



Diligence | Research | Investigations



Security | Crisis Consulting | Special Risks Insurance

← Blackpeak - Blackpanda - Jing An Special Risks Integrated Risk Management Platform →

Security Risks in Southern Thailand: From Origins to Current Situation

Summary

In order to extract even more concessions from the Thai government, rebel groups in the southernmost provinces of Thailand may continue instigating violence. Such a scenario is more likely if the government launches a renewed crackdown on the insurgency that then triggers a violent response and renews the cycle of escalation, as happened in the early 2000s. The insurgency could also launch more attacks to demonstrate to a newly elected Thai government at some point that it should be taken seriously ahead of potential talks, or launch more attacks if such talks occur and go poorly. In the meantime, the conflict is likely to remain in an uneasy stalemate.

- Government crackdowns on business activities based on suspicions of commercial transactions with rebel groups
- The continued political influence of the rebel groups in villages and towns where investments are made

Introduction

Thailand has faced a long-running insurgency since the early 1950s in the country's predominantly Malay-speaking southern provinces of Pattani, Yala, Narathiwat, and parts of Songkhla, near the border with Malaysia. Collectively known by Malay nationalists as Patani, this Deep South region was a former Malay sultanate that was formally colonized by Siam, present-day Thailand, in 1909. Rooted in historical grievances and ideological differences, this conflict occasionally flares up. Violence started to spike in 2004, and more than 7,000 people - mostly civilians - have been killed in the ethno-religious border region during that period. While attacks have slowed since 2014, the potential for another escalation remains. However, the risk to foreign investors in the region is still relatively limited, especially as they have generally not been targets of separatist attacks.

Business Risks in the Deep South

Businesspeople seeking to invest in the southernmost provinces of Thailand should pay attention to the following risks:

- Attacks on local employees and clients, especially those who are Buddhist
- Destruction of frequently used major infrastructure, commercial facilities, airports, banks, and other public facilities
- Attacks on major tourist destinations in southern Thailand
- Sudden changes in policies or a deterioration in the business environment resulting from unsuccessful dialogue between the government and rebel groups

Origins of the Conflict

The conflict has its origins in the region's complex colonial history. The southernmost provinces of Thailand were part of the Muslim Malay Patani Sultanate from the

15th to the 18th centuries. The sultanate was defeated in the late 18th century by the Kingdom of Siam, which controlled the region for the following century. A treaty in 1909 between Siam and the British, who controlled Malaysia at the time, delineated the borders between Siam and Malaysia and recognized Siamese administration of the southern provinces. The Siamese government at the time restricted the practice of Islamic law, though they allowed ethnic Malays in this region to apply it to family and inheritance issues.

However, following a military coup d'état in 1932, the new government sought to unify the country under a "Thai" identity. They embarked on a controversial "modernization program," which labeled Islamic customs and Malay ethnic dialects as "backward" and further restricted the scope of Islamic law and tradition. This contributed to significant discontent among the local populations in southern Thailand and the eventual rise of popular separatist movements after the conclusion of World War II.

Early Separatist Movements and the Government's Response

The first substantial armed separatist movements in southern Thailand appeared in the early 1960s but were quickly defeated by the Thai military. However, other groups soon emerged as well, including the Barisan Revolusi Nasional (BRN) and the Patani United Liberation Front (PULO), which remain relevant today. The BRN was originally established by teachers and students to oppose the forced secularization of Islamic schools. This group carried out bombings and kidnappings for two decades until disputes between more moderate Islamic socialists and hardline Salafists caused it to fracture into several other factions in the 1980s. One of those factions, the BRN-Coordinate, is currently one of the most prominent rebel groups in the region.

The PULO was founded in 1968 by students from the region studying abroad and became one of the largest, longest lasting, and most influential rebel movements in the region. The PULO focused on political organization in Southern Thailand and coordinating insurgent operations by smaller militant groups. Its leadership also developed and maintained extensive international connections in Malaysia and the Middle East that allowed it to secure financing as well as logistical and political support from abroad. In the 1990s, however, a hardline group calling itself the New PULO broke away from the PULO and sought to engage in more aggressive attacks.

The Thai government responded to this growing insurgency by pressuring Malaysia and Middle Eastern nations such

as Saudi Arabia, Syria, and Libya to help crack down on militant training and financing. It also established the Southern Border Provinces Administrative Center (SBPAC) in 1981 to better coordinate security policy and improve the quality of local governance. They also invested in a state-sponsored amnesty program for militants. In response to this increasing pressure, all three leading groups - the PULO, the New PULO, and the BRN - briefly united to execute a coordinated series of attacks in 1997 that led to significant economic damage and casualties. This triggered a harsh crackdown that resulted in the capture of key leaders of both the PULO and the New PULO in 1998 and left the movement significantly diminished.

