

Contraband, Trafficking and Terrorism in Thailand

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Abstract

In Thailand, human trafficking, terrorist financing and contraband goods share a distinct economic relationship. This relationship involves organized criminal elements and terrorist networks as well as ordinary people who are unaware of their involvement with terrorists and criminals. Human trafficking in Southeast Asia moves through all major cities and communications hubs. Uighur, Rohingya, Indonesians, Chinese, and minorities are often the target of human traffickers. These criminal networks often involve pooling of resources from prostitution, gambling, drugs, and contraband. This paper focuses on contraband in Thailand and China and attempts to link it to human trafficking and terrorism in Thailand.

Keywords: Contraband; Trafficking; Terrorism; Thailand; Arab communities; Thailand; China

Introduction

The dragon is the Chinese symbol of power, wealth and intelligence. However, only a few Thais are aware of the importance of the dragon symbol in Arabic culture. Unlike its Chinese counterpart, the Islamic dragon is a precursor to death and destruction. They were part of a syndicate that used the dragon as a symbol of brotherhood in their nefarious activities [1]. While the dragon is the symbol of Satan, the evil one for Arab communities, the dragon is the symbol of power for the Thai underground. The contraband trade in Siam and Thailand has existed for centuries and is not unique to the Kingdom. Contraband became part and parcel of the problem of bootleggers in America when governments were unable to tax individuals who sold alcohol across state boundaries for a profit. In Siam during the Ayutthaya era, the Portuguese traders were among the first to have become involved in contraband. The word contraband is derived from the Italian word “*contrabanddo*” meaning prohibited trade. The situation became worse when the Dutch, French and British arrived on mainland Southeast Asia. Each had its own brand of nefarious activities that would make worse the local penchant for contraband. These activities form part and parcel of the entire complex financial problems of the Kingdom that range from the cultural to the social and from the economic to the bureaucratic and the political [2-5].

While the Chinese Thai use dragon symbols in various ways such as decorations, celebrations, and roof awnings, they never use the dragon as a tattoo for their body. The long association with China has similarly made the Thai Chinese wary of putting dragon tattoos on their arms. Only Thai Chinese gangsters make use of dragon tattoos. The Thai Chinese sub-community of gangsters runs networks in Bangkok involving the human smuggling of Chinese workers (for sweatshops), the prostitution of Chinese women, the trafficking of drugs and the production and distribution of contraband items for sale across the world. The Royal Thai Police (RTP) discovered many such gang activities. Some such activities occur across the borders with Laos, Burma (Myanmar), Cambodia and Malaysia.

One area that these gangs also operate is the mountainous and hilly terrain of the Thai-Malaysian border. The porous Thai-Malaysian border makes it a security nightmare for state troopers on both sides of the imaginary (but real) political boundary. It is imaginary but real because one cannot see the boundary on the ground in a physical sense but it exists in reality nevertheless that can be verified with various measuring instruments.

RTP officers in Yala, Narathiwat and Pattani cooperated with Royal Malaysian Police (RMP) from Bukit Aman to arrest drug traffickers whose route took them from the Golden Triangle to the British-built Malaysian town of Butterworth RTP. The RTP is also known as *Polis DiRaja Malaysia* which is the Malay language equivalent. Police General Thitiraj Nhongharnpitak led the investigation and arrests that recovered close to 300 kilos of methamphetamine. Demand for methamphetamine has increased significantly across Southeast Asia as more youths can afford a cheaper derivative of methamphetamine known as “Yaba”. It is believed that the word *Yaba* comes from a shortened version of a popular cartoon character with Southeast Asian youth. Profits from the sale of these drugs would be channeled into other gang related activities that includes “loan-sharking” or the collection of interest from illegal money lending with high interest rates that make it virtually impossible to pay back any loan.

RTP records also show that Bangkok has long been a centre for contraband items. The sale and purchase of contraband items involve famous brand names. Most of these fakes are made *en mass* in Chinese factories. These factories use workers who have been forced to work in slum-like conditions that are unsanitary, smoke-filled, unhygienic, and hazardous. The workers often do not work for money but to work of a debt or to service a small loan. Since Chinese police are often easily persuaded to turn a blind eye and since there are hundreds of thousands of criminal cases to be solved in China, it comes to no surprise that it is difficult for any police force to execute their daily function as a protector of the People and the law.

In Bangkok, twenty people were arrested within a month alone between 2012-2016 for counterfeiting, racketeering, and illegally importing as well as exporting contraband luxury goods. Along Yaowarat Road alone, RTP officers were tipped off and raided a Chinese warehouse with over 5 million contraband items from watches and sporting goods to computer peripherals and designer brand handbags, shoes, women’s apparel as well as sunglasses, cameras, and

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other electrical gadgets. The total value was estimated at over US\$5 million. This does not seem like a large amount of money but when one considers the loss of revenue to original manufacturers such as Oakley, Rolex, Louis Vuitton Prada, and other famous names. An interesting thing is that in the past the fake goods had names such as “Rotex”, “Oakerleaf”, “Prava”, or “Louis Vinton”.

