Laos in the Asian Century
Development, Displacement and Chinese Regionalism

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A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

Institute for Culture and Society
University of Western Sydney

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This thesis is dedicated to all those who have suffered in the name of development.
Acknowledgements

Writing a PhD thesis is one of the most personal journeys that one can embark on. Yet it is never an individual undertaking. Without the support of my family, friends, colleagues and research participants this thesis would not have been possible. There are many people who deserve thanks for the role that they have played in the completion of this work.

Firstly, I would like to give special thanks to my primary supervisor, Tim Winter, who has worked above and beyond the necessary requirements of PhD supervision. Tim’s support and guidance has been crucial to the completion of this thesis and he has become both a mentor and a close friend. My co-supervisor, Ien Ang, must also be thanked for her insightful contributions to the research project and her ongoing career advice.

Within Laos there are many people who deserve thanks for their contributions. However, given the politically ‘sensitive’ nature of this thesis I have, regrettably, withheld their names. Acting rather discreetly, I would like to thank my long-term informant from Vientiane who has assisted me both on this project and on previous research tasks. I would also like to thank my ‘dear friend from the north’, without whom much of this research would not have been possible. Thank you to everyone who gave their time for interviews, or who assisted the research in any other way. Dr. Ellen Herda from the University of San Francisco had a brief, but important, role in ‘opening doors’ for me in Laos and I must thank her for this.

My greatest thanks, however, go to my parents, Craig and Joanne Sims, and to my beautiful wife, Amie Sims. Mum and Dad, you instilled in me from a young age the importance of social justice and the need for critical intellectual engagement and I cannot thank you enough for this. To Amie, your love and support has been far more important than you realise. I thank you for your patience and tolerance. Finally, I would like to thank my brother, sister and all my close friends for helping me to maintain a positive outlook and a sense of normality throughout the writing process.
Statement of Authentication

This work has not been submitted for a higher degree at any other institution. It is my original work and a result of my own research endeavours.

Kearrin Sims
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<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
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<tr>
<td>BNA</td>
<td>Basic Needs Approach</td>
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<td>CCP</td>
<td>Chinese Communist Party</td>
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<td>DAC</td>
<td>Development Assistance Community</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>GoL</td>
<td>Government of Laos</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>GMS</td>
<td>Greater Mekong Subregion</td>
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<tr>
<td>IFI</td>
<td>International Financial Institution</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<tr>
<td>LDC</td>
<td>Least Developed Country</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>NSEDP</td>
<td>National Socio-Economic Development Plan</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<tr>
<td>SAP</td>
<td>Structural Adjustment Program</td>
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<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
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<tr>
<td>SOE</td>
<td>State-Owned Enterprise</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNESCO</td>
<td>United Nations Educational Scientific and Cultural Organization</td>
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<tr>
<td>UNICEF</td>
<td>United Nations International Children's Emergency Fund</td>
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<tr>
<td>UIM</td>
<td>Urban Integrated Mega-project</td>
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<tr>
<td>US</td>
<td>United States</td>
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<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
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<tr>
<td>UXO</td>
<td>Unexploded Ordnance</td>
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<tr>
<td>VNW</td>
<td>Vientiane New World</td>
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<td>WWII</td>
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Abstract

After more than three decades of relatively uninterrupted economic growth across much of Asia, there is now considerable hype around what a number of thinkers have described as the beginnings of an 'Asian' Century. As the region has grown more economically prosperous one important shift in global political-economic relations has been the expansion of bilateral and multilateral aid flows from new donors such as China, India and South Korea. In this thesis I focus on the implications of Chinese aid and investment within Laos, a landlocked and least developed country located at the geographic centre of mainland Southeast Asia.

The principal objectives of this research were (1) to consider how a growth in Chinese aid and investment is reconfiguring the operation of the global development sector in Laos, (2) how Chinese development strategies compare to those of more traditional donors and (3) to explore who is benefitting or being disadvantaged by China’s growing presence. Throughout the research process these three substantive interests coalesced around three further analytical themes concerning, (1) the reconfiguration of geographies of development through global neoliberalism, (2) the growing importance of urban centres to national development, and (3) the apparent correlation between increased Chinese interests in Laos and growing rates of development-induced displacement.

The central finding of this research is that the emergence of China as a new aid donor has seen the perpetuation of high-modernist, technocratic and apolitical discourses of development. This is an approach that is seeing the rapid modernisation of countries such as Laos, but that is also leading to many new forms of poverty, marginalisation and disadvantage. Drawing from a post-development viewpoint, this thesis concludes by suggesting that responding to the poverty inducing effects of Chinese aid is dependent on the 're-politicisation' of development in Asia. The research draws on desk-based analysis, ten months of field research in Laos and 84 interviews with members of the country's development sector.
Laos in the Asian Century

We are now witnessing an historic change which, though still relatively in its infancy, is destined to transform the world. The developed world - which for over a century has meant the West ... is rapidly being overhauled in terms of economic size by the developing world.


China is likely to lord over the entirety of Lao bar none.


The modernization narrative was always a myth, an illusion, often even a lie. We should all learn to do without it.


Whereas I am regularly told that the project of development uplifts the poor and restores the environment, too often I see it impoverishing the majority and enriching the few.

Introduction: The Rise of East Asia

*We are now witnessing an historic change which, though still relatively in its infancy, is destined to transform the world. The developed world - which for over a century has meant the West ... is rapidly being overhauled in terms of economic size by the developing world.*


The so-called ‘rise of Asia’ represents one of the most important shifts for global economic, political and cultural relations in the past 200 years. As the above quotation from Martin Jacques notes, for the first time in more than a century it appears certain that the collective economies of the non-Western world will soon account for more than half of total global economic wealth.¹ By 2015 China and India alone are expected to make up around 30 per cent of global GDP and by 2025 it is anticipated that four of the world’s ten largest national economies (China, India, Japan and Indonesia) will come from within Asia (Ashraf 2013; Australia 2012: 52). Furthermore, whereas middle-class consumption in Western countries is only expected to rise by 0.6 per cent a year for the next 20 years, in Asia it is expected to grow by 9 per cent per annum (Drysdale 2011). Singapore now has a higher GDP per capita than the United States (US) and Japan maintains

¹ The term ‘non-West’ is used here in the sense that it has been used by Jacques – to refer to those nations that are not a part of Western Europe, North America, Canada and Australia. It is recognized here that both the West and the East are highly problematic terms that reflect ideological value-systems more than set cultural or geographical traits.
the 4th highest GDP and the lowest public debt of any country in the world. These economic shifts have also been accompanied by significant social changes.

From Japan’s accelerated economic development in the 1960’s, to the growth of China and both the ‘Tiger’ and ‘Tiger Cub’ economies, Asia’s rise has produced some impressive development figures. Improvements in education have resulted in four of the world’s five highest performing education systems (Hong Kong, Shanghai, Singapore and South Korea) being located in East Asia, and over the past twenty years school enrolment rates in parts of developing Asia have more than doubled (Australia 2012: 34). In 2014, the adult literacy rate for Thailand and Malaysia was greater than 93 per cent, while in South Korea and Taiwan it was more than 96 per cent (CIA 2014a). In regards to healthcare, Macau now has the world’s second highest life expectancy at birth, while Japan, Singapore and Hong Kong have the 3rd, 4th and 6th highest rates, respectively (CIA 2014b). As Asian nations have undergone such rapid socio-economic transformations they have also gained increasing influence over their own future development trajectories.

New forms of regional exchange have expanded across a multitude of sectors, from trade, to security, the arts, sport, education, energy, tourism and migration. Trade flows within the region have increased dramatically, and intra-regional trade in East Asia now accounts for more than half of total trade output (Drysdale 2013). Political and cultural regionalism has also been growing, and this has led to the increasing inter-referencing of cultural practices, architectural forms, and governance mechanisms between Asian nations (Roy 2011). Indeed, the movement of people throughout the Asia-Pacific has grown so rapidly that the region is now the world’s largest and fastest growing aviation region (Joyce 2012). In respect to technological progress, six of the top ten mobile telephone subscriber countries are located in Asia, while South Korea is now considered one

2 The term ‘Tiger economies’ refers to the countries of Hong Kong, Singapore, South Korea and Taiwan. It is a term that was popularized during the 1970s-1990s when these nations underwent a process of rapid industrialization and economic growth. ’Tiger Cub’ economies refers to Indonesia, Malaysia, the Philippines and Thailand, who are widely considered to have pursued a similar model for development to East Asia’s ’Tigers’. For more on these terms see Chapter 4.

3 In this thesis I use the term East Asia to refer to both Northeast Asia (China, Japan, North Korea, South Korea and Taiwan) and Southeast Asia (Brunei, Cambodia, East Timor, Indonesia, the Lao People’s Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam).
of the most globally advanced information and communications technology economies in the world (Asian Century Institute 2012; CIA 2013a). Yet, while the emergence of new consumption patterns, regional partnerships, trade relations, tourism and telecommunications networks has presented wide ranging socio-economic opportunities, it has also led to rising inequality and prolific environmental degradation. In respect to the latter, industrialization, urbanization, deforestation and a widening middle-class have seen a growth in the consumption of consumer goods and energy needs, increased waste and growing levels of pollution. As Asia continues to grow both demographically and economically, sustainably meeting the region’s future food and energy needs will become an increasingly challenging undertaking (ADB 2013a). Access to clean water is a growing concern, the rate of species loss is approximately twice the global average, and Asia is also becoming an increasingly large producer of greenhouse gases that accelerate climate change (WWF, ADB & Global Footprint Network 2012: 5). As is evident in the ongoing tensions around regional flashpoints such as the Spratley and the Diaoyu/Senkaku islands, conflicts over natural resources remain a persistent threat to peace and stability.

Inequality within Asia has also grown more rapidly than in any other world region. According to the widely used Gini coefficient measure, at least thirteen Asian nations are classified by the ADB as having ‘high’ levels of inequality (ADB 2012a). Measured as a whole, the region’s Gini coefficient has increased substantially, growing from a score of 39 in the mid-1990s to 46 in the late 2000s. Particularly concerning given their population size, is that socio-economic disparities are widening in both China and India (ibid). Inequality has risen within and between nation-states and beyond income differences, there are also significant gaps in access to health and education services. This inequality is not only the result of the unequal distribution of new opportunities; rather it is also the product of new threats to people’s livelihoods and wellbeing.

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4 The Gini coefficient is a widely used measure for inequality based on a mathematical calculation of income distribution between households. Gini coefficient scores range from 0-1 with a score of 0 representing perfect equality and a score of 1 representing perfect inequality. In the Asian Development Bank’s (ADB) inequality rankings a country’s Gini coefficient is multiplied by ten in order to give a score between 0 and 100. Using this system, any country with a Gini coefficient greater than 40 is considered to have a high level of economic inequality.
At the same time as millions of people across Asia have been lifted out of poverty others have had their lands confiscated, their food security undermined, their homes and livelihoods destroyed, and their cultural and religious practices denied. Much of Asia remains politically authoritarian and enforced disappearances, imprisonment for peaceful political protests and other human rights abuses against those who oppose state and private-sector interests have been widespread (Hsing 2010). As the rising inequality outlined above suggests, the region's growth has not been an all-inclusive process. Rather, as this thesis will show, in many instances the wealth of elites has in fact come at the expense of the impoverished.

1.1 Precarious Prosperity and Uneven Development

That the rise of Asia has come with many costs, and that it has not benefitted all equally, has been well recognized within academic literature. Publications concerning the development of the region have come from a range of disciplinary fields and have addressed a variety of issues (Athukorala 2010; Cooney & Sato 2009; Ozawa 2009; Trichur 2009; Walker & Sobocinska 2012; Wesley 2011; Winter et al. 2009). Of particular relevance to this thesis has been a focus on six inter-related analytical themes. First, is the perpetuation of poverty within the region’s least developed countries (LDCs).\(^5\) It is worth stressing that Asia continues to be home to some of the world’s poorest communities. It is a highly heterogeneous region that includes 10 LDCs and 30 nations that are ranked within the bottom 85 countries of the United Nations Development Programme’s (UNDP) Human Development Index (ADB 2013b: 193; United Nations Conference on Trade and Development 2013).\(^6\) In 16 countries life expectancy at birth is below 70 and in 11 countries more than 40

\(^5\) The term least developed countries (LDCs) refers to a subset of developing countries characterized by exceptionally low indicators of economic and social development. It was created by the United Nations (UN) to designate a group of countries that tended to lag behind other developing countries in economic growth and social progress. In the late 1960s, the UN established a few criteria for the identification of LDCs. These included per capita GDP of $100 or less, a share of manufacturing in GDP of 10 per cent or less, and adult literacy of 20 per cent or less. In subsequent years, the criteria have been updated updated and other determinants have been added (Ghai 2006: 333).

\(^6\) The Human Development Index moves beyond traditional measures of poverty and development based on national economic growth rates by incorporating measurements of life expectancy, education enrolment and personal income.
per cent of the population lives on less than US$2 per day (ADB 2013b: 194). Put simply, while socio-economic development within the region has been impressive, millions of people continue to live in poverty. This is nowhere more evident than in the LDCs and it is also often in these nations where 'development' has seen the most dramatic socio-economic upheavals and injustices.\(^7\)

A second key concern of this thesis is the shifting spatiality of economic flows, state resource-allocation and state governance that has accompanied the spread of neoliberal globalization within Asia.\(^8\) Under the more Keynesian discourses of development that shaped the post-World War 2 (WWII) rise of the US and Western Europe, and also the early years of Japan and the Asian 'Tigers' modernization programs, state governance promoted 'a variety of compensatory regional and social policies designed to spread industry, population, and infrastructural investment more evenly throughout their territories, and thus to alleviate inherited patterns of uneven spatial development' (Brenner 2004: 101).\(^9\) However, as discourses of development within Asia have become increasingly shaped by ideologies of neoliberalism there has been a transition away from an equality-oriented distribution of resources towards the favouring of transnational global and regional flows as the most appropriate means to create economic growth, increase

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\(^7\) I use the term 'development' here to refer to activities that are framed as contributing to socio-economic growth and progress. However, I problematize the term development because, as is shown throughout the course of this thesis, many activities that have been framed as development projects have also created new forms of poverty, marginalization and disadvantage.

\(^8\) Globalization is a term that has been used to describe a diversity of integrative processes. Simply defined, globalization involves an inter-relationship between different towns, regions or cities across nation-states whereby changes in one location have the potential to impact upon another. In order to further clarify the particular forms of regional or global exchange discussed here, I draw on the work of Mark T. Berger (2004). In seeking to create for himself some differentiation between the 'all-and-nothing' nature of globalization, Berger draws a distinction between globalization and the 'globalization project', by which he means a 'focus on the promotion of liberal economic policies and the reconfiguration of state-mediated national development efforts into neo-liberal states... the technological changes of the past few decades, which have under-girded the instantaneous character of a growing range of financial, economic, social, political and cultural transactions' (2004: 21). Like Berger, I too refer to globalization as the growth in transnational connectivity that has taken place following the universalization of nation-states and the rise of neoliberalism in the late 1970s and early 1980s.

\(^9\) Drawing on the work of Brenner, I use the term 'Keynesian' to refer to the economic policies advocated by John Maynard Keynes that favored the redistribution of wealth through welfare provision and the various other means outlined above (2004). The term Asian 'Tigers' refers to Hong Kong, Singapore, South Korea and Taiwan.
industrialization, and encourage other forms of infrastructural modernization and development.

Whereas development programs traditionally sought to ‘stabilize the world capitalist economy through nationally managed economic growth’ [emphasis in original] neoliberal globalization seeks to establish the conditions for transnational capitalism, based on ‘universal rules and standards’ that are ‘guided by the goal of market efficiency and international competitiveness’ (Nesadurai 2008: 146). ‘Development’ has most often come to be defined as greater integration into the global economy and this has led to increasing emphasis on the need for nation-states to undertake ‘a comprehensive neoliberal economic policy programme of liberalization, deregulation and privatization’ that allows for greater integration into the world economy (ibid).