Resurgence of Violence in the 2000s

The election of populist Prime Minister Thaksin Shinawatra in 2001 was a turning point in the conflict. Thaksin dismantled the SBPAC and Centre 43 (another key joint military, civilian, and police task force) in 2002 and transferred security responsibility of the region from the army to the police, who were disliked in the Deep South for their harsher tactics. The fragile peace that had prevailed since 1997 soon collapsed into an escalating cycle of attacks and retaliation between 2004 and 2007. As one regional political expert observed, "One thing led to another thing which led to a major response which led to a further response. There were some awful massacres. And that has really driven things."

During these years, the region saw multiple assassinations, drive-by shootings, arson, and bombings that caused 2,566 casualties, over two-thirds of whom were civilians. The attacks included bombings at Hat Yai International Airport, a supermarket, and a hotel in the city of Songkhla in 2005, as well as the coordinated August 2006 bombing of 22 commercial banks in Yala province. Most of these attacks were organized by an assortment of former members of earlier separatist organizations who eventually coalesced under a new, decentralized structure headed by the BRN-National. Recruiting and indoctrinating young students from Islamic schools, the BRN established small armed groups in small villages who operated more independently and often helped them influence local politics by threatening village leaders with violence.

Whereas the BRN previously targeted symbols of Thai authority, violent factions of the group such as the Runda Kumpulan Kecil (known as the RKK) also started to attack Buddhist civilians and monks as well as symbols of secularism and western culture such as gambling halls and karaoke bars. It is important to note,

though, there is little evidence that this reflects a wider association with Islamic terrorist groups such as the Islamic State or Al Qaeda.

Initial Peace Dialogue

The Thai government responded with its own military crackdown, as Thaksin issued an emergency decree in 2005 that gave military and police officers expanded authority to launch raids and detain and question suspected insurgents. Thaksin himself was ousted in a coup in 2006 and fled Thailand, and the new government led by former Armed Forces Commander Surayud Chulanot recognized that the existing approach was not working. Surayud therefore began a secret dialogue with several older former PULO members, even as he continued the government's aggressive military effort. He also revived the SBPAC, and publicly apologized for hardline policies adopted by governments of the past in the Deep South. This helped slow the initial surge of violence. However, Surayud left office in 2008, and Thailand then saw a series of short-lived governments that did not pursue a consistent policy toward the south until Thaksin's sister Yingluck Shinawatra was elected Prime Minister in 2011.

Yingluck eventually came to believe that informal and secretive dialogue with separatists – called “has beens” by one recently retired general – was not enough, and that the government had to offer substantial concessions and a more robust process. In February 2013, the government announced that it would initiate a formal dialogue process. But major Thai establishment figures, including then army chief and current Prime Minister Prayut Chan-o-cha, were strongly opposed to the initiative, and feared that any concessions or autonomy would pave the way towards a declaration of independence and disintegration of the Thai state. And in any case, in August 2013, the BRN announced that it had abandoned the talks due to the government's failure to address its own demands, including state recognition of the BRN as a liberation movement rather than a separatist movement and the release of imprisoned BRN members.

In 2014, Yingluck was, like her brother, ousted in a coup, and Prayuth took power directly. Prayuth has continued a policy of heightened security presence in the region and has not sought to renew talks. Instead, he reintroduced a partial amnesty program called “Bring the People Back Home,” which allows for insurgents to become reintegrated into society and provides them with job opportunities, most typically on army-sponsored and supervised programs. These have been met with considerable skepticism from BRN members.

Current Situation: An Uneasy Stalemate

Although it remains largely intact, the fragile peace inaugurated by Surayud's original talks and Yingluck's more ambitious efforts has started to slowly fray. In August 2016, a string of bombings occurred outside the insurgent stronghold in the Deep South, targeting tourist hotspots in popular destinations such as Hua Hin and Phuket, leaving 4 dead and 35 injured, including 10 foreigners. No insurgent group claimed responsibility for the attack. The police dismissed the possibility that it was the work of insurgents but did not identify the perpetrators, despite the arrest of several suspects. While it is not in the government's interest to admit that the insurgency can or is willing to target popular tourist destinations, it is also true that the insurgency itself has largely avoided these kinds of targets.

