



Journal of Political Science and International Relationship (JPSIR)

ISSN: 3065-6125 (ONLINE)

VOLUME 2 ISSUE 1 (2025)



PUBLISHED BY
E-PALLI PUBLISHERS, DELAWARE, USA

Small-State Strategy in an Era of Great Power Rivalry: Thailand between the U.S. and ChinaAdam Taim^{1*}**Article Information****Received:** April 10, 2025**Accepted:** May 12, 2025**Published:** May 21, 2025**Keywords***Foreign Policy Alignment,
Hedging Strategy, Small State
Strategy, Strategic Neutrality,
U.S.-China Rivalry***ABSTRACT**

The growing competition between great powers, the United States and China, has put more pressure on small states to align with extraordinary powers. This article interrogates the dominant small-state literature that casts small states as passive or structurally constrained by investigating Thailand's strategic actions and words under the Biden administration. Guided by small-state theory, realism, and strategic hedging, this article employs a qualitative, empirical case study to examine Thailand's foreign policy behavior. The empirical case study assesses Thailand's diplomatic activity and economic engagement while also analyzing Thailand's policy responses to external pressures to demonstrate a nuanced neutrality strategy shaped by the joint forces of geostrategic constraints and domestic agency. It finds that Thailand can maintain its autonomy as a small state by being engaged pragmatically and economically adaptable, using multi-vector diplomatic relations without openly aligning with Washington or Beijing. The study contributes to broader debates on small-state strategies for engagement and the changing international order by providing evidence that secondary powers use engaged strategic tools and calibrated strategies as a part of their agency that rejects binary alignments. It recontextualizes hedging as a deliberate, strategic tool intentionally pursued by small states engaging with much more powerful states in an increasingly multipolar world.

INTRODUCTION

The intensifying strategic rivalry between the U.S. and China has boosted Thailand's geostrategic significance, especially as a neutral state facing heightened pressure from both countries within Southeast Asia. As such, American foreign policy under the Biden administration shifted to broadly respond more assertively to China's growing influence in the Indo-Pacific (Montolalu, 2022). Therefore, such efforts have included repairing alliances, deepening defense relationships, and supporting a rules-based international order (Busbarat, 2024). Thailand's traditional neutrality has been under new strain as part of this broader strategy. Although Thailand has maintained a consistent neutral or non-aligned status for many years, the recent increase in U.S. focus on strategic partners in the region brings into question Bangkok's diplomatic flexibility and posture. With the United States ramping up its engagement on the regional front while China continues to exert its political and economic power, Thailand is increasingly compelled to respond to and manage the competing pressures from both countries. Given this backdrop, the study will investigate the following research questions:

A. How has U.S. foreign policy under the Biden administration affected Thailand's position as a neutral country amidst the U.S.-China rivalry?

B. What strategy has Thailand adopted to maintain its neutrality amid increasing geopolitical pressure from the United States and China?

Moreover, this study examines how small or middle powers can preserve neutrality during great power competition by reviewing diplomatic initiatives, official policy statements, and Thailand's strategic responses. As

a result, the analysis provides an overall framework for evaluating the effects of US foreign policy in Thailand and the changing regional situation regarding Bangkok's strategic selection of alignment or non-alignment Indo-Pacific.

Problem Statement

As strategic competition between the United States and China grows, Thailand's historical posture of neutrality is being tested like never before. Under the Biden administration, there has been greater emphasis on asserting U.S. interests in Indo-Pacific leadership with regional partnerships. This has put Thailand, a critical Southeast Asian regional player, under more significant diplomatic and strategic pressure. This study explores the pressures that contemporary U.S. foreign policy creates and analyzes Thailand's strategies to maintain its non-aligned position, aiming to understand better the pressures and how they impact Thailand's non-aligned status.

Thesis Statement

This article contends that the Biden administration's Indo-Pacific strategy has inflicted strategic pressure on Thailand, which has been historically neutral, as it attempts to recalibrate its foreign policy strategy. Thailand has responded with a balancing strategy that integrates hedging, diplomacy, and economic realism while trying to sustain a posture of nonalignment in a rapidly splitting region.