This has led states across the region to pursue a more privatized and more decentralized approach to nation-building that has seen the reconfiguration of space as a ‘technique for capital accumulation’ (Ong 2008: 119). It has also resulted in the increasing centralization of state and private investment into key, competitive, networks and nodes that are designed to facilitate the global flow of goods, capital and information (Brenner 2004; Castells 1996). As a result, there have been growing spatial divisions of inequality and ‘the polarization of development among different territories, regions, places, and scales’ (Brenner 2004: 13). Perhaps the most striking example of this scalar shift is in the increasing importance of ‘global’ cities to national development (Bunnell 2002; Goldman 2011; Sassen 2002).

As geographies of neoliberalism have spread across Asia, so too has the formation of globally integrated urban spaces. Asia’s cities are now home to over half of the world’s urban population, with Taiwan’s urban residents rising from 24 per cent of the population in 1950 to 74 per cent in 1989 and South Korea’s from 18 to 80 per cent between 1950 and 1994 (Jacques 2009: 103-04). In China, where the country’s urban populace has risen by 200 million over the past decade, more than 174 cities have a population greater than one million people (Bergsten et al. 2006; Shirk 2007: 15). In fact, urbanisation is growing so rapidly across the region it is estimated that from 2005 to 2030 those living in cities will have increased by more than 1.1 billion people (ADB 2008a: i).
Premised on a belief that heightened urban competitiveness will improve the wider regional and national economies in which cities are embedded, urban development has become a principal state development strategy across Asia. Cities ‘provide the urban meta-system on which the networked world of global capitalism is built’ (Dürrschmidt & Taylor 2007: 24) and, as Bunnell has recognised, the turn towards ‘global’ cities represents a means for nation-states to plug into ‘global political, economic and social networks’ following widespread recognition that the status of national economies is now increasingly measured by a country’s primary urban regions (2002: 287). Home to some of the most dynamic national economies and the fastest growing urban population in the world, Northeast and Southeast Asia’s urban regions have produced 92 and 74 per cent of national wealth, respectively (ADB 2010a: 1; ADB 2008a: 26). This growing importance of urban landscapes to national development is the third analytical theme that orients this thesis.

However, as national economies have become ever more led by ‘the intensive exploitation of separately administered enclaves’, these ‘advanced infrastructural hubs’ and ‘high-technology production centres’ have also become increasingly privatized spaces that are often disassociated from connecting neighbourhoods (Ferguson 2005: 379). As a result, the rescaling of state resource provision from the national scale to a more central focus on key cities has been accompanied by an alarming rate of urban poverty. The United Nations Population Fund estimates that one in three city dwellers—a total of a billion people—live in slums, with 95 per cent of Bangladesh’s urban population and 74 per cent of Cambodian urbanites living in such conditions (ADB 2011a: x, 86). Since 1970 slum growth everywhere in the global south has outpaced urbanization per se, with populations currently growing by a staggering 25 million per year (Davis 2006: 17, 201). As the Asian Development Bank (ADB) has acknowledged, ‘while the incidence of income poverty has fallen across the region, empirical evidence shows that the wealth production of cities has not necessarily contributed to improved living conditions for the vast majority of Asia’s urban population’ (ADB 2011a: 2).

One cause for the persistence of poverty alongside wealth creation in Asia’s cities - and also the fourth key analytical theme of this thesis - is the widespread
proliferation of development-induced displacement and accumulation by dispossession (Harvey 2005). The urbanization and (re)development of city-spaces does not take place in a social or spatial void and so-called ‘development-induced’ displacement has been a key feature in the spread of urbanization within Asia. Large-scale urban displacement has been a feature of both the region’s poorer urban centres and its most spectacular cityscapes, including the relocation of Hong Kong’s ‘caged men’, the forced displacement of entire neighbourhoods in Seoul during the 1990s, and numerous displacements in Vietnam, Myanmar, and Cambodia (Davis 2006; Harvey 2010: Robinson 2003). In China alone, it is estimated that more than 50 million farmers have lost their land just as a result of urban sprawl, while countless more have been displaced from their homes within already urbanised spaces (Xiubin 2011: 1). Here, it is important to note that not only is development being centralized into key nodes, ‘scapes’, or flows, but that the impoverished are being spatially excluded from such spaces by state policies and private investors that target particular geographical zones with little democratic accountability (Bunnell 2004: 89).

The fifth key analytic this thesis attends to is the growth of China. Over the past three decades China’s rise has attracted a wealth of interest within academia, the media, and also from governments around the world. From the 1980s onwards China experienced one of the most rapid and sustained periods of economic growth of any country in history. Now the world’s largest importer of iron ore, cement, copper and coal, from 1979 to 2012 China’s GNP rose from less than US$150 billion to US$12.38 trillion (Becker 2006; CIA 2014c; Eisenman et al 2007: xiv). The largest trading partner of Taiwan, South Korea, Vietnam and Japan, more than half of all Foreign Direct Investment (FDI) within Asia now flows into China, which, by 2027, is projected to become the world’s largest economy (Jacques 2009; Shirk 2007; Wong 2004). This monumental economic growth has also seen China become an increasingly important source of aid and investment into other developing countries.

The growing prominence of China as a ‘new donor’ and investor in low-income countries represents an important shift in the global development landscape.

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10 As previously noted, the term ‘development’ is a subjective term that often involves both opportunities and new forms of disadvantage.
that has seen the promulgation of new ideas regarding how development and poverty alleviation can be best achieved.\textsuperscript{11} China is investing heavily across much of the developing world and - more so than any other Asian nation – has been the focus of discussions surrounding new donors and the emergence of an alternative development framework to Western-led democratic neoliberalism. Growing FDI has been accompanied by new aid flows, and also by the distribution of technical ‘experts’ providing recommendations on how national development can be best achieved.

Unsurprisingly, China’s growing influence in impoverished nations and its impact on Western development objectives has been the topic of much academic debate (Beeson 2010; Bräutigam 2009, 2010; Downs 2011; Sato 2011). Throughout this thesis I seek to advance such debates by considering how China is reconfiguring the development landscape of the Lao People’s Democratic Republic (PDR) - one of Asia’s least populated, economically poor, geopolitically weak, and most under-researched countries. In particular, my focus is on the blurring of Chinese state aid and private sector investment, and the resultant issues relating to a ‘growth-focused’ development agenda that, I argue, encourages profit maximization and accumulation by dispossession. Also of significance to this thesis is the Chinese state’s ‘non-interference’ approach to aid flows, and the implications of this agenda for citizens of authoritarian states, such as Laos.

1.2: Laos, China and the New Asian Imperium

While much has been written on development in Southeast Asia, relatively little academic attention has been given to the Lao PDR (hereafter referred to in the shortened form of Laos). As Rigg notes, ‘until comparatively recently, Laos was a blank page and a black box - the invisible country of the Southeast Asian region’ that the majority of studies have either completely ignored or have given only brief acknowledgement (2009: 703). To provide just one example, in the entire six volumes of Wade’s (2009) history of China and Southeast Asia, Laos is only mentioned on 12 pages. However, given the country’s central importance to

\textsuperscript{11}The term ‘new donors’ is used here to refer to donors who are not members of the OECD Development Assistance Committee (DAC). As Bräutigam (2009) notes, China has in fact been a donor to the developing world since the 1950’s.
many transnational infrastructures projects in mainland Southeast Asia, this is finally starting to change.

Laos has been the focus of growing academic interest over the past two decades, with the two most popular topics of research being (1) its history and, (2) themes relating to development (Bird & Hill 2010; Evans 2002, 2009; Fullbrook 2010; Goscha 2012; Howe & Sims 2011; Ivarsson 2008; Lorrillard 2006; Lockhart 2006; Phraxayavong 2009; Rigg 2005, 2006, 2007, 2009; Stuart-Fox 1993, 1995, 1996, 1998; Warr 2008). Agribusiness, and in particular rubber plantations, have been a popular topic for research (Baird 2010; Dwyer 2013a; Kenney-Lazar 2009; Shi 2008), and so too has the inter-related themes of land concessions, dispossession and displacement (Baird 2007; Dwyer 2013b; Evrard & Goudineau 2004; Kenney-Lazar 2010; Lund 2011; Schönweger et al. 2012; Vandergeest 2003). A small number of studies have also been conducted around human mobility (Rigg 2007; High 2009), human rights (Creak 2014), corruption (Stuart-Fox 2006), legacies of war (Howe & Sims 2011), hydropower (Baird 2011; Lazarus et a. 2011; Molle et al. 2009) opium eradication (Cohen 2000, 2009; Lyttleton 2004), and ethnic diversity (Baird 2010; Lestrelin 2011; Pholsena 2002; Proschan 1997). This literature has played an important role in beginning to address the significant ‘gaps’ within academic analyses of Laos. However, the country still remains one of the most under-researched in the region, particularly in respect to its socio-cultural and political-economic relations with China.

In the growing research surrounding new forms of regional integration within the country (Barney 2009; Gunn 2008; Lintner 2008; Pholsena 2005; Pholsena & Banomyong 2006), only a small amount of publications have attended specifically to China-Laos relations (Nyiri 2009; Stuart-Fox 2009; Tan 2014). As the leading FDI provider and one of its leading aid providers, China’s growing influence in Laos demands further analysis. In particular, the implications of growing Chinese aid and investment at the local-scale have barely been touched upon. The same is also true for processes of urban change. As the research topics listed above suggest, academic inquiries have primarily focused on rural landscapes and livelihoods. However, in the wake of greater regional connectivity, urban centres have been undergoing rapid processes of change.
Consequently, there is an urgent need for further research into the reconfiguration of built environments. In focusing on China’s growing influence over development, and particularly its influence within urban centres, I seek to add to growing academic interest on Laos by addressing an important gap in existing analyses. Indeed the rise of Chinese aid, investment and development ideologies in Laos is the final, and most central, analytical theme that this thesis sets out to explore.

1.3: A Portrait of ‘Least Developed’ Laos

Laos is a small, mountainous, land-locked LDC that is located at the geographic centre of mainland Southeast Asia. It has both the second lowest GDP (after Timor-Leste) and the second-lowest human development ranking (after Myanmar) of any country in Southeast Asia (CIA 2013b; United Nations 2013). According to the government’s classifications, 47 of the country’s 139 districts, or over one-sixth of the population, have been identified as either ‘poor’ or ‘very poor’ (Howe & Sims 2011: 341). Development is inhibited by inadequate public infrastructure, lack of medical services, scarce employment opportunities, vulnerability to natural disasters, food insecurity, illegal activities such as human trafficking and drug use, and limited access to education (ibid). Gender inequalities also remain a serious concern and, as I have shown elsewhere, so too do a lack of disability services and widespread unexploded ordnance (UXO) remnants from the Second Indochina War (ADB 2006; Sims 2009). Indeed, for Bird & Hill, there are few countries where ‘initial conditions’ for development are as unfavourable as those in Laos (2010: 117).

While access to health and education services is improving, both sectors remain substantially underfunded and under-resourced. Life expectancy at birth is just 63 years and maternal mortality and under-five mortality rates are some of the lowest in the world (CIA 2013b). Less than three per cent of GDP is allocated to

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12 As Chapters 6 and 7 will show in more detail, the status of Laos as a ‘land-locked’ country is a geographical term that should not be misinterpreted as suggesting that Laos is (or has historically been) isolated from the trade relations and geopolitical struggles of other nations.

13 Very poor villages are those with an incidence of poverty exceeding seventy per cent, while the total average incidence of poverty in the total 72 poor and very poor districts is fifty-five per cent (GoL 2006).
education and at the country’s sole university (the National University of Laos) fewer than 5 per cent of educators have a Ph.D. (Rehbeen 2007: 105). Food security is also a serious concern, with 40 to 50 per cent of children under the age of five experiencing chronic malnutrition. Although it does not appear to be a major inhibitor of economic growth, poverty alleviation is also hampered by the country’s political system.

Since 1975 Laos has been governed by a politically oppressive one-party authoritarian state. Freedom of the press is extremely limited, both the police force and judicial system are under tight party control, and there is a severe lack of public transparency about political and business interests (Stuart-Fox 2006). State development planning is top-down and forcefully resistant to those who oppose its interests, with multiple citizens being subjected to violence, imprisonment and even enforced disappearances for contesting state-approved projects on the grounds of social, environmental or livelihood concerns.\(^\text{14}\)

Indeed, since its inception in 1980, the United Nations Working Group on Enforced or Involuntary Disappearances has recorded seven cases of unacknowledged detention in Laos, the most recent being that of Sombath Somphone in December 2012 (Sims 2013). The government has also faced widespread condemnation for ongoing human rights abuses against ethnic minority communities, especially the Hmong who fought against the Pathet Lao communist forces during the Vietnam War. Both Amnesty International (2007) and Médecins Sans Frontières (2008) have released reports detailing the ongoing mistreatment of the Hmong by the Lao military, including acts of unjustified imprisonment, murder and rape. One result of such brutal leadership has been a weak non-state sector, with the majority of civil society organisations consisting of foreign NGOs. Furthermore, these NGOs often face substantial constraints on how they offer development assistance, who they can provide assistance to, and how they describe causes of impoverishment.

In addition to political authoritarianism, corruption is also endemic in Laos. Transparency International ranks Laos 140\(^{\text{th}}\) of 175 countries on its corruption perceptions index (2013) and, although it is difficult to speak publicly about the

\(^{14}\) An enforced disappearance is defined under international law as the arrest or detention of a person by state officials or their agents followed by a refusal to acknowledge the deprivation of liberty, or to reveal the person’s fate or whereabouts.
issue, in the privacy of people's homes discussions about corruption are commonplace. Combined with authoritarianism, corruption has had a decisive impact on business practices, limiting foreign investment and unnecessarily delaying the commencement of important infrastructure projects. It has seen widespread land seizures, inadequate compensation payments for residents who have been negatively affected by state development projects, and the unlawful demanding of payments for the provision of basic state services such as water and electricity. It has also led to environmental degradation, unwarranted arrests, and has prohibited important research into development and poverty alleviation that is deemed too politically 'sensitive'. Fighting against corruption has often drained the energy and enthusiasm of many academics, NGO staff, and residents of Laos who are trying to implement social and political change within the country.

Yet, despite the multiple development constraints that Laos faces, its economic growth has been impressive. For the past three years its average annual GDP has been around 8 per cent and since 1990 it has had a 12 per cent per annum manufacturing growth rate (Bird & Hill 2010: 122; CIA 2103b). FDI is growing rapidly, particularly from neighbouring states such as Thailand, Vietnam, China and South Korea, and the continual expansion of hotels, restaurants, cash-crop plantations, mining ventures and hydropower projects presents a promising picture for future economic growth. In its 2010 Human Development Report, for example, the UNDP listed Laos as the 6th most successful country for improved human development over the past 40 years, while in 2011 the World Bank raised its income categorization from a low-income economy to a lower-middle income economy (Times Reporters 2010a; Vaenkeo 2011). However, it must also be noted that the relationship between economic growth and poverty alleviation is not always one of mutual benefit. Alongside its impressive economic growth rates Laos has also experienced rising socio-economic inequality and, as Chapters 6 to 9 will show, this has resulted in many new forms of poverty, marginalization and disadvantage.