In fact, the only other similar attack in recent years – the bombing of a Big C supermarket on 9 May 2017 that injured 80 people but did not kill anyone – was condemned by insurgent leaders at the time. A researcher with frequent contact with the insurgents says that the organization “does not believe in targeting foreigners.” Some more radical insurgent groups such as the RKK have targeted Buddhist civilians, though, usually in retaliation for police or military raids.

Following these attacks, in 2016 and 2017 the government held a new round of talks with representatives of an umbrella organization called MARA Patani. Established in 2015 by BRN members who favored dialogue, MARA Patani consists of former militants from the BRN-Coordinate and the PULO, along with other smaller organizations seeking to establish a more effective and unified approach to negotiations. It is not clear, however, how much influence MARA Patani has over the broader insurgent movement, and there is little evidence that either side is, in fact, interested in the more substantive and coordinated discussions that MARA Patani seeks.

The Possibility of Violent Incidents in the Deep South

The junta sees little value in – from its perspective – legitimizing the BRN with a more formal negotiating process, while the BRN would prefer to wait for a new elected government, which they hope might be more accommodating. That has left the negotiation process, as one local academic who has served as a go-between for the military and the BRN put it, “going nowhere.”

For now, though, that also means insurgents have little incentive to launch major attacks because they believe – probably correctly – that the government will only respond with an even harsher crackdown.

However, security risks remain. While insurgents have shown little interest in specifically attacking foreign investors, they have a demonstrated capability to target key infrastructure, stores, airports, banks, and other public spaces. The risk of being “in the wrong place at the wrong time” is real. Attacks could also disrupt electricity or other infrastructure that businesses depend on. It is also possible that the insurgents seek to dramatically escalate the conflict with more widespread or prominent attacks that significantly increase these risks.

Further Reading

The Terrorist Threat from Thailand: Jihad Or Quest for Justice?, Arabinda Acharya & Rohan Gunaratna, Potomac Books, 2013.

Figure 1: Number of Events and Casualties in the Deep South Region (2001-2017)