LITERATURE REVIEW

Recent scholarship highlights the growing vulnerability of small states like Thailand amid intensifying great power rivalry. According to Cogan (2024), Thailand's neutrality

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is increasingly constrained by outside dependencies, especially economic and military assistance, while further intensifying given the escalating U.S.–China competition. As Thailand’s outside dependencies grow, its strategic autonomy may be compromised, and Thailand may come under pressure from both parties. Within U.S. foreign policy under the Biden administration, multiple studies have highlighted a renewed focus on strategic competition with China and a pivot toward alliance-based multilateralism. The Biden administration has revitalized regional security frameworks such as the Quadrilateral Security Dialogue (Quad) and AUKUS to counter China’s growing influence and uphold a liberal international order (Das, 2023). These initiatives represent a strategic shift from the unilateralism of the previous U.S. administration with a focus on alliance and partner security in the Indo-Pacific (Tow, 2020). This multilateral approach allows the United States to signal long-term stability in the region through collective institutional mechanisms and maintains a strategic footprint with critical partnerships (Wang, 2022).

Nonetheless, some scholars suggest that the benefits of the commitment to counterbalancing China through a firm multilateral aspect overlook the strategic preferences and sensitivities of smaller Southeast Asian states. For example, larger regional partners such as Japan and South Korea arrive at the U.S.-led alliances through different approaches than those experienced by smaller partners, such as Thailand, where multilateral can feel binary and unilateral. This critique speaks to a larger body of scholarship on strategic hedging that centers on the ability of small states to make flexible and noncommitting policies that allow for autonomy and flexibility (Kuik, 2020). As such, the literature reveals a tension between U.S.-led alliance building and the hedging of Southeast Asian states. This tension is particularly palpable for Thailand, which is ever cognizant of a potential slide toward overt alignment. Poonkham (2023) observes that as military and economic engagement by the United States with Southeast Asian states takes place, it exerts indirect pressure on Bangkok as Thailand is indirectly pressured to choose sides in a contesting geopolitical situation. This indirect pressure reduces Thailand’s strategic maneuvering while it actively seeks to maintain relations with Washington and Beijing. Lim and Nguyen (2024) observe that the United States’ economic initiatives and frameworks for investment and trade agreements to roll back Chinese economic influence force a recalibration of reliance on regional actors. While it will benefit from U.S. investment, Thailand must also contend with its deep integration with trade in China.

Further, the literature is divided on the implications of enhanced U.S.-Thai military cooperation. Chambers (2023) emphasizes the security benefits of defense agreements and joint exercises, strengthening Thailand’s military capacity and regional deterrence posture. On the other hand, Han (2022) argued that this cooperation with militaries could heighten tensions with China and provoke

instability in the region. Scholars are more concerned that Washington’s strategic logic may not fit with the risk calculations of smaller states engaged in a multipolar competition. The studies suggest that although Biden’s foreign policy seeks deterrence via alliances and economic engagement, the outcome could weaken Thailand’s hedging strategy. The literature highlights an asymmetry between great power strategies and the preferences of small states and notes a lacuna in U.S. strategic thinking about partnerships with hegemonies that don’t limit the agency of smaller actors.

China’s Belt and Road Initiative (BRI) has firmly established an economic footprint in Thailand, particularly through infrastructure investments that have accelerated Thailand’s domestic development and regional integration. As a result of this growing economic interdependence, China has emerged as Thailand’s largest trading partner in recent years, creating structural incentives for Thailand to remain engaged (Poonkham, 2023). Scholars have suggested that by creating economic ties, there are strategic dilemmas for Thai policymakers who must figure out an appropriate balance between the advantages of Chinese investment and the potential drawbacks of diminishing relationships with other partners, namely the United States. Other studies show that Thailand’s economy is closely bound to China’s, which limits Thailand’s strategy options. A dramatic turn toward the United States could threaten the same economic stability that Thailand obtains from trade and infrastructure ties to China. The United States has rolled out new regional multinational networks to limit China’s economic leverage. A network suggested is the Indo-Pacific Economic Framework (IPEF) to enhance economic partnerships with several countries, including Thailand (Poonkham, 2023). Nonetheless, while IPEF is a positive step, there has been criticism that IPEF has very limited sectors, moves slowly, and has no direct financial incentives that would generate equivalently beneficial scenarios such as BRI. Additionally, U.S. economic frameworks regularly include normative conditions around governance, labor, and environmental standards that may benefit U.S. interests but are not typically shared priorities by Southeast Asian states. Although they align with U.S. values-based diplomacy, U.S. conditionality on economic partnerships may present it as less attractive than the “no-strings-attached” model that typifies Chinese engagement models.