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15 Transparency International is a global non-profit organization targeting corruption.
1.4: The Problem of Isolation

Described by the Lonely Planet as ‘Southeast Asia’s most pristine environment’, a country where ‘village life is refreshingly simple’ and ‘traditional’ culture has not disappeared in the ‘frenzy of bulldozers, concrete and reality TV elsewhere in the region’ (2007: 4), Laos is perceived by many as a nation that has been ‘untouched’ by Western-led modernization. Representations of the country as a ‘remote’ and ‘isolated’ outpost from the modern world are reflected both within the tourism and development sector. However, as this thesis will show in coming chapters, isolation has never been as a significant inhibitor to development as these industries suggest. As a former colony of French Indochina, and later the site of intense military conflict during the First and Second Indochina Wars, Laos has long been the site of competing ideologies of
development, modernity and progress. Similarly, as an LDC, it is host to a complex matrix of non-governmental organisations (NGOs) and international development institutions and is one of the highest recipients of financial aid in Southeast Asia. Between 2006-2010, for example, the country received Official Development Assistance (ODA) worth US$2.4 billion, while in the past as much as 90 per cent of the state budget has been financed externally (Rehbein 2007: 44-45; Vaenkeo 2011). With the rise of the ‘Asian Century’ – and especially China - the country’s significance to regional geopolitics, trade and infrastructure networks is now entering a new era of productivity.\(^\text{16}\)

In spite of its various geopolitical weaknesses - such as a population 1/200th the size of China’s and a GDP of just US$7.9 billion - Laos’ land-locked location at the heart of mainland Southeast Asia makes it instrumental to enhanced regional integration (CIA 2013b). All of its provinces have international borders and for almost three decades now the Government of Laos (GoL) has sought to use the country’s geographic position as a means to promote foreign investment (Jerndal & Rigg 1999; Pholsena & Banomyong 2006). Two of mainland Southeast Asia’s primary ‘economic corridors’ already pass through the country and from 2006-2010 more than 80 per cent of private sector growth came from FDI (Creak 2011). This ‘opening up’ to intensified regional flows – especially from China – is having a significant impact on development practices and priorities. Specific attention is given to China in this thesis for four principle reasons.

First, is its sheer economic size. The Chinese economy is now the second largest national economy in the world and is bigger than all of the Association of South East Asian Nations (ASEAN) economies combined (Pholsena & Banomyong 2006: 28). Second, is its proximity and the resulting shared geopolitical and economic interests between the two countries. Third, growing Chinese aid and investment has seen the reconfiguration of the development priorities established by ‘traditional’ donors over the past three decades.\(^\text{17}\) This is having important social, cultural and economic implications. Finally, comprehending

\(^{16}\) I use the term ‘Asian Century’ here as it has been recently popularized – that is, to refer to the growing economic prominence of Asia over the past 15 years. However it must be noted that the ‘Asian Century’ is a contested term that continues to be widely debated.

\(^{17}\) For a more detailed analysis of development ideologies and their institutionalization within Asia see Chapters 3 and 4.
China’s approach to development in Laos has far reaching analytical implications. Unlike Laos’ two other major FDI providers of Thailand and Vietnam, Chinese ODA and FDI is growing within many countries. By exploring the implications of Chinese state and private sector investment in Laos, it is hoped that this thesis will provide some indication of the broader discourses and ideologies that inform the country’s development activities elsewhere. Put simply, it is hoped that this thesis will assist future academic research in coming to acquire a better understanding of what sort of ‘development’ China’s rise is likely to bring to other low and middle-income countries, especially within Southeast Asia.

In summary then, the principal research questions explored in this thesis are (1) the knowledge frameworks and development ideologies that inform Chinese aid to Laos, (2) how a growth in Chinese aid and investment is reconfiguring the operation of the global development sector in Laos, (3) how Chinese development strategies compare to those of more traditional donors and (4) who is benefitting or being disadvantaged by China’s growing presence. In addition to four primary questions, three secondary questions that the thesis seeks to engage with are (1) the dynamics through which geographies of development are being reconfigured by global neoliberalism and, (2) the development and poverty alleviation implications of China’s growing presence in the country and (3) what knowledge-frameworks inform and facilitate the apparent correlation between increased Chinese aid and investment in Laos and growing rates of development-induced displacement. Here, I am particularly interested in the divergent outcomes of development projects for different people and how processes of marginalisation, disadvantage and exclusion are legitimised through discourses of development. A more nuanced explanation of these questions will be taken up in greater detail in the following chapter on the research methodology.

1. 5: Thesis Overview

In order to appreciate how the global development landscape has been affected by the rise of China and other new donors it is crucial to first develop a
methodological and conceptual framework from which to approach this political, economic and socio-cultural shift. Accordingly, Chapter 2 of the thesis provides an outline of the methodological approach that has shaped the collection and analysis of research data. In particular, it notes that the research has been informed by an interpretation of ‘development’ as a highly politicised arena of competing value-systems and resource struggles that people enter from different positions of power. This is an arena that not only provides unequal benefits and challenges for the impoverished, rather it is also an environment in which there are certain consequences and perspectives on development that are frequently suppressed or ignored. These are the viewpoints and situations of those who are marginalised and disadvantaged by the development – the ‘debris’ or, in economic language, the ‘externalities’ of development activities. It is these ‘silenced’ viewpoints that this thesis most emphatically explores.

Having charted the thesis’ methodological approach, Chapter 3 begins with a literature review of the field of development studies. Drawing from a post-development viewpoint, the chapter provides a genealogy of development thinking that begins with the European Enlightenment. It suggests that prevailing discourses of development have remained committed to a Eurocentric, high-modernist reading of progress that applies technocratic and apolitical ‘solutions’ to poverty alleviation. By drawing attention to the disjunction that exists between academic theorizing and the prevailing discourses of the professional development sector the chapter makes clear that technocratic modernization remains a guiding framework for much development practice. As the chapter also notes, this has been especially so from the 1980s onwards, when a global shift towards economic neoliberalism saw the further entrenchment of the privileging of economic growth over social welfare and wellbeing.

In Chapter 4, the focus moves from broader debates within development thinking to a historically grounded examination of how development institutions have shaped Asia from the 1940s onwards. Beginning with the expansion of Western aid institutions at the end of the Second World War and moving through to the more contemporary rise of ‘new’, non-Western donors,
the chapter provides a genealogy of how discourses of development have become one of the most common ways of 'knowing' Asia. Here, it is stressed that the institutionalization of development within the region has not only been driven by Western imperialism or Cold War geopolitics, rather discourses of development have also been actively advocated by key actors from within Asia. Economically prosperous and technologically advanced nations such as Japan, South Korea, Hong Kong, Taiwan and Singapore have positioned themselves as 'success stories' that offer their own 'Asian' model for progress and some have established their own lending programs to lower-income countries. More recently, the high-modernist discourses of new donors such as China have also seen the further entrenchment of development ideologies and the expansion of the professional development sector.

These twin themes of the institutionalisation of (high-modernist) development and the rise of new donors are continued in Chapter 5. Here, the analysis shifts in scale from the region to an exploration of the history of development ideologies within Laos. Moving from a reading of French colonial discourses of 'civilization' and 'backwardness', to new donors and their emphasis on regional integration and modernization, the chapter draws attention to the shifting actors and ideologies that have shaped development within the country. In particular, it notes that post-Cold War growth in intra-regional aid and investment within Asia has seen a reduction in the bargaining power of traditional European donors.

Yet, at the same time, the chapter also notes that there has been a perpetuation of the high-modernist technocratic development that first emerged through French colonialism. As Chapters 4 and 5 therefore both make clear, the normalization of development discourse within Asia has a long historical legacy that is being both perpetuated and reconfigured through the rise of new Asian aid and investment. Moving from the histories of development thinking within academia, to the institutionalization of development within Asia and finally to the geopolitics of development within Laos, Chapters 3 to 5 provide a multi-focused historical context to the post-development critique that is undertaken from Chapter 6 onwards.
In Chapter 6 the focus turns to China’s growing aid and investment into Laos at the national scale. The purpose of this chapter is to provide a general picture of China’s key interests, its prevailing ideological approach to development, and some of the broad implications of its increasingly prominent role in shaping the country’s future development trajectories. Here, attention is given to a key Chinese government planning document for development in Laos, and the primary economic sectors of Chinese aid and investment - namely, infrastructure development, agribusiness, mining and hydropower. The chapter argues that China offers an alternative framework for development to traditional donors, that is bringing new opportunities for economic growth and many new challenges for sustainable resource management and human wellbeing. This is a top-down, technocratic, and apolitical development model that disproportionately benefits elites over the impoverished, and that is drawing Laos into the region on unfavourable terms.

Descending in scale from the national to four city sites, and later to the local-scale implications of four specific development projects, chapters 7 to 9 draw on extended in-country fieldwork and more than 84 interviews to consider how China is reconfiguring discourses and practices of development within Laos. In particular, these chapters focus on the northern Lao tourist hub of Luang Prabang, the country’s capital city Vientiane, and two recent casino towns that have been formed in the provinces of Luang Namtha and Bokeo. What each of these chapters note, is that the high-modernist development ideologies of Chinese aid and investment are articulated through pre-existing discourses of development that are shaped by specific socio-cultural, political and even architectural contexts. Bringing together the overlapping and often unclear nature of Chinese ODA and FDI, these chapters make clear the manner in which ‘China’ is seeing the increased privatisation of development in Laos through the coming together of state and private interests. By focusing on three urban environments, the research seeks to draw attention to an under-researched aspect of Chinese aid and investment in Laos, namely, that of city making. As discussed further in the following chapter, the decision to focus on urban

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18 Interviews were conducted with 84 participants. Some participants were interviewed on multiple occasions. For a more detailed outline of the methodological framework applied in this thesis see Chapter 2.
environments was also shaped by the researcher's objective to highlight that new forms of poverty are emerging through development even in Laos' most ‘developed’ spaces.

In the case of Luang Prabang, for example, China has used the city’s World Heritage status, and the tourism flows this generates, as a mechanism for implementing high-modernist development practices and bringing modernization to the urban landscape that exists 'beyond the buffer zone'. In Vientiane, the same high-modernist ideologies are realised through practices of ‘Worlding’ and urban beautification, which build on longstanding aspirations to make the city into a regional hub and modern capital of the nation. Finally, in the casino towns, ideologies of global neoliberalism and regional connectivity are mobilised to transform ‘primitive’ upland regions into new tourism enclaves. Combined together, the three chapters draw attention to the ways in which China’s high-modernist and technocratic approach to development is exclusory of impoverished citizens of Laos.

Finally, in the thesis conclusion the various examples of Chinese ODA and FDI presented in Chapters 6 to 9 are drawn together in order to reveal some of the wider implications of China's growing financial influence across the developing world. Here, I assert that the rise of Asia has seen an increasingly high-modernist approach to development that prioritises greater integration with global trade and financial flows over the improved wellbeing of the impoverished. With the rise of China, Japan and the ‘Asian Tigers’, as well as the formation of global Asian metropolises and ‘non-Western’ reference points of modernity, ‘development’ is no longer perceived as synonymous with Westernisation. However, it appears that ‘new’ aid donors have only further perpetuated longstanding technocratic biases within the global aid sector. Indeed, I suggest that China’s aid and investment in Laos is representative of an enhanced ‘coming together’ of state and private capitalism that has seen increasingly powerful forces of displacement, marginalisation and exclusion for the impoverished.

Consequently, this thesis suggests that there remains an urgent need to reemphasise that development involves different things for different people, to acknowledge that the interests of one group may conflict and undermine the
interests of another and to provide greater consideration to the perspectives of those who have been marginalised or disadvantaged by so-called processes of ‘development’. In other words, the rise of new donors has only reinforced the importance of academic critiques that draw attention to the highly politicised nature of development interventions by critiquing and deconstructing positivistic narratives of expert and technology led ‘progress’. In the context of Laos, the thesis suggests that while Chinese aid and investment is likely to bring many opportunities for infrastructure expansion and economic growth, its willingness to support and even strengthen political authoritarianism and the suppression of human rights is also leading to many new forms of poverty, marginalisation, disadvantage and exclusion.
2
Making Sense of ‘Least Developed Laos’: A Summary of Methodology and Methods

It is important that you do this research because you are free. But I am not free.

– Academic at the National University of Laos.

It was only by walking and working with the Meratus Dayaks that I learned to see the forest differently. The forest they showed me was a terrain of personal biography and community history.

- Anna Lowenhaupt Tsing (2005: xi).

Any real effort at “social change” cannot help but have powerful political implications.


2.1: Introduction
Methodologically, I first encountered Laos as an honours thesis. In this 2009 research project I explored the effects of unexploded ordnance (or UXO) on the livelihoods and wellbeing of impoverished rural communities.\(^{19}\) However, as is common with socially oriented research, this undertaking also generated a number of broader conceptual questions regarding the nature of progress, wellbeing, inequality and poverty, as well as the relationship between ‘development’ interventions, global geopolitics and the lived experiences of the poor. In particular, findings from three weeks of in-country fieldwork that

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\(^{19}\) Laos is one of the most heavily UXO contaminated countries in the world.
indicated fear is a significant wellbeing inhibitor within UXO contaminated landscapes led to an interest in the contextual specificities of poverty and the discrepancies between homogeneous, national-scale development indices and local-scale understandings of poverty. Consequently, two of the most central questions to emerge from my honours research were (1) how is poverty created, reinforced and perpetuated across diverse socio-cultural and geographic contexts, and (2) how is poverty encountered as a ‘lived experienced’?

It was also through my honours research that I first encountered impoverished persons that had been marginalised and disadvantaged by processes of ‘development’. The research process led me to a heavily UXO contaminated region of the Nakai plateau, in the southern Lao province of Khammouane, where a number of research participants had been forcibly displaced from their land by the World Bank funded Nam Theun 2 hydropower dam. This experience raised enduring questions around how development narratives eschew the negative livelihood implications of economic growth-generating projects and how power relations facilitate the privileging of certain forms of knowledge over others. In other words, it led to considerations around how development operates as a discourse.

Finally, honours fieldwork observations also generated awareness that East Asia, and especially China, is coming to have an increasingly influential role in shaping development trajectories within Laos. This, in turn, led to consideration of what economic forces are most influential to livelihood transformations in the country, what role foreign powers have in shaping development trajectories and how impoverished communities are being affected by growing economic regionalism in East Asia. It was these questions that first led me to undertake this PhD.

This chapter outlines the epistemological and ontological foundations of the thesis. It details the key research questions that emerged throughout the research process and the methodological approach adopted to address these questions. Here, specific attention is given to the complexities of researcher positionality and the politicised nature of development research. Following this,
an explanation of research methods and constraints is provided, along with a summary of how the research data was analysed.

2.2: Encountering development

As I discuss in Chapter 3, there are many definitions and theoretical standpoints from which one can approach ‘poverty’ and ‘development’. The methodology adopted within this thesis draws on a number of inter-related conceptual streams that place people’s wellbeing as the foremost goal of development. This is an intellectual approach emphasising that economic growth is only ‘valuable’ depending on its productive capacity for enhancing the capabilities of people to live free, healthy, and dignified lives. As thinkers working within the human development paradigm have repeatedly stated, it is a framework that positions people as ‘both the ends and the means of development’ (Qizilbash 2006: 249).

Of particular importance to the reorientation of development towards more ‘people-centered’ approaches is how poverty is conceived. According to thinkers such as Amartya Sen, for example, poverty is not only a lack of financial wealth or basic needs (such as shelter, clothing, food, water, sanitation and education), rather it is a deficiency of the essential ‘capabilities’ and ‘freedoms’ required to both participate in society and live a decent life (Jenkins 2007; Sen 1999). Poverty is, as Bauman states, ‘a social and psychological condition... the inability to live a ‘normal life’ according to the conditions of normal defined by any given society’, and to be ‘cut off from the chances of whatever passes in a given society for a ‘happy life” (1998: 37-38).

Approaching poverty from a more humanistic standpoint also requires an appreciation of socio-cultural, locational and personal variances in what poverty means. For example, ‘poverty’ may mean very different things to men, women, children, the elderly, the disabled, urban and rural communities, ethnic minority groups, farmers, wage-labourers, nomadic communities or refugees.