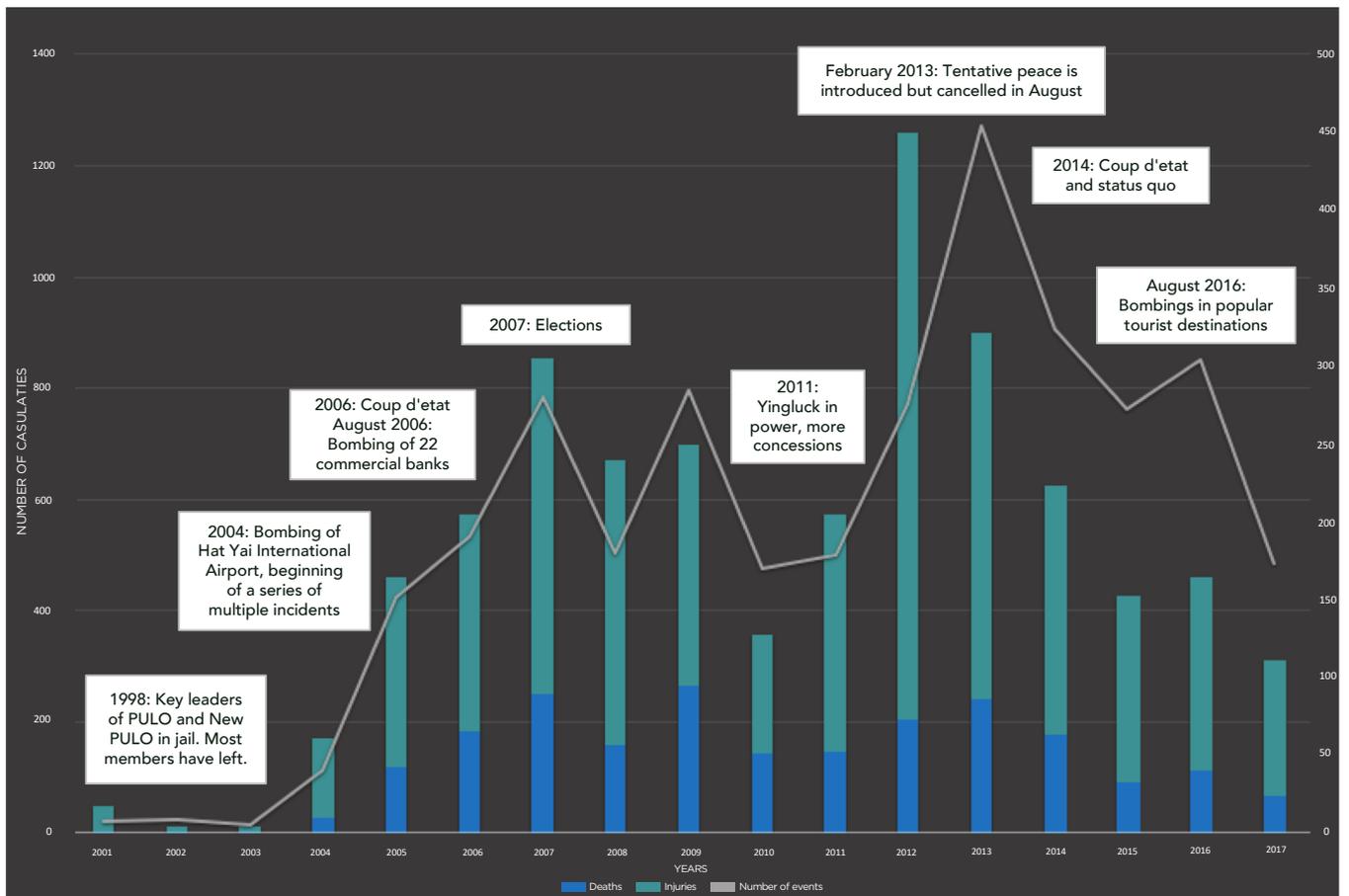


Figure 2: Timeline of Events from 1909 to Today

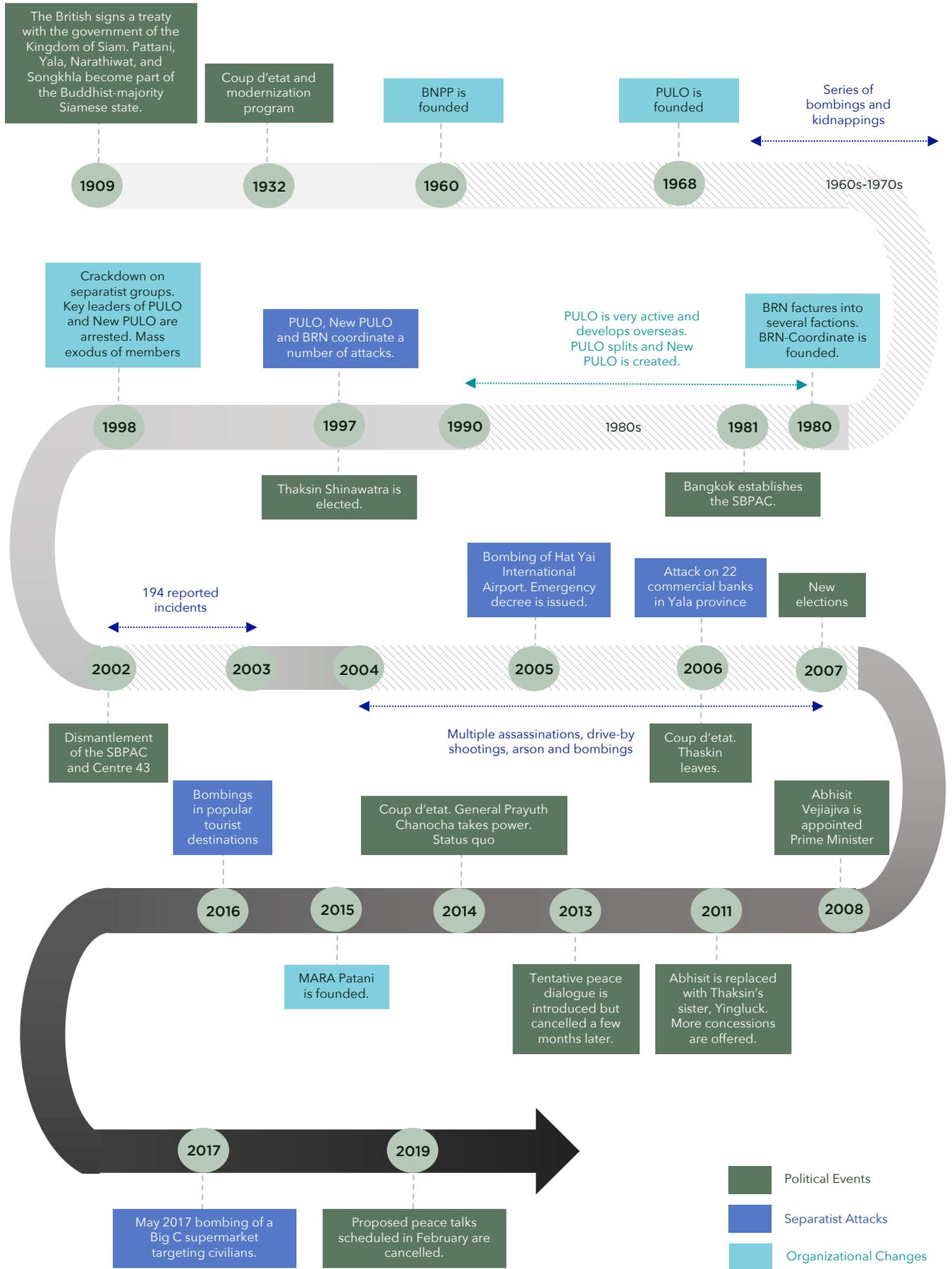
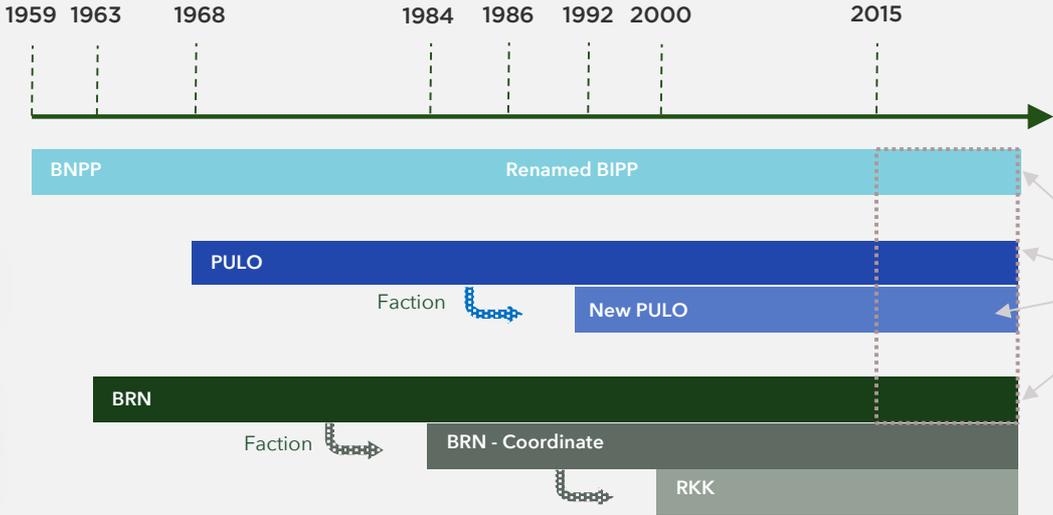