Moreover, U.S. aid is often tied to conditions that are noncomparable to the domestic priorities of Southeast Asian states and appears less attractive than China’s faster and more flexible economic assistance. Thus, some Thai policymakers viewed these efforts skeptically, fearing the data would suggest a risk to lucrative economic relations with China if Thailand firmly aligned with the U.S. (Busbarat, 2024). While the U.S. pressures were met with skepticism by the Thai government, those actions have prompted the government in Bangkok to rethink its foreign policy, and the long-term sustainability of

maintaining its neutral approach is even more questionable. As such, as the competition between the U.S. and China escalates, Thailand is being pushed to make even firmer decisions. Malisuwan (2024) asserts that increased great power competition could compel the country to rethink its foreign policy priorities more seriously, seeking even closer alignment with one of the superpowers. Similarly, the military dimension of U.S.-Thailand relations adds strategic complexity to Bangkok's foreign policy orientation. Historically, Thailand has regarded the United States as their principal security partner and has gained advantages from military assistance, joint exercises, arms sales, and military-to-military agreements. These forms of support collectively strengthen Thailand's defense capability and level of operational readiness, which collectively underpin Thailand's broader deterrence posture. Scholarly assessment increasingly interprets America's longstanding military relationship with Thailand as a proximate measure to balance China's growing regional military power. The annual Cobra Gold exercises, arguably the most identifiable artifact of Thai-U.S. defense cooperation, are more than technical exercises that reinforce Thailand's military capability; they also send a strategic signal of mutual orientation and readiness. Those exercises also have a deterrent effect and reaffirm the historical security relationship between Thailand and Washington, particularly with the Biden administration's expanded Indo-Pacific military posture. However, increased defense cooperation also has potential geopolitical risks. As noted by Shambaugh (2020), the increasing frequency and scale of U.S.-led exercises, now reportedly totaling over 40 annual engagements with Southeast Asian partners and involving more than 30,000 personnel (U.S. Department of Defense, 2024), could be perceived by Beijing as part of a broader containment strategy. This perception risks prompting a counterreaction from China, potentially undermining Thailand's efforts to maintain equidistance between the two powers. Consequently, the literature illustrates Thailand's strategic predicament while strengthening its military posture by cooperating closely with the United States. Thailand wants to minimize threats to its national interests from China. Thailand's dilemma is managing this fine line of receiving military benefits from the United States up to the point of indicating so closely that it is aligning with the United States, thereby decreasing alignment risk and causing China's strategic recalibration to produce hostilities.

Another factor shaping Thailand's foreign policy is the emergence of a new front in U.S.-China's strategic competition in the digital and technological domain. Scholars note that both powers are vying for influence over Southeast Asia's digital infrastructure, offering competing models of technological development and governance (Carrozza, 2025). The United States has emphasized secure, rules-based digital coalitions that align with democratic values. At the same time, China has advanced its Digital Silk Road initiative through large-

scale investments in 5G networks, artificial intelligence, and digital surveillance technologies (Narins, 2024). According to Lee (2024), using either U.S. or Chinese technology has implications beyond economics, including the long-term development of political relationships with foreign governments, trade flows, and influencing political relationships. The limiting scope of technological partnerships is more strategic regarding Thailand's ability to diversify its economic dependence while attempting to remain neutral.

Beyond digital infrastructure, the environmental dimension of U.S.-China competition also influences Thailand's policy space. Both nations have taken action regarding Southeast Asia's sustainability and climate cooperation programs but in different forms. Liao (2022) points out that China's environmental aid often prioritizes rapid responses and less regulation, which is attractive to states such as Thailand with pressing infrastructure demands. In contrast, U.S. environmental initiatives tend to be slower, more conditional, and often tied to broader governance or transparency frameworks. The literature indicates that Thailand's role in public technological and environmental cooperation is becoming a proxy site for larger geopolitical conflicts. The strategic implications of decision-making regarding funding for digital infrastructure and the environment illustrate many geostrategic dimensions of Thailand's foreign policy dilemma.