This reconceptualization of impoverishment (and development) towards a more contextually informed analyses is of importance for coming to understand poverty not only as a lack of material needs, but also as a state of disempowerment; of vulnerability, marginalization, exclusion, deprivation, and voicelessness. In particular, by making clear that incidences of poverty are
'rarely the result of indolence, lassitude, immorality or character deficiencies', people-centered approaches to development have brought into question the assumed inter-dependency between poverty alleviation and economic growth (Greig, Hulme & Turner 2007: 13). That being said, and as Chapter 3 notes, while humanistic understandings of development have problematized growth-based models of development, they have also generally left aside debates regarding structural inequalities and the mechanisms through which the poor are 'economically exploited, socially subordinated and politically marginalised' by so-called processes of 'development' (ibid: 27).

More critical analyses of development can be found in the work of structuralist and post-development thinkers. Drawing primarily on Marxist and neo-Marxist critiques of global capitalism (structuralism), as well as Foucauldian explorations of knowledge-power relations and discursive regimes (post-development), these critiques bring attention to 'how “the project of development” fuel highly uneven and unstable relations of capitalist production’ (Goldman 2005: xix). This is an interpretation of development that examines how certain patterns of inequality are maintained and reproduced by social and economic interconnectivities between the ‘developing’ and ‘developed world’ (Breman 1996; Carroll 2010; Escobar 1985, 1995; Esteva 1985; Lister 2004; Townsend 2002; Wilson & Ramphele 1989; Wood 2003). By drawing attention to who benefits and is disadvantaged by processes of ‘development’ and the creation of wealth, these inter-related paradigms bring into question the idea that development is a ‘gift’ from developing countries to the Global South.

Framed in this manner, development and ‘progress’ are not perceived as technological advancements, rather they become processes of socio-economic, cultural and political struggle, which people enter from different positions of power and that produce both benefits and challenges. Significantly, such conceptualisations of development provide analytical space for the consideration of how poverty is produced by processes of development; for the poverty-inducing effects of development and the failed promises that development often entails (Escobar 2000; Ferguson 1999). These inter-related paradigms have played an important role in the formation of a conceptual framework for this thesis, which explores questions relating to how
development operates as a discourse, but also to how the power dynamics and policy interventions that discourses produce effect the lived experiences of impoverished and socio-economically marginalised groups. In other words, one of the central aims of this thesis is to analytically shift the focus of ‘development’ (in Laos) away from economic indices towards a greater consideration of social justice, rights and equality – and also to show that perceptions of ‘modernity’, ‘progress’ and ‘development’ are in part maintained through the marginalisation and abjection of particular communities. This understanding of development has also informed how this thesis approaches Laos.

2.3: Knowing Laos

As with any nation-state, Laos is a historically and intellectually contested space that can be interpreted through various discursive, ideological and theoretical lenses. This thesis approaches Laos through the lens of development. Framing the country in this manner shaped the review of relevant literature and two recurrent themes encountered in my reading were that Laos is highly impoverished and that this is largely a product of its relative isolation from global and regional flows. Such perceptions of the country both informed, and are problematized by, the manner in which Laos has been conceptualised within this thesis.

According to the classificatory systems of the UNDP, Laos is a ‘least developed country’. Its human development indicators are some of the lowest in the world and, while this only provides a simplified interpretation of ‘poverty’ that overlooks important social and cultural components of wellbeing, it nonetheless suggests that there is significant socio-economic inequality between the country and much of the rest of East Asia. Drawing on the reports and statistical indices of international development institutions and international NGOs, as well as empirical understandings formed during previous research in the country, this thesis has also sought to frame Laos as a country where poverty alleviation is a serious nationwide concern.

Yet, at the same time, this research also employs a methodological approach that seeks to be considerate of the complexities surrounding inequality within the country. Laos is not universally ‘poor’ and the impoverished are not a
homogenous group that can be understood through the application of national-scale development indices and abstracted development theory. Consequently, this thesis interprets the country as a place where causal forces of impoverishment and the lived experiences of development are multifaceted - and often misconceived.

A useful starting point for adopting such an approach are the two participatory poverty assessment (PPA) reports that were conducted under the leadership of James R Chamberlain (2001, 2007). A part of the ADB's technical assistance to Laos, the primary purpose of Chamberlain's reports was to ‘record the experiences and concerns of the poor in order to initiate and identify more effective forms of poverty alleviation’ (ibid 2001: i). As is also the objective of this thesis, these reports aim to stress that ‘assessing and analyzing poverty in the culturally diverse nation of the Lao PDR’ requires a ‘holistic endeavor’ that emanates from an understanding of poverty ‘that is open, fluid and subject to many influences’ (ibid). Importantly, Chamberlain suggests that in the context of Laos, ‘the most reliable source of information on poverty is... the poor themselves’, and that the objective of the PPA's is to examine ‘what poverty means to the poor themselves, what they experience in their own words, what causes they identify for poverty, and what their recommendations are for the alleviation of poverty’ (Chamberlain 2001: ii, 2007: 9).

In order to achieve this objective, Chamberlain developed a research methodology that was wide-ranging in both scope and context. Focusing specifically on ethnic minority communities, in the 2001 PPA Chamberlain drew on both quantitative and qualitative data from 50 villages that were spread out across the northern, eastern, central, and southern regions of Laos (2001: i). This research scope was then further expanded in the 2007 PPA, to incorporate 95 villages that were located within Laos' 47, government determined, poorest districts (Chamberlain 2007: 10). By drawing on such a diverse range of perspectives and contexts, the aim of Chamberlain's two PPA's was to define poverty ‘in a manner that is representative of the country as a whole’ (Chamberlain 2007: 9).

Developing a research sample that is representative of Laos ‘as a whole’ is beyond the scope of a PhD thesis. Instead, the objective of this research has
been to focus more specifically on spaces that are framed within discourses of development as either Laos’ most developed regions (Luang Prabang and Vientiane city), or as sites of future industrialization, urbanization and rapid economic growth (SEZs). This is an approach that contrasts with, and hopefully complements, Chamberlain’s focus on highly impoverished villages, and which seeks to make clear that even within the country’s most dynamic sites of modernization, people are being marginalized and disadvantaged by processes of ‘development’. In both the 2001 and 2007 PPA’s a central finding of the reports was that, ‘from the point of view of the villagers in the assessment’, poverty is ‘not an endemic condition’, rather it is “new poverty” that has resulted from ‘events external to the villager over which he or she has no control’ (Chamberlain 2001: vii, 2007: 10). Similarly, in both reports it was stressed that one such ‘external event’ has been forced resettlement. In an attempt to explore this issue further, I have sought to engage with communities that have been forcibly displaced in the name of development and poverty alleviation.

In addition to drawing attention to ‘the insights and analytical capabilities of the poor as a foundation in assessment’ (Chamberlain 2001: i), a second key methodological objective of this thesis is to contest prevailing framings of Laos as globally and regionally ‘isolated’ through a reframing of the country as unevenly (and often exploitatively) integrated within the global political-economic system. As Chapter 5 will show in more detail, Laos has always been tied to other foreign powers. It is an aid-dependent country that has accommodated more than four decades of development interventions, around 60 years of French colonialism and, prior to that, centuries of regional trade with other Southeast Asian kingdoms. Consequently, and as both Walker (1999) and Glassman (2010) have also done, this thesis rejects the view that poverty in Laos is a product of isolation. Indeed, the research project is informed by an interpretation of Laos as deeply integrated with processes of global interconnectivity and development. Conceptualised in this manner, it is not a lack of exposure to ‘development’ that has resulted in the country’s impoverishment but a history of regional integration that has disproportionately benefited foreign powers, ongoing structural inequalities
with the global economic system and a multitude of development projects that have not produced the prosperity they intended to provide. Importantly, this reframing of the country as host to a complex matrix of development institutions and interventions allows for an analysis of how inequality, marginalization and disadvantage are caused by processes of development. This conception of Laos also has a number of methodological implications.

2.4: Research Methodology

The key methodological objective of this thesis is to better understand poverty from the perspectives of those who have been marginalised and disadvantaged by development – the ‘debris’ of development policies and interventions. An important mechanism through which technocratic modernisation has been maintained as a taken-for-granted driver of socio-economic progress is the silencing, delegitimizing and downplaying of the stories of those disadvantaged by development. This is particularly so in Laos, where the country's authoritarian government has imprisoned and violently displaced those who have opposed its interests. As N'Dione et al. note, ‘clearly what is true is what the powerful believe or say to be true: the truths of the poor or of those without rank are only beliefs that come up against the knowledge of those who hold the levers of power’ (1997: 375).

Recognising that the global development sector is a multifaceted arena of competing priorities and viewpoints, the research aims to highlight how development institutions construct particular landscapes and communities in accordance with their own – often ideologically motivated – ways of seeing and knowing the world. In particular, it seeks to stress the need for greater acknowledgement of the complexities surrounding ‘poverty’ and ‘the poor’ and that diverse impoverished groups will not see their livelihoods uniformly improved through homogenous, empirically detached, development policies (Ferguson 1990: 281; Rigg 2005). In accordance with these objectives, the research project also examines variations in development priorities between different actors, scales, and socio-cultural contexts. As Tsing has done in her impressive work on the Kalimantan region of Borneo, this thesis seeks to examine how global, regional and national discourses of progress are played out
in a localised context and to understand inequality through an interpretative lived experience (2005). Given the research’s concern with marginalised viewpoints, the most appropriate methodological approach is the use of qualitative mix of methods that are informed by a social constructivist explanatory framework. By drawing from constructivism’s epistemological reading of the cultural and historical specificities of knowledge claims, the research project was able to combine a ‘micro’ scale attention to local interactions with consideration of the broader social, economic, political and policy contexts in which development projects are formulated (Barbour 2008; Gergen & Gergen 2007). To be clear, the research project did not attempt to conduct a ‘deep’, sensory rich, ethnographic analysis of one specific research context, rather its objective was to use ethnographic methods such as non-participant observation, interviewing and the collection of field data and cultural artefacts in a variety of contexts (within Laos) as a means to analyse disparate perspectives on development. In other words, by removing positivist grounds for silencing alternative viewpoints, such an approach enabled the co-creation of ideas from both development institutions and their intended beneficiaries (Denzin & Lincoln 1998: 35).

In order to allow for the understanding of social issues from the perspectives of research participants the methodological approach adopted here draws most predominantly on ‘a set of interpretive, material practices’ that are built around fieldwork observation and interviewing (Denzin & Lincoln 1998: 4). This approach contrasts with prevailing methods of development research (which have typically relied heavily on quantitative methods and positivist epistemologies), and seeks to stress how development interventions are conceptualised, encountered and experienced in multiple ways (Mayoux 2006: 116). It is an approach that allows for the formation of new research pathways based on empirical observations and a contextually based questioning of prevailing metanarratives.

Generally speaking, the adoption of qualitative research methodologies and field-based research is informed by the selection of fluid or subjective research questions that are partially open-ended and are to be ‘developed or transformed... clarified and delimited’ over the course of the research
Through this characteristically ‘funnel structure’, the researcher is able to both pursue predetermined research questions and adopt an intellectually adaptive or exploratory position that encourages the production of new avenues of inquiry (ibid). In line with this approach, the research employed for this project was simultaneously inductive and deductive. In particular, the combined application of semi-structured interviewing and non-participant observation within low-income communities allowed the research project to move through hierarchies of knowledge-power relations from the centre to the periphery and to engage with the perspectives of those who are rarely acknowledged in donor reports; with ‘those who are invisible and unknown’ and those who ‘do not speak’ (Chambers 1990: 48, 40).

That is to say, it provided the means for both analysing the complexities of development at the local scale and the adoption of a ‘community-based political subjectivity’ that was guided by both ethical considerations and intellectual inquiry (Packer 2011: 236).

An important methodological consideration when conducting qualitative, interpersonal research is how the researcher is positioned within the fieldwork environment. Fieldwork is always relational, embodied and politicised and a crucial aspect of ethnographic research methods is to be reflexive on how the researcher’s subjectivity contributes to the production of knowledge (Sultana 2007). In order to navigate Laos’ politically constrained research environment, the initial strategy for this project was to seek formal support from an in-country NGO. However, given the political sensitivities surrounding the project, such support could not be obtained without restructuring both the research scope and methods. This initial set-back led to reflections on the viability of the research project and the disparities that exist between critical academic research and the professional development sector. Eventually, reflections on self, process and the power relations and politics of the research environment led to the realization that direct organizational engagement would, in fact, undermine the collection of data.

One of the first methodological tenets of most qualitative research is the need to ensure a certain degree of critical distance between researchers and participants (Packer 2011). By avoiding direct association with an in-country
organisation (and the political constraints that this would entail), the research was able to explore a broader range of questions and more easily manoeuvre between different sectors of Laos’ development landscape. The ‘negotiated impartiality’ that is afforded to a non-organisationally affiliated researcher enabled a wider appreciation of the complexity of development from multiple perspectives and reduced the likelihood of participants making misguided assumptions about the motivations behind the research (ibid 2011: 314). That being said, it is important to note that while this research did not involve formalised institutional assistance, it would not have been possible without the support and access to social-networks that many employees of in-country organisations provided. It was also through such experiences with the professional development sector that a more complex understanding of the political implications of the project was formed.

As noted throughout this thesis, ‘doing development’, be it through the building of large-scale infrastructure, localized community projects, or the writing of reports, articles and PhD theses, is a highly politicized process that cannot ever be entirely objective. Every development project has political implications and just as there are no ‘value free projects’ there is also no ‘value free research’ (Arvanitakis 2011: 109). This does not, however, mean that the subjectivity of research cannot be mediated. As Griffith notes, ‘bias comes not from having ethical and political positions – this is inevitable – but from not acknowledging them’ (1998: 133). In response to the inherent subjectivities of qualitative analysis, this thesis has sought to emphasise the political intent of the research and to stress that ‘any real effort at “social change” cannot help but have powerful political implications’ (Ferguson 1990: 226). Indeed, a central objective of the thesis is to provide a voice to under-represented viewpoints of development and to make clear that processes of development can also result in poverty, marginalisation and disadvantage. In other words, the methodological objective of the research was not only to research the underprivileged, but also to ‘rehabilitate’ the status of their beliefs and facilitate their ‘right to

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20 I refer here to affiliation with in-country development organisations. The researcher was affiliated with the University of Western Sydney.
recognition’ (N'Dione et al. 1997: 375). This politicization of the project also informed the methodological approach to discourse analysis. It is through discourse that many of the previously mentioned structuralist inequalities of the global system ‘are made invisible’ and that development has come to be interpreted as a ‘gift’ offered to low-income countries by altruistic Western nations (Goldman 2005: 21). Yet, the term ‘discourse’ is ‘notoriously ambiguous’ (Lynch 2007: 499). As Lynch has noted, discourse analysis ‘is not a single method’, rather this methodology ‘covers a broad range of communicative phenomena’ and approaches which are ‘integrated with distinct lines of social theory and philosophy’ (2007: 499). Borrowing from Mills, the methodological approach adopted here refers to discourse as ‘groupings of utterances or sentences, statements which are enacted within a social context, which are determined by that social context and which contribute to the way that social context continues its existence’ (1997: 11). This is an abstract understanding of discourse that is broad in its scope and includes ‘the general domain of all statements, sometimes as an individualizable group of statements, and sometimes as a regulated practice that accounts for a number of statements’ (Foucault 1972: 80). It is a methodological framework that not only recognizes that power relations shape our social world, but that also seeks ‘to promote more egalitarian and liberal discourses and thereby to further democratisation’ (Jorgensen & Phillips 2002: 88).