Increasing labor costs in Korea and Taiwan saw sports apparel and shoe manufacturer, the billion-dollar giant Nike to move its contract factories to Indonesia, China, and Vietnam in the late 1980s. However the wage levels and working conditions in Indonesia promoted investigative journalist Ballinger to expose Nike in a *Harper's* magazine where Indonesian workers were paid by a Nike subcontractor an hourly wage of 14 cents resulting in widespread protests at the Barcelona Olympics and in the 1990s in San Francisco¹. Walter Johnson of the San Francisco Labor Council claimed that he would support a boycott of Nike products.

Nike established a division to manage the lives of its Asian factory workers. The press reported in May 1998 by its billionaire CEO Phil Knight, “The Nike product has become synonymous with slave wages, forced overtime, and arbitrary abuse,” Knight said. “I truly believe the American consumer doesn’t want to buy products made under abusive conditions.” He went on to announce that Nike would raise the minimum working age; adopt US OSHA clean air standards and pay more to its workers while working with human rights groups to audit its 600 factories around the world [6]. Nike managed to make a bad situation into a good one by honest admission and doing something positive about it regardless of its workforce from China, Bangladesh, and Mexico or in the United States itself. Nike was of course not the only conglomerate to make use of such tactics. Samsung has captured over 30% of the global market share of smart phones in a fiercely competitive market with Apple’s iPhone.

Interest has been spurred on by the ascendancy of global brands like Apple, Microsoft and Samsung, combined with growing public concern about exploitation and child labour in Chinese electronics factories, as well as fears about the use of conflict minerals sourced from the Democratic Republic of Congo.

The New York based *China Labor Watch* had this to report as far back as 2014:

CLW has collected additional evidence to support the allegations that child workers and student workers from the Chengdu Urban Construction Vocational School in Sichuan Province were employed at Samsung supplier factory HEG Technology this year under exploitative working conditions. Evidence that includes recordings of direct interviews with the young workers demonstrates that they labored for 10 hours per day, sometimes without a single rest day in a week, and were not paid all of their wages.

The abuses made in reports such as “又一家三星代工厂在剥削童工” (translated as “Another Samsung supplier factory exploiting child labor”) by the New York-based *China Labor Watch* raises human rights issues arising out of poor working conditions and low wages paid by various sub-contracting Chinese firms to neoliberal global capitalist networked Multi-National Corporations (MNCs).

Nowadays, the imitation goods are so real that only experts with special instruments can tell the difference between the real and the

fake. Despite the RTP joint operations and street level crackdowns, the Chinese gangs simply close down in one area and mushroom up in areas places where the police vigilance is lower or where the local cops can be persuaded to turn a blind eye. Bangkok is itself a city of over 9 million people including foreigners, squatters, crooks and criminals. It is not easy to catch a thief in Thailand. The demand for fake goods (known for example as copy watches) is always so high that the prices of these watches have more than doubled.

Thailand has deep cultural and geographical links with China thanks to centuries of migration. Bangkok’s crowded Chinatown district is popular with tourists and locals alike for its heaving alleyway markets stacked with a huge array of goods, many of them manufactured in Chinese factories. For decades, such copy watches and illegal videos (American and local television shows, Korean dramas, *lakorn* Thai, Hollywood movies and pornography) have gone on sale on several floors of the *Mahboonkrong* (MBK) shopping mall that is popular with Singaporeans, Chinese tourists, European travellers, and Americans visiting Bangkok. Their brisk business is done in broad daylight and because they are so high up on the 3rd, 4th and 6th floors, there is sufficient time for them to shut down operations as soon as their lookouts notice the RTP or plain-clothes police approaching the building. RTP General Watcharapol Prasarnrajakit led a task force to apprehend a Chinese gang that were caught with illegal guns, and weapons as well as explosives and ammunition. The police were reported in the daily Thai language newspapers to have discovered the illegal cache at *Ban Suan-Setthakit* in *Nong Prue, Muang Chon Buri*.

The RTP Chinese counterparts could not be contacted for comments about where the weapons ended up in China. What the news sources do report involve the arrest of Chinese citizens who had attempted (about a year before the case of the stolen weapons and ammunition) that the RTP in joint operations with the Chinese Police intelligence units arrested these Chinese nationals who had kidnapped several wealthy Thai Teochew Chinese businessmen. The Chinese in China are famous for kidnapping and holding foreigners for ransom. This is because most of these foreigners are involved in illegal activities and hence are prime targets for other criminals as the police do not have a high priority for people who are involved in criminal activities and then cry for help as victims of kidnapping.