In addition to external factors, domestic political systems are important contextual influences impacting Thailand's foreign policy. Scholars generally concur that the military and the monarchy are two important internal political institutions that seize upon Thailand's two-party system and their strategic decisions (Cogan, 2024). These internal actors steer the direction of policy and the capacity of Thailand to navigate excellent power relations at considerable domestic political risk. The Thai military, with its entrenched role in governance and national security, generally favors the continuation of strong ties with the United States, rooted in decades of defense cooperation and training (Ar Rahman *et al.*, 2024). This institutional preference reflects the historical reliance on American military support and the military's strategic calculation amid regional dislocation. In contrast, the monarchy has developed a softened approach toward China, according to Charoensri (2024), who states that the Thai monarch believes the relationship with Beijing is critical for maintaining economic stability, particularly as China has made a long-term investment in Thailand's infrastructure. As such, the monarchy contributes to Thailand's balancing process with soft power and its symbolic and informal power in foreign policy. Therefore, the literature implies that Thailand's domestic-level duality adds difficulties to its neutrality, as actors may coalesce around one great power or another and contribute to external great power preferences that meet internal preferences. Thailand's foreign policy always faces internal and external forces that create a performative

policy balancing framework. This internal balancing act mirrors the broader strategic tightrope Thailand walks internationally, seeking to preserve agency while avoiding entrapment in binary alignments.

The Study Gap

While existing papers have addressed Thailand's foreign policy and balancing act between China and the United States, few have deeply examined Thailand's strategic behavior as a small state operating within a volatile global and regional context of great power rivalry. Much of the literature focuses on economic or military ties yet pays limited attention to how internal political dynamics, particularly the roles of the monarchy and the military, shape foreign policy decisions. Additionally, regional analyses often treat Southeast Asian states uniformly, overlooking Thailand's unique diplomatic behavior and internal constraints. This study addresses this gap by using international relations theory via a hybrid geopolitical and economic lens to assess Thailand's strategic actions.

Theoretical Framework

This examination draws upon three fundamental theories of international relations - small state theory, hedging strategy, and strategic neutrality. Small state theory is a foundational framework for contextualizing Thailand's foreign policy behavior as it underscores relationality in international systems. Although Thailand holds economic significance within Southeast Asia, its global influence remains constrained compared to major powers. According to Rowlands (2013), small states often counterbalance their structural vulnerabilities through strategies emphasizing diplomacy, multilateral cooperation, and normative alignment. Thailand is characteristic of this trend in its practice of soft power, activist role in regional organizations, and varied external alignments. While historically allied with the United States, Thailand has preserved policy space with its enhanced engagement with China and reinforcement of intra-ASEAN relations. Such an "omnidirectional diplomacy" practice enables Thailand to maneuver across ideological fault lines without being locked into binary alliances. Hence, the small state theory accounts for Thailand's circumspect yet calculated balancing between Washington and Beijing.

Most closely associated with this action is the idea of hedging, a policy through which states eschew solid alignment while cooperating with several powers to reduce risks and increase gains. Hedging diverges from mainstream balancing or band wagoning, as it centers on ambiguity, flexibility, and diversification (Korolev, 2024). Thailand's foreign policy under the Biden administration reflects these characteristics. It maintains long-standing security cooperation with the U.S., such as the Cobra Gold exercises and major non-NATO ally status, while advancing economic engagement with China through initiatives like the Belt and Road and joint infrastructure projects. This strategy is not a sign of indecision but

a deliberate response to structural uncertainty in an increasingly competitive world order.

Strategic neutrality builds upon hedging but adds a layer of intent and political signaling. Rather than simply avoiding alignment, it reflects an active effort to occupy a middle position in global affairs. In contrast to formal constitutional neutrality, strategic neutrality is more fluid and context sensitive. It manifests in its avoidance of overt positions on contentious geopolitical issues in Thailand, such as the South China Sea or Indo-Pacific military coalitions. As noted by Charoensri (2024), Thailand promotes ASEAN centrality, engages in economic diplomacy, and refrains from ideological confrontation. This posture enables it to sustain ties with the U.S. and China without being pulled into exclusive blocs or formal alliances. The policy also helps explain Thailand's cautious approach toward the U.S.-led Indo-Pacific Strategy and China's regional integration initiatives (Feng & Netkhunakorn, 2024).