By drawing attention to the contradictions and inconsistencies between the narratives presented by development institutions and those who encounter development as a destabilising, disruptive or detrimental force, this thesis uses discourse analysis as a means to cast doubts ‘on the legitimacy of contemporary concepts and theories’, and bring forth ‘forms of knowledge that were spurned or declared illegitimate’ (Packer 2011: 356). Similarly, by giving voice to oppressed social groups and making clear that the experiences and understandings of development expressed by these communities are often left out of grand narratives of socio-economic progress, the research applies discourse analysis as a means to both ‘uncover the role of discursive practice in the maintenance of unequal power relations’ and to challenge and contest such relationships (Jorgensen & Phillips 2002: 64).
Finally, and perhaps most importantly, the methodological approach adopted here suggests that ‘text analysis alone is not sufficient for discourse analysis, as it does not shed light on the links between texts and societal and cultural processes and structures’ (ibid 2002: 66). While discourse analysis adds reflexivity to development studies and opens up ‘the politics of development to a more profound engagement’, employing textual analysis alone risks skirting around ‘actual issues of power’ and diverting attentions from relations ‘on the ground’ (Pieterse 2010: 15). To respond this limitation, this research has combined textual and social analysis through the aforementioned in-country fieldwork processes. By employing a combination of discourse analysis, observational methods, interviewing, the collection of cultural artefacts and a pragmatic reflexivity to researcher positionality, the methodological framework adopted here seeks to develop a multifaceted understanding of development, which draws attention to, and aims to empower, the often-overlooked perspectives of the impoverished.

2.5: Research Methods

2.5.1: Desk-based Research
The first research tasks for this project were to map the multiple ways in which ‘development’ has been conceptualised, to identify key intellectual questions to be explored, and to establish a methodological framework for the collection of data. This was achieved through one year of desk-based research. In addition to the formation of a conceptual framework, desk-based research also involved a literature review on Laos, its history and contemporary development debates, as well as a discursive critique of how the country’s development needs have been framed by different actors. This included analysis of the policy documents of IFIs, NGOs, bilateral donors and the GoL, in order to seek out key words and repetitive statements, as well as what aspects of development were overlooked or left out of these texts (Jorgensen & Phillips 2002). Finally, desk-based research also included the analysis of cultural artefacts such as ‘newspapers, official reports, ‘unofficial’ documents such as pamphlets, television documentaries and films’ (Howarth 2000: 140). While the majority of this
research was undertaken prior to the commencement of fieldwork, discourse analysis and literature review remained ongoing throughout the project.

2.5.2: In-country Fieldwork

Empirical research for this project involved 10 months of fieldwork in Laos, conducted from May 2011 to March 2012. Fieldwork included participant and non-participant observation, a mixture of unstructured and semi-structured interviews, review of development policy documents and mainstream media articles, as well as the collection of photographic images and video footage, field notes and a diary of research observations and reflections. The lengthy timeframe of the fieldwork was essential to building the relationships and trust that exploring sensitive political issues in Laos requires. It also provided the opportunity to conduct tentative data analysis that enabled the identification of gaps in data collection and the pursuit of new analytical considerations. Finally, in addition to research conducted in Laos, fieldwork also involved a two-week visit to China to attend the 11th China-ASEAN trade expo and a short visit to Chiang Mai to consult with academic colleagues who are working in the region. I began my fieldwork (in the Lao capital of Vientiane) by searching for specific research sites to analyse development as a lived experience, and by building a network of contacts that could facilitate the research process. As noted above, a number of unsuccessful attempts were made to partner with different in-country organisations before this approach was abandoned for both practical and conceptual reasons. Early interviews with individuals working in the country’s civil society sector were also used to identify Laos’ primary development concerns and which aspects of the country’s development landscape most required greater academic analysis.

On arrival to Laos the initial aim was to conduct research around the implications of Chinese aid and investment on northern ethnic minority communities. Reading of secondary sources suggested that these communities were some of the most socio-economically disadvantaged in Laos and that development interventions were creating a multitude of challenges to their livelihoods and socio-cultural practices. However, an inability to find an in-country organisation that was willing to support the research prevented
detailed empirical research with such communities. Yet again, this practical limitation led to a reconsideration of the research project and new insights into how development in Laos is conceptualised.

The decision to research remote ethnic minority communities had been informed by a number of epistemological questions regarding the nature of poverty and how poverty is encountered as a lived experience. Yet, as noted above, an interpretative framework that sought to examine how ‘development’ interventions lead to new forms of poverty, marginalisation and disadvantage also oriented the research process. Of particular importance to this research was the need to both challenge the normalization and legitimization of ‘development’ as synonymous with poverty alleviation and to draw attention to how processes of development can lead to new forms of impoverishment. Consequently, it became evident in the early stages of the fieldwork period that key research questions would be better addressed by communicating with communities that had been (inaptly) labelled as benefactors of development. Conducting research on individuals who are ‘undeveloped’ and live in ‘poor’ areas has been a common methodological approach for development studies, however, given the focus of this thesis on development as a causal agent in the production of poverty, a more appropriate research group is communities that have been displaced and dispossessed of their land through modernisation. This shift in the research methodology also informed the selection of specific fieldwork sites.

2.5.3: Primary Research Sites
Research was conducted across the three primary sites of Vientiane, Luang Prabang and the casino towns in Luang Namtha and Bokeo.21 The selection of these research sites, and the decision to conduct research across multiple fieldwork sites, was shaped by both conceptual and pragmatic considerations. First, all three sites are considered by the Government of Laos and many of its major aid donors to be of central importance to the country’s modernization and regional integration. Second, all are sites where growing Chinese ODA and

21 I refer to the casino towns as a singular research site because they are discussed together in Chapter 9 and were approached using the same conceptual framework.
FDI is reconfiguring existing built, and socio-cultural, landscapes in accordance with its high-modernist development ideology and where rapid modernization has produced new forms of poverty, marginalization and disadvantage. The stimulation of economic growth and national development through urbanization has been a central feature of the Chinese Communist Party’s (CCP) development model within China and it appears that it is also encouraging urban redevelopment within Laos. Finally, processes of development and socio-cultural transformations within Laos’ urban centres remain an under-researched avenue of academic inquiry. As some of the most ‘developed’ spaces in Laos, these locations provided a useful point of focus for unmasking the ways in which discourses of development subvert certain viewpoints in order to maintain perceptions of progress.

In regards to pragmatic sensibilities, the political sensitivities of the research also meant that it would be easier to collect comparative data from multiple research sites than to conduct a deep ethnographic analysis at one location. While this approach placed limitations on the depth of analysis around how poverty is experienced as a lived reality, conducting a multi-sited ethnography enabled me track the implications of Chinese ODA and FDI on local residents across multiple sites of activity and to examine ‘the circulation of cultural meanings, objects, and identities’ in a manner that could not be achieved by remaining focused on ‘a single site of intensive investigation’ (Marcus, 1998:79). Finally analysing the differing development narratives and strategies that operate across urban environments (which have important implications for how development was encountered as a lived experience), also demanded a multi-sited ethnography.

Of the three research sites chosen, all were selected on the basis of specific project sites – namely, the Luang Prabang Airport expansion, the Vientiane New World (VNW) hotel complex, and the Bokeo and Luang Namtha casinos. As will later be shown in more detail, these projects all involved forced displacements and forms of development-induced marginalisation yet, as previously noted, were framed by the GoL as of central importance to national economic growth. Only in Vientiane was extensive research conducted beyond specific fieldwork sites, as the city provided the greatest access to in-country secondary resources.
and, for the purpose of interviewing, to members of the Lao government and civil society.

At the VNW resettlement site, research commenced in January 2012, and continued for a period of 4½ months, until May 2012. Observational analysis was conducted in both the VNW construction site and the resettlement village, where six interviews were conducted with the forcibly displaced community. In Luang Prabang, fieldwork began in September 2011 and continued until May 2012. Altogether 19 participants were interviewed at the airport resettlement site. Three interviews were also conducted with members of the provincial government, and numerous conversations were held with business owners and expatriates living and working in the city. In both Vientiane and Luang Prabang the amount of time and frequency of visits to the resettlement villages was dictated by the availability of key research brokers. Generally speaking, I would alternate between each research site on a monthly basis, taking time off on three occasions to visit the casino sites and on another occasion to travel to Southern China and Chiang Mai, Thailand. When researching a specific location at least two days per week were spent ‘on site’ and, in Luang Prabang, occasionally as many as five days per week. Alternating between sites on a monthly basis allowed time to ‘step back’ from the research and comparatively reflect on my findings. It also provided me with the ability to observe the research sites over a longer period of time and, consequently, to develop a more detailed understanding of how forced displacement had impacted on the livelihoods and wellbeing of the resettled communities.

Research methods at the casino sites differed from Vientiane and Luang Prabang. Due to their distance from the other research sites, the time and resources that were required to visit each locality, and the enhanced political sensitivities surrounding these places, data collection was less extensive, and was primarily dependent on observational analysis and consultation of secondary sources. Constraints relating to time, finances and accessibility also meant that formal interviews were not conducted at either site, although general conversations were conducted with casino staff and surrounding shop-owners. In particular, at the Kings Roman casino a lengthy discussion was undertaken with an English-speaking employee of the casino who had been
working closely with the senior management for a period of six months and was quite willing to share sensitive information on the project. Two interviews were also conducted with regular patrons of the casino, who happened to be associates of my research broker from Luang Prabang. I visited each casino site on three occasions - in August, November and December 2011. The times selected for these visits were based on pragmatic concerns relating to accessibility, rather than any conceptual significance.

2.5.4: Interviewing

Semi-structured interviewing was one of the most important methods of data collection used in this research project. It was through interviews that I was able to develop a more complex picture of the prevailing discourses that were shaping development in Laos, access the stories and experiences of impoverished communities and analyse the disjuncture's between the perceptions of those implementing development projects and those on the 'receiving end' of these initiatives. A total of 84 participants were interviewed and, for the purpose of analysis, grouped within the three general categories of (1) Lao government staff, (2) members of civil society and the private sector, and (3) forcibly displaced residents. Interview times varied from approximately 30 minutes to 1 ½ hours and key informants were interviewed on multiple occasions. Given the political sensitivities surrounding the research a snowball sampling technique was applied to expand the number of participants involved in the study. Research participants were selected based on purposive sampling, with initial participants identified either by web searches or through existing researcher contacts in Laos. The use of informal social networks as an interview recruitment tool allowed participants to speak much more openly than would have been possible under a more formalized approach.

Interview questions were formulated on the basis of a combination of desk-based analysis and observations within the field, varying between different participants in relation to their particular association with the research project. All interview subjects voluntarily participated in the research and were not paid.

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22 This discussion was held in July 2015 on a follow-up visit to the casino prior to the final submission of the PhD thesis.
or offered any other financial remuneration. Participants were aged between 20 and 80 and the gender ratio of research participants was 18 women to 64 men. For most interviews the politically sensitive nature of the research topic prevented the use of a recording device, which would have made participants both uncomfortable and unlikely to voice genuine opinions. Consequently, notes were taken during and after each interview. Below is a brief summary of the three categories into which research participants were grouped.

The first interview group was members of the country’s civil society sector. Participants included long-term expatriates, independent researchers, international development masters students, journalists, lawyers, NGO staff and employees of Lao non-profit associations. Given that the non-state development sector in Laos is primarily led by foreign NGOs and their expatriate staff, the majority of interviews within this group were conducted with citizens of Western countries, including Australia, France, Switzerland, Germany, Italy, the United States and the United Kingdom. Two interviews were also conducted with Chinese citizens who were working in Laos’ non-government sector and with five Lao nationals who worked in various civil society roles. In total, 27 interviews were conducted with this research group. All interviews were conducted in English and most took place in cafes and restaurants around Vientiane and Luang Prabang. Research constraints prevented the interviewing of Lao non-profit associations and an analysis of their perspectives on the country’s development landscape remains an important avenue for future research.

The second interview group was members of the Lao government. Participants from this group were selected based on their relevance to the research questions and my ability to access key individuals through social networks. In total, 16 interviews were conducted with government staff from the following sectors: The Ministry of Planning and Investment and the Ministry of Planning and Investment Foreign Direct Investment Department, the Ministry of Public Works and Transport and the Ministry of Public Works and Transport Urban Development Department, the National Land Management Authority, the Aerodrome Security Division, the Lao National Committee for SEZ Secretariat.

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23 Three interviews were conducted in the offices of NGO staff.
Office, and the Luang Prabang Provincial Tourism Department. All interviews were conducted in English in the personal offices of research participants. The final research group was those who had encountered development as a destructive influence on their livelihoods and wellbeing. Twenty-five participants were interviewed from this group and all interviews were undertaken in, or nearby to, participants homes. In the majority of instances interviews were conducted with only one individual at a time, however, on occasion respondents’ family members also provided additional responses. In order to try and ameliorate common perceptions relating to foreign researchers as ‘experts’ I would dress in casual attire when interviewing participants from this group and stress that I was a student hoping to learn about life in a resettlement village. While I approached these participants with some specific interview questions, an effort was also made to ensure these questions were broad enough to allow participants to construct their own meanings around their situation. As will be further discussed below, in all research sites I proceeded cautiously through the use of key research brokers who also acted as interview translators.

2.6: The Importance of Research Brokers

As will be further noted throughout this thesis, discussions relating to Chinese ODA and FDI, resettlement, and the rights of the poor are all highly ‘sensitive’ topics that cannot be discussed in Laos without some caution. Limitations surrounding free speech were one of the greatest constraints to this research and are discussed in more detail below. In this section I briefly outline one of the means through which I responded to this constraint, that is, through the use of research brokers (hereon referred to simply as brokers).

In order to access and interview research participants who had experienced forced resettlement in a manner that both protected their anonymity and allowed them to speak openly, all interviews were conducted through translators that lived within the two resettlement sites where research was undertaken. These brokers approached potential participants on my behalf and, if they consented to be interviewed, then invited me to speak with them the following day. In this way all participants were able to decide on whether or not
to participate in the study without feelings of coercion. At times this made data collection frustratingly slow, however, it was deemed necessary to proceed in this manner to ensure that research participants were not put at risk. In order to maintain the safety and anonymity of the research brokers, I selected individuals that were freelance tour guides and, as a result, were frequently bringing foreigners to the research sites. Consequently, recurrent visits to the village site (which were also interspersed with visits from tourists) did not appear to present any obvious risks for them.

Decisions on who to select as translators/brokers for the research were based primarily on chance opportunities that resulted from social networking. In respect to Luang Prabang, I was provided with the contact details for a broker through another academic I had met following a conference presentation that I delivered in Bangkok, while en-route to my fieldwork in Laos. This individual had a long-term relationship with an English-speaking resident of Luang Prabang who had been displaced by the airport upgrade. At this point in time, however, it was not my intention to conduct fieldwork in Luang Prabang and thus this displacement was not discussed. Rather, I simply sought a translator who could assist with my research in other northern provinces. In fact, I actually visited the airport resettlement site with another contact from the city and decided that it would be an ideal research site before realising the initial contact that I had been provided lived at this location. This fortunate coincidence was of great benefit to the research process.

In Vientiane, my broker was also located through an expatriate woman that I met at a party in the city. Extensive social networking was an important part of the research process and, after having expressed an interest in researching the Vientiane New World project to many members of Laos’ civil society sector, I eventually met someone that was friends with an, English-speaking, individual that was being forcibly displaced by the project. By drawing on such pre-existing friendships between displaced residents and expatriates who were considered as ‘colleagues’ of mine, I was able to establish a platform of trust between myself and my translators that significantly facilitated the research process. Brokers were not paid a salary for their assistance, but during the research period I offered them financial remuneration during times of hardship.
I would also cover their daily expenses when assisting me with my research and offered other non-financial forms of support, such as advice relating to job and scholarship applications.

An obvious critique when using research brokers that are financially remunerated for their time is the potential for this method to involve research bias through such brokers becoming sympathetic to the research aims. However, in the context of Laos such an approach was necessitated by a research environment that stifles discussion around state-approved resettlement and which places those who do speak openly against the government at risk of imprisonment or state-sanctioned violence. Furthermore, at the beginning of the interview process it was made clear to all respondents in resettlement sites that I was not affiliated with any organisation that could offer them financial or political assistance. This made it unlikely that respondents would exaggerate the impact of the resettlement on their livelihoods and wellbeing. In respect to financial remuneration for research brokers, it would have been unethical for a comparatively wealthy researcher to not provide any form of recompense for the extensive amount of time that these individuals volunteered to the research project. Without the assistance of these individuals the research would not have been possible.

