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## Chinese in Laos

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*We've been hearing a lot lately about China's growing economic activities in Africa and its "charm offensive" in various parts of the world, linked to things such as the establishment of Confucius Institutes everywhere from the U.S. and the U.K. to South Africa, South America, and Serbia. But many of the most complicated international ties involving China are still, as in the past, ones that connect it to neighboring countries, such as those of Southeast Asia. Caroline Finlay, who has written pieces for China Beat before on issues such as [Vietnam and the torch route](#), sheds light on different sorts of China-Southeast Asia ties here...*

By [Caroline Finlay](#)

Chimes jingle on gold-painted stupas and teenagers strum guitars to the beat of passing tuk-tuks in Luang Prabang, Laos' UNESCO World Heritage sight nestled on the Mekong. Sadly, a more obtrusive rhythm has hit the scene: the squawk of walkie-talkie phones. Like a large percentage of Lao's motorbikes, clothes and electronics, the walkie-talkie phones are a Chinese import, strapped to the belts of the increasingly numerous Chinese tourists visiting Luang Prabang, famous for its now fragile serenity.



*The marshland that will soon become Vientiane's second Chinatown*

China has begun to re-establish ties with sparsely populated Laos, which has historically aligned with Indochina War ally Vietnam. The Chinese have made a number of gestures to the Lao people – they have built a highway linking Yunnan to Thailand, are working on a sports complex for the 2009 SEA Games, and are involved in a hydroelectric project in Vientiane province. But it's not without a measure of self-interest. The new highway links China with the Thai market, eliminating the need to ship down the twisting and increasingly shallow Mekong, while the Chinese have been awarded a large and controversial land concession in Lao's capital Vientiane in return for enabling Laos to host Southeast Asia's largest sporting event.

In Luang Prabang, a Chinese-funded airport upgrade is planned to begin in early 2009, and NGOs and tourists alike are concerned that the roar of jet engines will be the new background to their riverside sunsets. According to an Asian Development Bank (ADB) report [1], Luang Prabang's airport "is not

compliant with ICAO [International Civil Aviation Organization] safety and security standards for current operations,” and the Laotian government is “interested in upgrading the runway... to support the operation of B737 and A320 aircraft.” The project is expected to boost tourism by 125 percent in the first three years, provide Lao laborers with income, compensate and resettle those on land required by the project, and include a gender and HIV/AIDS awareness program. Construction will be funded by China EXIM Bank at \$63.2m, while the Laotian government has pledged \$20.4m for the other programs, including resettlement.

Concerns have arisen over the project, especially over the lack of international oversight in a country that has been sliding down Transparency International’s corruption perception scale. The ADB report states that “ADB’s Anticorruption Policy and Policy relating to the Combating of Money Laundering...is not applicable to the project since the ADB is not participating in financing the project investment.” In UNESCO’s 32nd session in Quebec this summer, it was reported [2] that “several new development projects, including a new airport and a new town on the right bank of the Mekong, would have an adverse impact on the World Heritage property, both in terms of visual integrity and noise pollution,” and that development in Luang Prabang has led to a decline in Lao traditional heritage that could “justify ‘World Heritage in Danger’ listing.” Rumors abound in Luang Prabang that the labor for the airport construction will be shipped in from China, reducing the benefit to locals, and that the Chinese were awarded another land concession on the right bank of the Mekong in return for their soft loan and construction expertise. The land in question has actually been set aside for a South Korean development with a five-star resort and golf course.



*Chinese foreman Ac Ho, from Yunnan, who has lived in Laos for seven years and is currently working on the Sanjiang shopping center complex*

Foreign NGOs have yet to publicly denounce the project, but a Voice of America report [3] states that “concerns have been raised that while this new town will bring modernity to the people in the area, it may adversely affect the city of Luang Prabang itself.” The report also gives Laotian Deputy Prime-Minister Somsavad Lengsavath an opportunity to respond to these claims. “Lengsavath points out that, for the past twelve years, Laos has followed the international criteria for maintaining the city’s World Heritage status,” but that, “there are some aspects, such as the construction of new buildings, that Lao officials still need to further address.”

Issues like World Heritage status and even resettlement concern a small percentage of Laotians; what is more obvious is the rocketing number of Chinese economic migrants moving into their backyards. Nearly every large town has a “Dalat Chine” or Chinese market, where locals can buy cheaply made

clothing, motorbikes and impressive rip-offs of Nokia and Apple mobile phones. The vendors usually live in an accompanying housing complex, speak very poor Laotian, and rarely interact with locals. In a report by Thomas Fuller for the *New York Times*[4], Luang Prabang resident Khamphao says that “life is better because prices are cheaper.”

While that may be true, the Chinese presence may be hurting local businesses, “There are some good properties for sale in Phongsavanh [the capital of Xieng Khouang province],” says Ditthavong, a Xieng Khouang native, “because the Chinese have put the Laotian shop owners out of business. The Chinese have access to such cheap goods. The Lao can make more money by renting them storefronts than they ever could running their own shops”



*Work on the Chinese-built stadium just outside of Vientiane*

Thousands of Chinese workers have been brought in to construct Vientiane’s stadium and a new Chinese-owned shopping complex, and more are expected to move in to develop the new Chinatown, Vientiane’s second, on the capital’s outskirts as well as the airport in Luang Prabang. Vice Minister of Foreign Affairs Thongloun Sisouluth said in a 2008 BBC report [5] that, “economic migration is unavoidable in this modern time,” while Vientiane resident Xaisomboun Soukhummalay has the same worries as Luang Prabang’s World Heritage committee – cultural dilution. “Our population is six-and-a-half million,” he says, “their one Yunnan province is seven times that!”

Citations

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*(Interview with Ditthavong from Xieng Khouang by Caroline Finlay.)*

For further information, see the following links:

[China – Thailand highway](#), *International Herald Tribune*

[SEA Games stadium / land concession / new Chinatown in Vientiane](#), VOA report

[Transparency International / Corruption perception index](#)

[China EXIM Bank](#)

[Chinese hydroelectric project in Vientiane province](#)

[Chinese shopping mall in Vientiane](#)

*All images by Caroline Finlay.*

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