Through integrating economic and geopolitical dimensions, this model describes how regional security issues and strategic economic relationships shape Thailand's foreign policy. As such, geopolitically, its participation in ASEAN-led forums and defense cooperation with the particular demonstrates a commitment to multilateral diplomacy and collective deterrence (Chambers, 2023). Economically, Thailand's dual strategy towards the Belt and Road and the Indo-Pacific Economic Framework is motivated by a desire to diversify dependence while maximizing infrastructure financing and market access (Poonkham, 2023). An interaction of these forces, not any of them, stimulates Thailand's foreign policy behavior.

MATERIALS AND METHODS

This study applies a qualitative and analytical methodology to investigate Thailand's strategic neutrality as a perceived small state amid intensifying U.S. China competition. The qualitative method permits a detailed and interpretive examination of the factors shaping Thailand's diplomatic decisions, foreign policy, and economic and security alignments without statistical generalization. Rather than offering a prescriptive account, this study provides a theoretically grounded interpretation of Thailand's foreign policy in a changing geopolitical context. It relies primarily on secondary sources, including academic literature, policy papers, think tank reports, and official documents and statements from Thailand, the United States, and China. This blend of theory and empirics is essential to understanding scholarly literature and ongoing debates in policy circles.

Further, a case study approach is adopted, positioning Thailand as a representative small-state actor to enable a detailed examination of its foreign policy decisions under significant tremendous power pressure. Gerring (2017) emphasizes that case study methodology is particularly well-suited for qualitative research, where identifying causal mechanisms and unpacking decision-

making dynamics is essential. Thailand's geostrategically advantageous location, pre-existing relations with America and China, and pragmatic diplomatic experience grant it the best possible setting to research the effects of geopolitical rivalry on small and medium states. This case-based analysis allows for tracing causal mechanisms, disaggregation of diplomatic strategies, and insight into patterns of continuity and change in Thai foreign policy. The analytical framework is organized into two dimensions: the geopolitical dimension, which analyzes security agreements and diplomatic alignment, and the economic dimension, which analyzes Thailand's trade flows, infrastructure investment, and strategic economic cooperation. Geopolitically, the study examines bilateral and multilateral defense cooperation (e.g., Cobra Gold exercises), Thailand's rhetorical alignment, and its alignment with regional security institutions such as the Quad and AUKUS. Economically, the discussion considers Thailand's participation in China's Belt and Road Initiative, investment cooperation, and participation in U.S.-sponsored platforms like the Indo-Pacific Economic Framework (IPEF). A twinned approach like this offers an all-rounded view of how external overlapping incentives and constraints condition strategic neutrality. In addition to document analysis, the study adopts a process-tracing approach to reveal the key turning points in Thailand's foreign policy behavior. The method links observed policy change to underlying structural pressures and elite decision-making processes (Beach & Pedersen, 2019). One illustrative case will focus on Thailand's evolving posture toward digital infrastructure development between U.S. demands for transparency and China's Digital Silk Road as an instance of strategic hedging shaped by economic incentives and geopolitical imperatives (Jepson *et al.*, 2023).

Limitation of the Study

While this study provides an analytically grounded understanding of Thailand's strategic neutrality in the U.S.-China rivalry, several limitations should be noted. The analysis is temporally circumscribed to the Biden presidency and takes a proximate view that prevents assessment of long-term policy patterns and observation of long-term continuities. The research borrows substantially from secondary sources such as academic research, policy reports, and government statements that, though authoritative, lack access to internal decision-making or classified views that guide Thai foreign policy. Moreover, as a single-country case study, the findings are not intended to be generalizable to other Southeast Asian states, whose strategic cultures and domestic structures may differ significantly. Finally, while the study applies established theoretical frameworks to interpret state behavior, the qualitative and interpretive nature of the analysis may be shaped by the researcher's conceptual framing. These limitations notwithstanding, however, do not weaken the research contribution to knowledge regarding small-state responses to systemic pressures,

learning from neutral actors' strategic actions amidst great power rivalry.