2.6.1: Secondary Research Methods

In addition to observation and interviewing, more than 1000 photographic images were taken during the fieldwork period. This visual record of the project provided a valuable tool for data analysis. A fieldwork diary that included notes on how the data collection process was unfolding and any changes in my own perceptions about the research was also maintained. This allowed for reflection on how my views on development had been transformed by the research process, exploration of my own subjectivity, and an increased sensitivity of analysis (Alvesson 2011; Silverman & Marvasti 2008). Keeping detailed field notes and searching these rigorously in order to identify patterns and exceptions allowed me ‘to elucidate the assumptions underpinning routine, everyday behaviour and the functions of rituals – both conscious and
unconscious’ (Barbour 2008: 105). Such notes were also useful for the formulation of interview questions.

2.7 Data Analysis and Coding

Analysing the data for a research project of this scale requires the use of multiple coding methods. Throughout the analysis of secondary sources, research summaries and a paper trail were used to develop themes and concepts. Initial analytic codes were then derived from the review of relevant literature and descriptive coding was used to gather relevant material together (Roulston 2010). Following this, I applied a thematic analysis to define conceptual categories for the ordering of data, and to put aside material that was not sufficiently relevant to the research topic (ibid). Analytical and In Vivo coding were used to discover emergent themes in the literature alongside key word searches, however, as is common with qualitative research, I also employed an inductive analysis of my data to identify patterns that would lead to the generation of new theoretical directions (Janesick 1998; Roulston 2010).

Writing in my fieldwork diary and reflecting on the research process and analytic decision-making was particularly important to this process (Roulston 2010: 155-156).

Once a conceptual framework had been formulated for the research, tree catalogues were used to hierarchically categorize data and identify priority topics for further research. Generalized categories were then formulated to divide the data through processes of indexing and, finally, a literature map of all secondary sources was used to position my research within the broader academic fields (Barbour 2008). Having coordinated the research into a series of sub-categories, I then applied selective coding to refine the codes that appeared most prominently in the data (Roulston 2010: 155). These codes were then re-integrated to form new theories about the data and create further conceptual categories.

In respect to interview data, notes and labels were added to the margins of each transcription that linked comments to previously identified conceptual categories. This process also led to the identification of new conceptual categories, which were compared against the research project’s existing
theoretical framework. Through this iterative and recursive process, I was able to assemble a further list of preliminary codes that were ‘adjusted, collapsed, and revised’ as necessary (Roulston 2010: 153). While undertaking field research I was constantly comparing and contrasting data with research questions in order to draw themes from my observations and the responses of research participants (Barbour 2008). At the completion of the fieldwork period the collection of data slowed, and was replaced by the early stages of ‘writing up’ my findings. However, as is common with qualitative analysis, data collection, analysis and writing have remained ongoing throughout the research project.

2.8: Research Constraints and Ethical Considerations

2.8.1: Language and Intercultural Dialogue

One of the earliest considerations for undertaking fieldwork in Laos was the issue of language. At the beginning of the research period I undertook an intensive Lao language course for a period of five weeks. Further formal language study was limited by time constraints and the selection of research sites outside of Vientiane, however the five-week study period provided me with intermediate verbal skills and basic reading comprehension skills. This language course built on two previous visits that the researcher had undertaken in Laos, including a three-week period of fieldwork for honours research.

Nonetheless, for the purpose of academic rigour all interviews that were not conducted in English were facilitated with the use of a translator. As noted above, local brokers played a central role in my ability to undertake this research and had I been a fluent Lao speaker I would have still required the assistance of these gatekeepers to access my research participants. This is particularly so in Luang Prabang, where a small number of my interviews were conducted with Hmong villagers who did not speak Lao. Finally, it must also be noted that the researcher’s inability to speak Mandarin meant that it was difficult to hold interviews or informal discussions with non-English or Lao speaking Chinese migrants and business operators in Laos.
2.8.2: Political Sensitivities

As fieldwork for this project unfolded it became increasingly evident that political sensitivities would have a bearing on the data collection process. Laos’ authoritarian political system placed significant constraints on the accessibility of research participants, where and how research could be conducted, who could be interviewed, and the types of data that could be obtained. As previously noted, China’s growing investment and forced resettlement are highly ‘sensitive’ research topics in Laos that required a cautious approach. Having done previous research in the country this was something that I had anticipated, and from the beginning of the fieldwork I began looking for ways to negotiate and navigate these constraints.

The first and foremost decision to be made regarding political sensitivities was whether to reorient the research towards less politicised topics. Diavu has written in detail on the challenges of conducting fieldwork in Laos and notes that, to gain authorization for fieldwork, it is common to rework the scope of research projects in order to present a ‘sanitised’ research proposal that is ‘deemed more acceptable to Lao state ideology, as well as state ‘development’ goals’ (2010: 200). This was not a compromise that I was willing to make and, consequently, I was confronted with the dilemma of misrepresenting what I was studying, abandoning the project altogether, or proceeding without official approvals. As Diavu further continues, ‘a closer look at the political anatomy of local communities shows that the penetration by mass organisations and Party members into village life leaves little space for the (critical) researcher to manoeuvre... Informants are generally very cautious in their answers and comments, especially when a researcher is accompanied by officials’ (2010: 201). Given that one of the primary methodological objectives of this research was to communicate directly with communities that had been disadvantaged and displaced by state-sanctioned development interventions it was deemed that formal approval processes would hinder the research process and potentially place interview respondents at risk of persecution. For this reason no such approvals were sought.

The second major concern regarding the political nature of the research was how to safeguard participants’ safety and wellbeing. This was taken very
seriously. In order to ensure that all research participants were well informed about the research project each interviewee was provided with either an English or Lao information statement and, where appropriate, a consent form to formalize their acceptance to be involved in the study. For those participants who could not read, participant information statements were verbally explained through the use of a translator prior to the commencement of interviewing. As previously noted, the translators selected for the project worked as freelance tour guides and, as a result, it was common for them to be accompanied by a foreigner in their home village. For less contentious interviews with Lao government staff or members of civil society all research participants were first contacted via phone, email or through a research assistant to request an interview appointment. This indirect form of communication allowed participants to feel free from coercion. Finally, all participants were informed that their participation in the study was entirely voluntary, and that they could have their comments withdrawn from the study at any time. In the writing up of the research anonymity was maintained by using pseudonyms for displaced villagers.

One unfortunate outcome of the political constraints imposed on this research was a reduction in the number of local residents that I was able to communicate with in each of my research sites. In particular, the sensitivities surrounding the research prevented discussion with village leaders, who are members of the communist party.

**2.9: Conclusion**

As outlined over the previous pages, the chief methodological objectives of this thesis are to challenge the normalization and legitimization of ‘development’ as synonymous with poverty alleviation, to draw attention to how processes of development can lead to new forms of impoverishment, to give ‘voice’ to the ‘silenced’ stories of those for whom development has brought new forms of hardship and disadvantage, and to consider how China’s growing presence in Laos is intermeshed with these more conceptual concerns. In doing this, the thesis seeks not only to question existing high-modernist narratives of development, but also to explore potential avenues for moving beyond such
discourses through the redistribution of power, greater representation of, and accountability for, the livelihoods and wellbeing of poor communities, and ‘more inclusive social, economic and political institutions’ (Banks & Hulme 2014: 189). In other words, and as Goldman has also done in his work, this thesis seeks to provide a complex understanding of both ‘how “the project of development” fuels highly uneven and unstable relations of capitalist production’, and how it can become ‘a trigger for the mass mobilization of people fighting against a commodified and inequitable world, and for social justice’ (2005: xix).
3

Conceptualising Development

_The modernization narrative was always a myth, an illusion, often even a lie. We should all learn to do without it._


_Old theories of development never die – in fact, they don’t even seem to fade away._


3.1: Introduction

The field of development studies is a hotly contested arena of academic inquiry. It is a diverse mélange of inter-related and inter-disciplinary debates that includes topics ranging from gender to ethics, education, food security, health, identity, inequality, land reform, post-conflict recovery, poverty reduction, sustainability, tourism, and globalization. In the 713 page *Elgar Companion to Development Studies*, for example, a non-exhaustive list of 136 chapters summarizing different sub-sectors of development theorizing is provided (Clark 2006). Similarly, in a poverty glossary provided by Spicker et al. (2007), the text includes more than 200 different related fields of inquiry. Within this diverse range of development concerns there also exists a multitude of opposing viewpoints around how each of these issues may be best understood and addressed, their importance within hierarchies of development needs, and which organizations and institutions are not giving sufficient consideration to
priority concerns. Yet, for all its diversity, there are also a number of conceptual continuities and consistencies that tie development debates together. In this chapter I suggest that complex academic debates around the causes, consequences and ‘cures’ of underdevelopment and impoverishment have had a limited impact on reconfiguring prevailing development discourses within the professional sector. In contrast to widespread perceptions that poverty alleviation strategies have become increasingly attuned to the needs of the poor, the following pages suggest that practices of development within the professional sector predominantly draw on positivist metanarratives that were first conceptualised during the European Enlightenment. These ‘metanarratives of modernity’, as Ferguson has described them, give priority to a technocratic, apolitical and ahistorical reading of development that presents Western-led scientific modernization as the foremost means for achieving universal improvements in human welfare (1999). This has been especially so from the 1980s onwards, when a global shift towards economic neoliberalism saw the further entrenchment of the privileging of economic growth over social welfare and wellbeing.

To make clear how modernist metanarratives have persevered alongside shifting academic debates, this chapter traces the intellectual lineage of high-modernist interpretations of progress from the European Enlightenment to contemporary development thinking. Approaching the field of development studies from a post-development viewpoint that seeks to unmask and deconstruct development theory’s enduring faith in economic growth and technological progress as a means for poverty alleviation, the chapter suggests that contemporary academic debates regarding sustainability and ‘people-centered’ approaches have had a limited impact on the professional sector’s pursuit of technocratic modernization.

3.2: Before 1949: The Longue Durée of Development Thinking

The field of development studies is generally understood as having emerged in the years immediately following WWII. Materialising out of the need for post-conflict recovery across much of Europe, receding European colonialism, and the expanding interconnectivity of an increasingly US-led global capitalist
society, ‘development’ became a new means for conceptualising, categorising, and bringing progress into the world. Yet while the arrival of development studies as an academic discipline does signify a defining moment in the intellectual history of development theorising, it is important to recognise that the philosophical viewpoints – the values and ideals – that gave shape to this ‘new’ paradigm drew on a longstanding faith in human and technological progress that first arose during the 17th to 18th century European Enlightenment (Wallerstein 1994).

Characterised in the work of Immanuel Kant, Francis Bacon, Marquis de Condorcet, Thomas Hobbes, David Hume, and numerous others, the European Enlightenment represents a paradigm shift from religious philosophy to scientific reason as the primary means for conceptualising the physical world. It was through the work of Enlightenment scholars that doctrines of religious faith were first confronted with a belief that human beings were capable of achieving ‘progress’ through the mastery of nature, the creation of market economies, and the promulgation of legislative social institutions. Indeed, although at risk of some oversimplification, it can be suggested that it is from the Enlightenment period that industrial capitalism and the ‘Westphalian’ system of nation-states draw their origins (Giddens 1990).

Based on a Eurocentric interpretation of the world that perceived Europe’s own social, political, economic and cultural systems as both the pinnacle of civilization and universally valid frameworks for the socially and intellectually ‘inferior’ peoples of the non-Western world, Enlightenment metanarratives held a core faith in the belief that Western-led scientific modernization would bring worldwide improvements in human welfare and wellbeing (Wallerstein 2006). For a number of development scholars, it was this technologically determinist and Eurocentric way of thinking that first gave rise to the optimistic positivism that shaped development thinking in the early 1950s (Escobar 1995; Kothari 2005; Shanin 1997; Wallerstein 2006). Prior to the arrival of development studies, however, such discourses were also used to legitimise slavery and decades of colonial rule.

During the colonial period metanarratives of modernity were framed within discourses of ‘civilisation’ and ‘barbarism’, rather than under the banner of
development (Cooper 2005; Said 1979). Colonial powers sought to present all non-Western societies and cultures as 'primitive' and 'inferior' ways of life that required intervention from the 'modern' and 'advanced' West to help 'civilise' their 'barbaric' practices and bring about socio-economic 'progress'. This was a culturally homogenising discourse that saw all peoples as living in various historical stages of an imagined, and universally pre-determined, chronology of development. As Said eloquently states, 'Orientals were rarely seen or looked at; they were seen through, analysed not as citizens, or even people, but as problems to be solved' (1979: 297).

By presenting the non-Western world as ubiquitously inferior to Europe, imperialism rejected and denied alternative cultural viewpoints of social progress. This was a process of 'Othering' that, in Spivak's terms, denied colonial subjects the right to 'speak'; to have their beliefs heard and recognised in a manner that did not immediately position them in a hierarchy of values where they would always remain inferior to European ideals (1999). It was a discursive construction designed to support the political and economic ambitions of colonial powers (Norindr 1999: 1). Such cultural oppression in turn led to the abandonment of non-Western beliefs as the colonised 'subaltern' subject was forced to adopt Western ways of seeing, understanding and knowing the world. As will be shown in greater detail through the historicizing of development in Laos (Chapter 5), such positivist beliefs were later reproduced through development theorising. As Ferguson has noted, it was during the colonial period that both early discourses of development and many of the geopolitical hierarchies and global inequalities of the post-WWII period world first emerged (1990).

At the end of the Second World War development studies emerged as an academic discipline and European colonialism began to enter a state of decline. The simultaneous occurrence of these two inter-related processes was far more than coincidental. Following the devastation the war caused across both the European and non-European world, there arose a widespread desire to ensure that conflict of such a scale would never again be repeated. In 1945 the United

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24 The first development courses in the UK, for example, were taught to colonial administrators in the early twentieth century (Clark 2006: xvii).
Nations was formed and with this new ‘global’ institution came an increasing emphasis on the need to create a worldwide political-economic structure that was built around independent sovereign, nation-states. 25 Through this discursive political shift the foreign occupations and ‘civilising missions’ of colonial powers became reconceptualised as imperialist practices that conflicted with new aspirations for a global society. In the wake of this change, a new ideology was needed to legitimise the West’s continued engagement with its former colonies and, As Kothari notes, ‘where colonialism left off, development took over’ (1988: 143).

For many post-development theorists it was at this time, on the specific date of 20 January 1949, that being ‘undeveloped’ first became a way of seeing and understanding the non-Western world. When then US President Harry S. Truman used this term to describe non-Western societies he was imposing a knowledge-system that, like colonialism, transformed the diverse social, cultural and economic systems of the non-West into ‘inferior’ and ‘yet-to-be modernized’ ways of life (Sachs 1992: xvi). No longer would it be only individuals or communities that were labelled as poor; now whole nations and continents could be conceptualised as impoverished and undeveloped. However, the intellectual ‘shift’ from colonial values to those of early development theories was not as dramatic as it may have first seemed.

3.3: Modernization Theory and the Beginnings of ‘Development’

Development studies first emerged as an academic discipline through the work of modernization theorists. Epitomised in the writings of W. W. Rostow (1960) and his ‘stages of growth’ framework, modernization theory applies a ‘romanticised and naturalised’ interpretation of Western European capitalism to argue that ‘progress’ in the ‘Third World’ can only be achieved by advancing through the same socio-economic and technological ‘stages’ as the ‘developed West’ (Berger 2004: 6). Through industrialization, urbanization and infrastructure developments such as roads, railways, hydropower dams, airports and telecommunication networks, modernization theory argued that

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25 In 1945 the United Nations only included 50 nation-states so was not yet a genuinely ‘global’ institution. However, the institution did include the leading global powers of the time and represented a most significant step in the creation of the numerous global institutions of today.
undeveloped countries would be able to ‘catch up’ to the ‘developed’ world and become flourishing capitalist market economies. This was a top-down, technocratic and apolitical approach to development that focused almost exclusively on national-scale planning and that conflated infrastructural and industrial modernization with improved living standards and wellbeing. As Mitchell explains, modernization theory presented ‘a politics of techno-science’ which it claimed would bring sustained socio-economic progress through ‘the expertise of modern engineering, technology and social science’, but which in fact served to reconfigure ‘undeveloped’ countries in accordance with Western capitalist imperatives (2002: 15).