Figure 3: Groups in South Thailand from 1959 to Today



The most violent group



The largest and most powerful group

Figure 4: Map of the Region



About Blackpeak

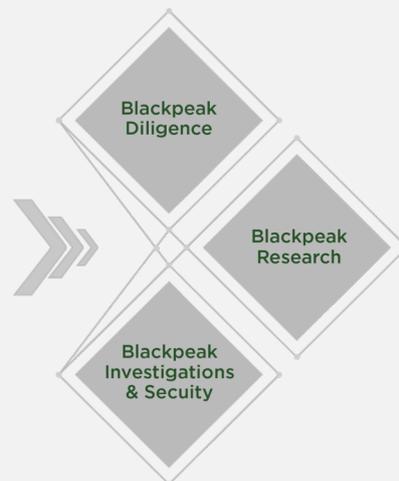
Blackpeak is an international investigative research firm.

Founded in Asia, the firm now operates from strategic locations in key financial and economic centers, including Hong Kong, Singapore, Tokyo, Shanghai, Beijing, Guangzhou, New York and Washington DC.

We handle highly complex research assignments, including integrity due diligence, internal and external investigations, asset searches, business intelligence for institutional and hedge fund investors, stakeholder mapping, political risk research and more.

Over 450 clients rely on Blackpeak's services, including the world's leading investment banks, corporations, law firms and asset managers.

In 2019, Blackpeak was acquired by Acuris, the BC Partners and GIC-backed provider of global data, intelligence, research and analysis.



Key Contacts

Singapore

Vanessa Capdevielle

vcapdevielle@blackpeakgroup.com

+65 6521 7050

Tokyo

David Suzuki

dsuzuki@blackpeakgroup.com

+81 3 6455 5306