Thailand's Strategic Alignment Choices: A Case Study

Diplomatically, Thailand has avoided firm alignment with U.S.-led strategic initiatives despite being a treaty ally under the 1954 Manila Pact (Gorodnia, 2022). The Biden administration's Indo-Pacific strategy has been fixated on building coalitions like the Quad and AUKUS to counter China's regional rise. However, Thailand's low-profile reactions on these issues and the lack of an official endorsement for them after the summit are intentional avoidance of this and of any whole-hearted commitment to bloc politics. Thailand's leaders have consistently reaffirmed ASEAN centrality in all international exchanges lately while committing to cooperation, not confrontation, as foundational to cooperation and regional harmony. This diplomatic move is not appealing, but it is a well-calculated move to avoid jeopardizing Thailand's maneuverability. Thailand court China at the highest level and reaffirming economic and strategic ties. If Thailand maintains warm relations with both sides, it can reduce political risk and retain maneuverability. Military conduct supports this approach. Thailand has consistently and robustly contributed to U.S.-led military exercises like Cobra Gold, which have increased under Biden to include cyber and humanitarian dimensions. While no new formal military alignment or basing agreements with the U.S. would signify an alignment with the U.S., Thailand has adopted clear boundaries to protect its autonomy. During this period, the military relationship between Thailand and China has deepened through joint exercises, purchases, and procurement agreements, including some advanced weapons systems. This is not contradictory. It is a hedging strategy to maintain the best operational capacity and strategic access without explicitly siding with one security partner.

Additionally, the economic domain further illustrates Thailand's balancing behavior. While both the United States and China are significant economic partners, China has emerged as Thailand's largest trading partner, accounting for approximately 18% of its total trade volume in 2022 (OECD/ITF, 2025). Major infrastructure projects, such as the Thai Chinese high-speed rail under the Belt and Road Initiative, are politically low-risk and economically beneficial. Thailand nonetheless has joined the U.S. Indo-Pacific Economic Framework, despite some skepticism regarding any material return from its participation in the Framework. Given these dual forms of participation, this suggests that whatever the method of diversification is, it is based on the idea of diversification, not alignment. The objective is to ensure that the country can come up with a benefit from both sides while limiting structural dependence.

In the technology domain, Thailand's choices likewise showcase calibrated neutrality. Despite protests from the U.S., Thailand struck an agreement with Huawei to create Thailand's 5G infrastructure, focused on cost

and capacity rather than strategic alignment of its 5G development. At the same time, it pursued U.S. programs that focused on cybersecurity and digital governance. This dual engagement implies a basis of logic. Thailand sees technology not as a site for ideological contestation but for strategic economic gain. Its behavior is designed to maximize its capacity for digitization without making a firm commitment to either ecosystem, and this reduces vulnerability to coercive actions. Further, environmental diplomacy offers yet another lens through which Thailand's neutrality is enacted. It has participated in U.S.-sponsored clean energy initiatives while accepting Chinese hydropower and transport infrastructure funding. Thailand practices cooperation through compartmentalization instead of aligning environmentally; it draws from both superpowers while avoiding politicizing environmental policy. It preserves flexibility for development and underlines a further strategy of issue-based engagement.

In addition, Thailand's domestic political dynamics add further complexity to its foreign policy orientation. Decision-making is primarily in the hands of elite actors, especially the military and the monarchy (Gorodnia, 2022). Historically, the military has exhibited a geopolitical alignment with the United States, shaped by Cold War-era cooperation and longstanding benefits from U.S.-sponsored training programs, military aid, and ideological alignment. Conversely, the monarchy and segments of the bureaucratic elite have cultivated close ties with China, viewing it as a source of economic stability and development (Wongsurawat, 2019). Tensions between these elite blocs are mitigated through bureaucratic compartmentalization and elite-level consensus-building. This governance structure has enabled Thailand to pursue a coherent foreign policy, insulated mainly from internal ideological fragmentation.

Taken all together, arguably, these behaviors, aggregating from multiple diplomatic, defense, economic, technological, environmental, and political dimensions, show that Thailand's neutrality is an active strategy framed by structural constraints and domestic determinants. Each policy choice represents a deliberate choice to avoid entrapment in great power rivalry while maximizing strategic flexibility. The case illustrates that strategic neutrality is not a void or absence of policy but a sophisticated form of soft balancing consistent with the logic of small-state survival in a multipolar world. Thailand's approach empirically demonstrates how secondary powers can safeguard their autonomy through strategies of selective engagement, issue-specific compartmentalization, and institutional ambiguity. In systemic rivalry, neutrality should be understood not as passivity but as a sophisticated and adaptive form of statecraft.