Although primarily entrenched within the discipline of economics, modernization theory was also reinforced by the social and political arguments of thinkers such as Talcott Parsons (1960) and David McClelland (1961), who argued that development requires a progression from traditional social values to the modern value-systems of the ‘developed’ West (Clark 2006: xxvi). This ahistorical reading of development overlooked the diverse histories of both developed and developing countries in order to present Western society (especially the US) as the pinnacle of civilization. It was a discourse that homogenised both the Western and non-Western world and that ignored the socio-culturally and economically destructive impacts of colonial exploitation in order to portray impoverishment within the ‘Third World’ as the product of bad economic management and flawed socio-cultural value-systems. A particularly telling example of the culturally homogenising and socially destructive nature of this Western-centric framework for development is provided by Escobar (1985: 377) in the following excerpt from the 1951 United Nations Department of Economic Affairs report ‘Measures for the Economic Development of Undeveloped Countries’:

*There is a sense in which rapid economic progress is impossible without painful adjustments. Ancient philosophies have to be scrapped; old social institutions have to disintegrate; bonds of caste, creed and race have to burst; and large numbers of persons who cannot keep up with progress have to have their expectations of a comfortable life*
frustrated. Very few communities are willing to pay the full price for economic progress.

As the above example highlights, rather than providing a new way of understanding former colonial territories, or creating more intellectual space for the worldviews of the ‘Other’, modernization theory instead represented a new discursive legitimation of the modernist metanarratives that had long informed colonialism’s ‘civilising missions’. In other words, it was not a major discursive shift that marked the post-1945 period as different from the colonial era, rather what occurred was merely a change in the means through which the US and European nations sought to influence the ‘Third World’. By characterising the non-West in such a homogenising and disempowering manner – and by replacing foreign occupation and direct force with aid donations – modernization theory became a way to represent the strategic interests of wealthy nations as an altruistic endeavour that was embedded in a desire to ‘help’ those countries that were ‘most in need’. This was a politically charged discourse that constituted an important component of the US and its capitalist allies’ attempts to gain influence in the ‘developing’ world during the Cold War.

3.4: From Undeveloped to Underdeveloped

Following a decade of relatively uncontested dominance in shaping development thinking, modernization theory began to face serious academic critique in the 1960s. Beginning with the work of dependency theorists who were primarily emanating out of Latin America, new Marxist readings of development argued that the wealth and prosperity of developed ‘core’ nations were dependent on the domination and exploitation of underdeveloped ‘periphery’ countries (Frank 1967; Furtado 1963; Kay 1975; Prebisch 1950; Sunkel 1969). For dependency theorists, it was not a lack of strategic national foresight that made low-income countries poor, rather development and underdevelopment were understood to be the product of exploitative relationships between core and periphery countries that were formed during the colonial era (Frank 1967). In other words, modernization theory’s ‘stages of
growth’ would not bring development to all because built-in structural inequalities of the global economy reinforce disparities between nation-states. This shift in development thinking represents a powerful break from modernist traditions and long held Eurocentric discourses of the West as guardian to the developing world.

Through dependency theory’s critiques of modernization theory and its faith in global capitalism, previous attempts by the US and its allies to represent development as an altruistic act of charity faced serious reproach. In the 1970s and 1980s this assessment of development moved beyond Latin America, gaining traction in the US where it was advanced through the work of world-systems scholars such as Immanuel Wallerstein (1974; 1980; 1989). Building on the core argument that economic prosperity in high-income countries is dependent on the exploitation of lower-income countries, world-systems theory further stressed the inter-dependency of global economic relations by adding a third hierarchy of the ‘semi-periphery’ to dependency theory’s core-periphery dualism (Abu-Lugod 1989; Beverly and Arrighi 1999; Chase-Dunn et al. 2000). However, while dependency theory questioned the ideological motives behind development, it did not challenge the broader modernist metanarrative that scientific planning, economic growth, industrialization and infrastructure development constitute the most adequate means to achieving improved living standards. It was not the belief that developing countries needed to ‘catch up’ to the developing world that was being critiqued; rather, the concern was that the modernization of impoverished countries is restricted by high-income nation-states, which benefit from core-periphery relationships. Furthermore, as was reflected in the 1964 and 1966 formation of the two high-modernist development institutions of the African and Asian Development Bank’s, dependency and world-systems theory’s impact on academic debates was not reflected within the professional development sector.

3.5: The Beginning of People-Centred Approaches

Despite the limited impact that dependency and world-systems theories had on development policy, their critiques of modernization theory did lead to new theoretical debates within academia. In the late 1970s there was an important
shift within development studies towards more people-centred approaches to development. Although the detrimental impacts of modernization were not yet being directly acknowledged, for the first time since development studies had emerged as a discipline an attempt was being made to disentangle the previously assumed inter-dependency between technological modernization and improved human welfare. Awareness had arisen that some forms of modernization may be more beneficial than others in alleviating suffering, and this was followed by an intellectual push to envision a more complex strategy for enhancing people’s wellbeing. This shift primarily began with the Basic Needs Approach (BNA).

Moving beyond national-scale economic measures towards a consideration of the needs of the individual, the BNA defined poverty as ‘a lack of certain fundamental requirements for the alleviation of suffering, such as shelter, clothing, food, water, sanitation and education’ (Stewart 2006: 18). This was an approach to development that focused on absolute poverty, and the universal provision of (what it defined as) minimal living standards (Seers 1972; Stewart 1985; Streeten et al. 1981). Perhaps the most important contribution to development thinking made by the BNA, however, was its recognition that modernization did not represent the ‘end goal’ of development planning, rather it was simply a ‘means’ to which improved human wellbeing could be achieved. Such people-centred approaches to development took on a new level of complexity throughout the 1980s and 1990s, most notably through the work of Amartya Sen’s capabilities approach (1981; 1984; 1985; 1992; 1999) and Mahbub ul Haq’s work on human development (1993; 1995; 2000).

In contrast to modernization and dependency theory’s focus on economic growth, the capabilities approach argued that the principal objective of development should be to increase freedom and wellbeing. As its name suggests, the capabilities approach sought to provide people with the means (capabilities) to achieve their own aspirations of ‘the good life’ and to empower individuals as active agents of change. Recognizing that poverty is most frequently about an inability to access resources rather than total scarcity, the capabilities approach drew attention to the political components of poverty and
focused more on individual capacities than the more universalized ‘needs’ that were targeted by the BNA (Alkire 2005; Nussbaum 2003; Sen 1999).

While the capabilities approach and the BNA share much in common, a key difference between the two is that the former recognized the potential for an individual to have all their basic needs met but still be lacking in the capabilities to better their living conditions in accordance with their own aspirations (Alkire 2002; Clark 2005; Gasper 1997; Nussbaum 2003). In other words, they can still be ‘poor’. In making this distinction, the capabilities approach allows for the analysis of social and political determinants of poverty while also recognising that some individuals may require more assets than others in order to enjoy the same wellbeing (consider, for example, the needs of the disabled). However, although the capabilities approach provided a more complex assessment of impoverishment than the BNA it has been criticized for lacking an operational framework that is applicable to development practitioners (Clark 2006). This critique, perhaps more than anything else, led to the next transition in people-centered approaches to development, namely, the emergence of human development theory.

In the 1980s and 1990s Amartya Sen’s ideas were operationalized into a more practically applicable and measurable framework under the title of ‘human development’. Promulgated in the work of theorists such as Martha Nussbaum (2000), Sabina Alkire (2002), and Mahbub Ul Haq (1995), human development theory attempted to draw together capability approach insights on development as ‘a freedom enhancing process’ with the more practically applicable indicators of the BNA. For example, a key feature of human development theory was the production of the Human Development Index; a ranking system that sought to challenge traditional measures of national development that were based solely on economic wealth by incorporating variables on healthcare, education and income (Fukuda-Parr & Jahan 2006). Having provided such clear and easy to measure determinants of poverty, human development theory became far more successful within the professional development sector than the Marxist critiques of dependency and world-systems theories.
By the mid 1970s people-centered approaches to development were making an impact on the professional sector. Both the International Labour Organisation and the World Bank adopted the BNA as a guiding framework for their development policies during this time (Stewart 2006). While the World Bank would soon turn away from people-centered development, the approach also became a popular model amongst the growing number of Non-Governmental Organisations (NGOs) that proliferated in the 1990s. Indeed, the expansion of civil society during this time allowed for human development theory to become a part of the professional development sector in a historically unprecedented way. This shift was further supported by the UNDP, which also adopted a human development model in 1990 and has since been an important advocate of this approach through its annual human development reports (Qizilbash 2006: 247).

Within academia, the growing popularity of human development debates saw development theorising expand into a multitude of different conceptual streams, including research into gender, disability, human rights, human security, globalization, social justice, refugees, migration, conflict, culture, and numerous other areas (Alkire 2002; Clark 2006; Nussbaum 2000; Qilizbash 1996; Sen 1999). From this widening of academic debate a growing consensus around the costs of modernization began to emerge, which led to an increased emphasis on the need for multi-focused strategies of development. Two particularly influential strands of thinking that emerged alongside human development theory were sustainable development and ‘culturally considerate’ development.26


\[26\] Although it is beyond the scope of this thesis to provide an analysis of the complex and multifaceted academic debates that have emerged around these two sub-fields, it is necessary to provide a brief summary of how they have evolved alongside the human development turn.
has become such an important feature of contemporary development debates that ‘few development practices, beliefs, and truths can be expressed today outside the parameters of environmentally sustainable development’ (Goldman 2005: 6-7). Many undergraduate textbooks on development now includes chapters on the relationships between poverty alleviation and environmental conservation, academic journals such as *Environment and Development* specialise in the discipline, and international development institutions such as the World Bank and the UNDP rarely publish any major publications that do not make at least some reference to sustainability (Pearce 2006b: 164).

Inter-related with the rising importance of sustainability to discourses of development has been a growing interest in the relationship between culture and development. The term ‘culture’ has been explored in a multitude of ways within development theorising, ranging from its importance to the empowerment of local communities, to its role in facilitating or restricting economic growth, or as a determining factor in the economic differences between different nations (Gasper 2006: 97; Hobart 1993; Radcliffe 2006; Schech and Haggis 2000). As previously noted, when development studies first emerged through modernization theory, culture was seen as a barrier to economic development (McLelland 1961). In more recent critiques of the relationship between culture and development, however, there has been an attempt to account for non-economic variables of wellbeing and social welfare that were previously overlooked in development research.

The importance of culture and development within the professional sector has also grown, as is reflected in the stated policy objectives of organizations such as the United Nations Educational Scientific and Cultural Organization (UNESCO) and references to culturally considerate practices within many UNDP Human Development Reports (Neederveen Pieterse 2010). Such shifts have led Radcliffe to state that, cultural considerations are now ‘at the heart of mainstream development debates’ (2006: 2), although it must be noted that debates around development and culture have not always shared the same people-centered values as human development theory (Winter 2007). This has been particularly so following the emergence of neoliberalism as the prevailing
global economic discourse for development and a return to the privileging of economic growth above all other determinants of wellbeing.

3.6: Neoliberalism and the Resurgence of Modernist Metanarratives

The rise of global neoliberalism is generally understood as having emerged from the economic shifts that took place following mounting unemployment and inflation rates across much of the Western world during the 1970s, and the later onset of a ‘Third World’ debt crisis in the 1980s. 27 Faced with such economic turmoil, economists such as Friedrich Hayek (1973; 1976; 1986) and Milton Friedman (1962; Friedman & Friedman 1980) began to suggest that Keynesian models of state capitalism were failing, and that both economic growth and people’s wellbeing would be best advanced by removing state intervention into the naturally efficient and impartial forces of economic markets (Goldman 2005; Harvey 2005). This way of thinking was supported by political leaders such as Margaret Thatcher, Ronald Reagan and Helmut Kohl, who began to implement a series of economic reforms to promote financial deregulation, trade liberalization, the privatization of public assets and reduced welfare provision both within their own countries and abroad (Harvey 2005). 28

Across the developing world, global financial institutions such as the World Bank and the International Monetary Fund (IMF) began rolling out a ‘Washington consensus’ model for prosperity that used international trade agreements such as the General Agreement on Tariffs and Trade (GATT) and Structural Adjustment Programs (SAPs) to push for neoliberal reform. 29 This

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27 The 1980s debt crisis involved the inability of heavily indebted poor countries to continue to make repayments on loans that had been provided to them by the global banking sector. It began following Mexico’s announcement that it would no longer be able to repay its international loans and led to the implementation of Structural Adjustment Programs by the World Bank and the International Monetary Fund.

28 Margaret Thatcher was the Prime Minister of the United Kingdom from 1979-1990. Ronald Reagan was the President of the United States from 1981-1989 and Helmut Kohl was the Chancellor of Germany from 1982-1998.

29 The Washington consensus is a term for economic restructuring that expanded through the spread of global neoliberalism and includes privatization, fiscal austerity, trade liberalization, and deregulation (Goldman 2005: 15). SAPs are aid loans provided by the IMF and World Bank that are designed to promote international trade and that are tied to neoliberal reforms such as financial deregulation, trade liberalization and the privatization of public assets. Although having an often socio-economically devastating impact on the countries where they were implemented, SAPs were of crucial importance to the spread of neoliberal development ideologies and the (forced) expansion of free market fundamentalism beyond the realms of
led to a reinvigorated push for the sort of large-scale infrastructure development that had been promoted by 1950s modernization theorists and an increasing emphasis on the importance of FDI as a tool for poverty alleviation. It also had a monumental impact on development theorising, which has since become increasingly reconfigured by the high-modernist ideologies of neoliberalism.

On mainstream information sources such as Wikipedia, almost all academics listed as ‘development’ theorists are in fact economists, while best-selling books concerning development also continue to be those of economists such as Collier (2007), Sachs (2005), Moyo (2009) and Stiglitz (2012), who argue for the reduction of trade barriers and increased privatization, and who rarely provide detailed consideration of the cultural or environmental consequences of development practices. In the highly influential work of the World Bank, the repetition of old modernization theory slogans such as ‘growth is good’ and ‘a sufficiently large rise in the tide will lift nearly all boats’ (Narayan-Parker et al. 2009: 185) can be repeatedly seen and, as Chapter 4 demonstrates, technocratic modernist metanarratives remain persistent in the work and policy documents of the ADB and new donors such as China.

The impact of neoliberalism on development studies can also be seen in the ways poverty is measured and calculated. The most widely adopted definitions of poverty by both nation-states and International Financial Institutions (IFI’s) such as the World Bank, IMF and the ADB are based upon economic calculations that often use monetary income measures such as a ‘poverty line’ to determine poverty rates. These economically deterministic measures set a minimum level of income as a benchmark for categorising poor and ‘non-poor’ peoples, such as the popularised ‘a dollar a day’ indicator. Such definitions are not only blind to the complex socio-cultural, environmental and political dynamics of poverty, rather they also provide a definition of poverty (as low-income) that presents greater economic growth as the natural objective for poverty alleviation.