This gang had acquaintances who were involved in a *Ponzi* scam in a pyramid company known as *Yam Shu-Moh*. The victims who will never see their money again are mainly from Thailand and Malaysia. In the final analysis, one can see how the links between Chinese gangs, contraband production and marketing as well as illegal trafficking of drugs and theft of weapons and ammunition are all interconnected with the smuggling and kidnapping of wealthy Chinese who themselves are perpetrators of criminal activities. Some of the profits from Chinese sweatshops that work for legally known and widely accepted brands in the United States end up financing terrorists in Xingjian province while their owners continue to list their businesses legitimately on various stock exchanges. This is because the cost of life in China is so low that the people who work in such sweatshops have little to no control over their own lives. If the money that is made is funnelled into anti-communist activities for example, it would attract the support of democratic state agencies interested in battling Communism from the “inside”. Similar situations emerged in Latin America and across the Pacific islands in the 19th to the 20th centuries. Afghanistan is a key place where the Soviet and US spy as well as intelligence agencies were involved in attempting to topple various regimes. The CIA wanted to topple the Russian backed government and hence the CIA funded the

¹ Where the author happened to be visiting the Union Square area after attending a conference of the American Political Science Association at Cathedral Hill Hotel and witnessed the protests outside the Nike store.

Taliban. When the Russians were evicted, the Taliban refused to lay down their weapons and hence the US ended up fighting the people they had once funded. Where did the money come from? There are hundreds of journalistic and scholarly works on the relationship between the US CIA, the Russians as well as the Indians in the case of Afghanistan. Therefore it was no shock for scholars when the US Bureau of Alcohol, Tobacco, and Firearms (B ATF) discovered that contraband goods had been secretly funnelled and were supporting Hezbollah, Hamas and other radical Islamicist agencies. Therefore, contraband has remained for many decades a significant source for terrorist financing. A recent study by Philip Morris International revealed that over 66 billion cigarettes were sold as contraband in Asia between 2011 and 2012 thereby costing local governments at least US\$3.4 billion in taxes for the Philippines, Indonesia, and Vietnam.

Conclusion

Bangkok ostensibly was the home base for thousands of American servicemen on R and R or rest and recreation from the 1960 to 1970s. After Saigon fell, there were over 467,000 servicemen who had to be relocated. Some went home, others settled in Thailand. Bangkok today retains part of its nefarious status for prostitution a throwback to the heavy days of the Vietnam War. There are some illegal gambling dens in Thailand but on the whole, gambling is not a large criminal problem but contraband on the other hand is such a problem.

Contraband is a billion baht industry in Thailand. It is primarily based on some Chinese businesses that are known by the Thai police to be associated with criminal gangs in China and across Southeast Asia. These criminal networks make use of casinos in the region for money laundering.

The sub-cultural, anti-establishment Chinese gangs in Bangkok are common because of the long stewing processes of Chinese culture and business in Thailand. Human trafficking of stateless persons and other vulnerable communities has led to a complexity of problems that feed into the entire process of global organized criminal syndicates. These syndicates have shown to operate with other nefarious organizations that endeavour to promote criminal activities through legitimate businesses while covering up their own corrupt and unethical business practices. Even good brand names have been tainted by earning profits from the hard work of poor people who work as virtual slaves for years before something is done to solve their impoverished position.

The dragon as we saw is an important symbol of the brotherhood of Thai Chinese gangs. Only Thai Chinese gangsters use the dragon symbol on their bodies to denote and to evoke the power and strength of the dragon. Neither the RTA nor the RTP are able to ensure that these gangs remain under authoritative state control. The reason is because of the cat-and-mouse situation. On one hand, the RTP and RTA are dynamic organizations but the Thai Chinese gangs are similarly flexible and adept at their sub-cultural functions. The nature of human trafficking in Thailand feeds into the larger ambit of the politics of terrorism and while one is more likely to get killed by a bus than a terrorist, it is evident that people don't really expect to get killed by a bus. They don't prepare to prevent themselves from being killed by a bus but they often seem more prepared to be killed by terrorists, after the initial shock is over. The human traffickers require contraband products to provide funds for a rainy day when the police and military units crack down on their vice activities. There is a link between contraband, human trafficking (or smuggling) and terrorism because they tend to share the same financial pool of resources. This is not the same as arguing that the eradication of contraband (which in itself is an impossible scenario within a neoliberal capitalist world) would lead to the end of trafficking and terrorism. Rather, the diminishing of contraband activities would merely result in new contraband goods rising to take their place. The dragon tattoo on the Thai Chinese gangster may go with him to his grave but there will be other snakes to fill the position vacated by him. No one in the criminal world of contraband is irreplaceable.

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