Strategic Implications and Policy Analysis

Under the Biden administration, the Indo-Pacific strategy has presented opportunities and limitations for Thailand.

On the one hand, the frameworks offer opportunities for collaboration in various areas, especially in digital, economic, and environmental contexts, aligning with Thailand's international diversification goals. On the other hand, these frameworks come with normative demands, e.g., democratic reforms and labor standards that may not apply in Thailand's democratic environment. The result is that Thailand has opted for a policy of selectivity: it engages in U.S. initiatives while not aligning completely, enjoys strategic benefits as a result, and minimizes political costs. Thailand's economic policy emphasizes pragmatic growth goals over ideological orientation. This can be seen in Thailand/Economic Policies as an actor in deepening its entrenchment in ASEAN's trade agreements, such as the Regional Comprehensive Economic Partnership (Jongwanich & Kohpaiboon, 2025). It has also advanced bilateral and trilateral deals with the United States and Japan focused on technology and supply chains. This two-track approach indicates Thailand is consciously trying to avoid decoupling from either side. Nevertheless, such a stance becomes riskier in a world of increasing U.S.–China economic decoupling. Thailand may face pressure on external constraints to align or counter-measures of a retaliatory economy. The only way for Thailand to protect itself from these threats is to strengthen its domestic capacity to reduce its economic dependence on foreign nations, primarily through investments in high-tech infrastructure, education, and sustainable industries while maintaining its resilience and allowing for policy space.

The technology sector is an important fissure in this very balancing act. China's Digital Silk Road, primarily through Huawei's 5G infrastructure, is inexpensive and convenient for Thai policymakers. However, important issues remain uncertainty about surveillance, digital sovereignty, and dependence on long-term technological capabilities. While U.S.-backed digital partnerships promote democratic norms, cybersecurity, and regulatory transparency, their implementation tends to be more demanding and time-consuming despite being more affordable and technically accessible in the long run. Thailand's strategic ambivalence reflects its adoption of Chinese technology in the critical areas of telecommunications and digital. At the same time, it is investigating how to cooperate with American and Japanese digital initiatives.

Further, Thailand conducts military drills as part of U.S. leadership, e.g., Cobra Gold, which maintains defense preparedness and shows alignment. However, China views this military cooperation as more containment and escalating geopolitical tensions. Thailand's decision against participation in trilateral alliances, such as AUKUS or greater coordination with the Quad, is a purposeful sign of ambiguity during heightened military activity in the region. Ambiguity may not assuage concerns on either side. Without formalized confidence-building mechanisms through ASEAN discourse or trilateral diplomacy, Thailand risks being caught between competing security architectures that undermine their neutrality. Additionally, the domestic political situation

further complicates Thailand's foreign policy direction. The military establishment, which has traditionally linked its foreign policy to the United States, is developing ties with China alongside economic elites and royalist institutions.

CONCLUSION

This study has examined Thailand's strategic neutrality amid intensifying U.S.–China rivalry, arguing that Bangkok's foreign policy demonstrates an intentional small-state approach through calibrated ambiguity, institutional pragmatism, and autonomy-preserving hedging. Through utilizing international relations theories, namely small state theory, hedging strategy, and soft balancing, this analysis proves that Thailand has practiced neutrality not as passive non-alignment but as a dynamic and adaptive response to structural constraints and regional pressures. Rather than choosing between the two, Thailand has pursued compartmentalized diplomacy, keeping decades-old, combined military maneuvers with the United States while incrementally intensifying economic and technological engagement with China. For instance, its continued involvement in U.S. exercises like Cobra Gold and its growing entanglement with China's Belt and Road Initiative and Huawei's 5G infrastructure deployment is characteristic of a double-track strategy driven by pragmatic cost-benefit calculation, not ideological solidarity. These empirical tendencies confirm that Thai behavior fits the hedging model. Additionally, the Thai experience demonstrates how a small state can attain meaningful agency through institutional continuity, elite consensus, and compartmentalization of foreign policy. Thailand's resilient autonomy as a neutral state resulted from the coherence of internal forces. That said, it is unclear how long that strategic neutrality can be maintained.

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