorities locally rather than following global policy prescriptions; building a strong knowledge base; and gradually developing selective relationships with domestic institutions.

Aid and Conflict at the Community Level

Programs at the community level can only indirectly address the key transformative factors, largely because the conflict has been generated and perpetuated by political dynamics above (or outside of) the community level. Compared to government funding, only a few donor-funded programs target a specific geographical area or project site.

This study's research focused on the complexity and risks of working at the community level, and particularly on how aid programs interact with local political and conflict dynamics. The research identified two key factors that need to be considered in community-based programs:

- *Significant variation between local communities.* This variation means that aid programs must be customized for local conditions, and monitoring must involve regular field visits.
- *Local political dynamics shape aid programs* (not vice versa). The nature of local political dynamics shapes the implementation and impact of aid programs to a much larger extent than aid programs shape local politics.

Without addressing these factors there is a risk that intervention unwittingly exacerbates tensions, for example, by fuelling local-level corruption. Additional local factors that affect the potential impact of community-level programs are: elements of village-level governance, the ethnic makeup of the community, mechanisms for delivering services and goods, 'points of entry' to the community, and individuals associated with the project who directly engage with beneficiaries.

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Recommendations for Aid Agencies in the Current Context

- *Focus on improving institutions to achieve transformative outcomes.* In the absence of a transition process, it is critical for aid agencies to continue working with government and civil society at multiple levels, from national and regional agencies, to local ones. The objective is to promote positive institutional change—even if these shifts are gradual and protracted. Additionally, donors can support domestic actors who are advocating for peace negotiations. Operational approaches need to be flexible, however, and adjust to changing political dynamics in order to seize opportunities as they arise.
- *Improve conflict sensitivity for all development programs at the national level.* Larger agencies should put greater emphasis on the principles of ‘Do No Harm’ across their country programs in Thailand, especially for national programs focused on governance, justice and education.
- *Gradually establish contextually-defined responses.* In order to establish relevant programs, aid agencies must build institutional relationships and localized knowledge over time. They need to ensure the support and confidence of key government agencies while also retaining their neutrality. In addition, they should devote time and effort to building working relationships with intermediaries in the Deep South itself, rather than relying on national bodies. Programs should respond as well to conditions on the ground, learning over time and adapting accordingly.
- *Sponsor monitoring and analytic work.* Monitoring impact in the Deep South is exceedingly challenging, however, more can be done to monitor conditions and results. This is a potential area for greater donor coordination to ensure that multiple aspects of the conflict, and not just violence data, are systematically being documented, analyzed and used to inform both donor and government policy.



Operational Recommendations:

- *Initiate alternative funding modalities.* Insulate programs in subnational conflict areas from standard donor agency rules to allow for quicker response and greater flexibility.
- *Take the time to build relationships.* Building relationships takes time and experience, especially if funding is designed to support organizational development.
- *Provide long-term institutional support to promising local partners.* Long-term institutional support is critical for developing local institutions with the potential to bring about transformative impacts.
- *Understand the intermediary chain.* The intermediary chain is critical for ensuring successful program implementation and providing a crucial feedback loop for donor agencies. It is important for agencies to spend time building relationships with intermediaries, and programs should consider how to build the capacity of intermediaries from the Deep South.
- *Adopt flexible partnership arrangements.* Aid providers should avoid trying to change their partners' structure, formal status, or operations, solely for the purposes of accepting donor funding.
- *Regularize donor information sharing.* Donors currently informally share information regarding their programs, however, it is important to hold regular meetings to share experiences, avoid duplication and identify potential knowledge gaps.

Recommendations for Aid Agencies in the Event of a Peace Process Gaining Traction

- *Continue support for improving institutions* that address the range of inequalities that perpetuate resentment and fuel violence.
- *Build trust and confidence in the peace process* of insurgent leaders and fighters, as well as the Thai state and the general public. Ensuring continued confidence in the transition process might be achieved through high profile international support to the peace process, or clear commitments to support crucial actors during a transition (such as insurgents or 'threatened' Buddhist minority populations in the conflict areas).
- *Support programs that will be necessary as the peace process advances.* Programs should provide expertise and support on issues that may arise such as: human rights, local governance, justice or amnesty arrangements; addressing minority grievances; and raising public awareness. Programs could take the form of support for dialogue forums on alternative governance arrangements, capacity building for those institutions likely to support, or be directly involved in implementing any new governance arrangements, and regional or national awareness-raising campaigns.
- *Monitor shifts in the conflict and tensions* that might arise by supporting ongoing monitoring initiatives and commissioning periodic research.



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