Even the UNDP, who publishes annual Human Development Reports, in many respects continues to implement a modernization-led approach to development economic policy and into the domain of political governance (Chang 2002; Harvey 2005: 19; Goldman 2005; Ong 2008).
To provide just one example, the UNDP’s primary measure of development, the Human Development Index, moves beyond traditional measures of poverty and development based on national economic growth rates by incorporating measurements of life expectancy, education enrolment and personal income. However, like more traditional poverty line approaches, the index generally overlooks socio-cultural and political determinants of its indicators in order to legitimize top-down technocratic solutions to these problems (Harvey 2005). While human development calls for the need to empower local communities in shaping their own development futures, HDI measures are national scale calculations that have reinforced modernization theory’s stages of growth doctrine by routinizing the nation-state as the primary index for measuring development (Berger 2004). This perpetuation of high-modernist development ideology is also reflected in the framing of debates around sustainability and development and culture.

Despite more than two decades of academic appeals to scale-back carbon emissions, reduce waste and consumption rates, and to make a concerted global effort to address climate change, the professional development sector continues to prioritise economic growth as the ultimate determinant of national prosperity. In many instances environmental conservation remains perceived as a ‘trade off’ to economic growth or a barrier to national progress that must be delayed until impoverished countries have achieved a sufficient level of economic affluence (Pearce 2006b: 164). Noting this phenomenon, Rist has argued that it is ‘impossible’ to combine a genuine concern for the environment with the promotion of development (2007: 487). The suggestion that ‘development’ and sustainability are often conflicting ideals is also supported by Tsing, who points out that development requires ‘the making and using of resources’, which cannot be accessed without ‘violent upheaval’ (2005: 42), while Goldman has argued that the language of sustainability has become the latest means for legitimising high-modernist development (2005). As he states, ‘because so many people – including promoters, interpreters, and even critics – now accept as fact that there is no alternative to development... the only question is how to make it more sustainable’ (ibid: 6-7).
Such reconstructing of the sustainable development ethos to fit easily and non-disruptively with the principles of neoliberal modernization can also be seen in respect to culturally considerate development, which has often been reduced to instrumentalist readings that demote the value of culture to its income generating potential (Radcliffe & Laurie 2006). Indeed, the perpetuation of high-modernist interpretations of the relationship between development and culture have been criticised in a number of ways, including the freeze-framing of culture as something that is static; the blaming of failed economic policies on supposed cultural traits; and for the reduction of culture and development to an ‘add culture and stir’ approach that depoliticises development interventions (Neederveen Pieterse 2010; Sen 2004). To provide just one example of how cultural values are being perceived in respect to development in Laos, the country’s largest state-run English language newspaper, the Vientiane Times, published an article in August 2012 titled ‘Experts: Lao culture must be cut back to prosper’. The piece, which included comments from the Director of Vietnam’s Institute of Social Sciences Information, Professor Ho Si Quy, stated that ‘domestic and foreign experts have urged for joint efforts to brush aside some of Laos’ cultural traditions which they say hinder the progress and development of society in the country’ and that ‘social behaviour which is familiar and may have cultural value, does hinder progress’ (Times Reporters 2012a).

As we see then, in the context of global neoliberalism, human development, sustainable development and development and culture have become ‘more about finding ways to label projects as sustainable or human oriented than actually trying to design such projects’ (Pearce 2006a: 615). Consequently, these ‘alternative’ approaches to development have, for the most part, remained committed to ‘state-centred, top-down social engineering’ that has become a tool to further legitimize the need for modernization. While neoliberalism does not present the same ‘stages of growth’ discourses as modernization theory, it nonetheless remains a technocratic approach to capitalist development that declares economic growth, industrialization and urbanization as the primary means for development. This has seen a retreat from more people-oriented approaches to development and led many development institutions to reconfigure human development theory as a discursive tool for the further
legitimization of long-held modernist metanarratives. As discourses of sustainability, culturally considerate development and human development theory increasingly came to resemble the high-modernist discourses of neoliberalism they had once sought to challenge, criticisms of modernist metanarratives took on a new vigour in the 1990s through the emergence of post-development theory.

3.7: The End of Development?

In the late 1980s and 1990s a new stream of thinking began to emerge that challenged some of the discipline's most fundamental assumptions about modernization and progress. Following decades of unsuccessful development interventions and the wider questioning of modernist metanarratives that occurred through post-structuralism and post-modernism in the late 1980s and 1990s, the emergence of what later became known as ‘post-development’ theory marked a paradigm shift in development theorising (Escobar 1985; Esteva 1985; Lummis 1996; Rahnema & Bawtree 1997; Rist 1997; Sachs 1992). What signified the post-development movement as such an unprecedented transformation within development thinking, was its analysis of development as a ‘discourse’; as a Eurocentric knowledge-system that created its own discursive conceptualisations of ‘development’ and ‘progress’ and then applied technocratic and apolitical solutions to poverty alleviation. This is a way of thinking that has unclear boundaries and that provides a wide-ranging interdisciplinary critique that is not confined to the field of development studies.

Whilst acknowledging the risk of over-simplifying a highly complex and diverse field of academic inquiry, it can be suggested the basic argument of post-development theory is that development studies remains a discursive field which continues to produce a way of seeing, understanding and knowing the world in which modernization is ‘the only force capable’ of bringing progress (Escobar 1995: 86). Post-development theory is not an alternative ‘solution’ for development; rather it is a way of questioning the very notion of development. As Rahnema states, ‘rather than being for ‘progress’, ‘productivity’, or any other achievement per se...’ post-development theory sets as its objective the goal of
‘uncovering who these [terms] serve or exclude, and how they affect the human condition and the relational fabric of the society into which they are introduced’ (1997: xii). In adopting such a holistic viewpoint, post-development theory seeks to provide the opportunity for new ways of valuing society, culture and the environment. It is an approach that critiques the idea that modernization is equivalent to progress and which seeks to draw attention to the ‘darker side’ of modernization. As a result, unlike other ‘alternative’ approaches, such as culturally considerate development or people-centred approaches, post-development theory cannot be appropriated to fit with high-modernist neoliberal development ideologies.

One particularly important post-development insight into how development interventions have the potential to marginalise and disadvantage the impoverished has been the recognition that development discourses serve to depoliticise and dehumanise the environments in which they operate (Ferguson 1990; Li 2007). In James Ferguson’s landmark critique of development interventions in the small and land-locked African country of Lesotho, for example, he argues that development interventions have been shaped more by their own discursive logic than the environment in which they are operating. For Ferguson, it is less ‘real-life’ experiences that shape development thinking than it is a predetermined way of looking at, imagining, and understanding the world (1990). This criticism of development has also been taken up by Tania Murray Li, who suggests that development institutions ‘render technical’ processes of development in order to provide technocratic solutions to what are in fact often complex social and political concerns, and by Timothy Mitchell, who deconstructs development planning in Egypt to uncover how local communities have been removed from development reports in order to reconfigure spatial geographies in accordance with top-down technocratic planning (Li 2007; Mitchell 2002). Finally, in her work in the Kalimantan region of Indonesian Borneo, Tsing examines how development creates discursive ‘discriminations’ that render certain ways of living as ‘invisible’ so that development programs may become strictly technological or geographical problems that can be ‘solved’ through scientific management (2004).
What each of these theorists reveal is that such high-modernist discursive representations of the ‘impoverished’ or ‘undeveloped’ serve not only to legitimize development interventions as a natural and necessary response to clearly identified economic, geographical, environmental or technological ‘deficiencies’ within the developing world, rather they also depoliticize the social struggles and upheavals of development projects and their impact on individuals lives. Put simply, when development is defined as a straightforward lack of certain technological needs it becomes a tool for silencing the dissonant voices of those whose lives have been made worse by particular development practices. This concern over how development acts as a force of exclusion, marginalization and disadvantage is also a central component of this thesis.

Given that one of the central objectives of post-development theory has been to offer an outright rejection of the very notion of ‘development’ and ‘progress’ its impact on development studies is difficult to measure. On the one hand, calls for the abandonment of high-modernist technocratic and apolitical discourses of development appear to have failed. Yet, at the same time, such a paradigmatic shift in development thinking was unlikely to occur suddenly. Perhaps post-development theory is better interpreted less as an ‘end goal’ than as an ongoing struggle to draw attention to the shortcomings of technocratic development and the inherent violence of rapid modernization. Perhaps its success should not only be measured through the achievement of a total renunciation of high-modernist discourses, but also through its usefulness as a conceptual tool for unmasking and critiquing the ways in which development has led to new forms of marginalization, exclusion and disadvantage.

Of course, it remains clear that post-development has, to date, had a rather limited impact on the professional development sector. As the following chapter will show, this is particularly so in respect to the perspectives of national governments within Asia. Indeed, one of the most common and important critiques of post-development theory is that it lacks a ‘way forward’ for development practice (Neederveen Pieterse 2010). This lack of a practical framework for ‘doing development’ is also something this thesis hopes to begin to address.
3.8: Conclusion

Since its origins in modernization theory development studies has undergone many changes. Academic debates around what development means and how development can be best achieved have become increasingly complex, and new avenues of research have emerged around gender, ethnicity, food security, human rights, humanitarian crisis management, urban poverty, culture, sustainability, and so forth. However, despite this increasing complexity of academic thinking, development studies continues to be an academic discipline that is built around a fundamental belief in positivist scientific reasoning as a vehicle for progress. As this chapter has shown, the belief that development constitutes a beneficial shift from tradition to modernity, from inferior to superior, from worse to better, or from immoral to moral has remained a constant guiding framework for development research (Ziai 2007: 9). What’s more, the multitude of alternative academic understandings that now exist around what successful development practices must include have not been accompanied by an equally dramatic shift in development policy. This has been especially so in the wake of global neoliberalism.

From the 1980s onwards technocratic and apolitical approaches to development have been increasingly reinforced by neoliberal ideologies that promote privatisation and the rolling back of state welfare provisions as the most appropriate means for promoting economic growth and wellbeing. Implemented through the ‘Washington Consensus’ model of market liberalization, public sector privatization and its unwavering belief in technocratic solutions to development, neoliberalism has seen a reinvigoration of high-modernist discourses of development across both the global North and South. Prominent development institutions such as the World Bank and ADB continue to draw on national scale economic measures to evaluate poverty, nation-states across the world continue to prioritise infrastructure upgrades and industry-led economic growth over environmental sustainability and cultural diversity, and ‘alternative’ approaches to development that prioritise human wellbeing continue to be exactly as their name suggests – alternatives to the prevailing model for growth.
It is important to note here that I am not suggesting neoliberalism or high-modernist development ideologies are the *sole* means through which development has been conceptualised and pursued. To do so would be to ignore the valuable contributions that have been made by ‘alternative’ development theorists, or the many alternative development priorities that are being implemented by various civil society organizations. Instead, what I have tried to show in this chapter is that although a number of alternatives to high-modernist development ideologies do exist, the rise of global neoliberalism has seen these ideas either pushed to the sidelines of contemporary development practices or reconfigured in such a manner that they become more complicit than contradictory to high-modernist agendas. In other words, while modernization theory has today lost much of its salience in developing thinking, a belief in the more longstanding metanarratives of modernity that emerged during the eighteenth century European Enlightenment have proven much more difficult to transcend. The one exception to this rule is that of post-development theory. Rather than perceiving development as a means to achieve ‘progress’ or positive social change, post-development theory argues that development studies is a Eurocentric discourse that perceives the developing world only in terms of what it lacks, and that silences and delegitimises non-Western viewpoints. It is a discourse that favours ‘expert’ knowledge over the value-systems and beliefs of the impoverished and that privileges top-down planning which is inconsiderate of intricate socio-cultural facets of life. Indeed, according to post-development theory, the use of development as a framework for interpreting the world needs to be fundamentally rethought (Neederveen Pieterse 2010), if not totally abandoned (Escobar 1995).

By highlighting the ways in which development operates as a discourse, post-development theory has been able to raise previously hidden questions around how development serves to disadvantage, marginalize and exclude those individuals and ideas that do not fit within the parameters of its own narrowly defined worldview. However, and rather unsurprisingly given its rejection of the most foundational belief-systems of development theory, post-development thinking has also had a limited impact on the professional development sector.
As the following chapter will show, this is especially so in respect to the development frameworks of ‘new’ donors such as China.
4
The Institutionalization of Development in Asia

4.1: Introduction
Since the end of the Second World War indices of development have become one of the principal analytical lenses through which nation-states are measured, categorised and compared. Academic inquiry has played a central role in the expansion of development ideology, however, so too has an increasingly complex arena of development organizations, institutions and aid agreements. New bilateral donors have emerged, new multilateral partnerships between nation-states have formed, and the development sector has moved in new directions and into new social domains. This is particularly so following the emergence of ‘new’ aid donors such as China, India, Brazil and Russia; a situation which many have suggested is reconfiguring the traditional norms of the international aid architecture (Bräutigam 2010; Harris 2005; Sato et al. 2011; Sidaway 2012).
In this chapter I provide a historically grounded examination of how development institutions and ideologies have shaped Asia from the 1940s onwards. To do this, the chapter focuses on three key issues. First, it explores how bilateral, multilateral and non-governmental aid has grown within the region. Second, it considers some of the central ideological viewpoints that have facilitated the expansion and consolidation of the international development sector. Finally, it assesses how discourses of development have become embedded within everyday perceptions of Asia. Here, it must be stressed that the growth of development thinking within the region has not only been the product of Western ideologies. Rather, discourses of development have also played a central role in how many individuals, institutions and states from within the region have conceptualised Asia. Indeed, as this chapter will show,
intra-regional forces are increasingly shaping the future promulgation of development institutions and ideologies throughout much of the region.

4.2: Post-colonial Asia and the Global Developmental Architecture

In 1945 the first global framework for development was created through the formation of the two ‘Bretton Woods’ institutions of the IMF and the International Bank for Reconstruction and Development (now the World Bank). Although initially established to assist in the post-conflict recovery of Europe, these institutions were soon operationalized further abroad as part of British and US strategies to expand their geopolitical reach in an increasingly globalising society. Within a few years the Food and Agricultural Organization (FAO) and the United Nations (UN) had also been formed, the latter of which began to expand into a number of sub-divisions that would soon become important actors in the global development sector (Fuhrer 1996). By the end of the 1940s the US was already offering development assistance to parts of East Asia. These aid flows were further accelerated both by a wave of decolonisation across much of the non-Western world and the onset of the Cold War.

At the end of WWII, nationalist movements across the colonized world and the weakening of Europe saw the gradual decline of centuries of European colonialism in Asia. In many of the former territories the transition from colonial subject to independent nation-state represented ‘a grandiose process of social change’ (Ishikawa 2010: 15). That being said, while nationalist movements resisted colonialism, the colonial order nonetheless provided the overall foundation for the establishment of new nation-states (Berger 2004: 53). The predominant development ideology of the time, (modernization theory), argued that the growth and prosperity of newly independent nation-states required the adoption of a Western model of social, political and...

30 Two examples are the United Nations International Children's Emergency Fund (UNICEF) and UNESCO.
31 Much decolonization took place in the late 1940s and early 1950s, although some colonial territories were maintained for much longer. The UK remained control of British Malaya until 1957, Singapore until 1963 and Hong Kong until 1997. France fought to control parts of Indochina until 1953 and Portugal maintained control of Macau until 1999, making it the last colonial entity to be granted its sovereignty (which was actually handed to China).
economic organization and, as a result, Western ideologies of development became the principal way through which many Asian states came to perceive their countries, and their position within the new global hierarchy of sovereign nation-states. As Anderson notes, a ‘spectre of comparison’ spread across the region whereby Asian states came to measure their own development in comparison to their former colonial powers (1998: 2). In other words, development discourses were both informed by the colonial era and were a part of what brought an end to colonialism.

Of course, not all the former colonial territories emerged at equal ‘stages’ of ‘development’. Colonialism was far more destructive in some nations than others, with Berger arguing that ‘Singapore and Hong Kong's role in the British colonial empire’ and their ‘position as financial centers, as well as their long history as commercial ports’ actually ‘ensured them a relative advantage in any effort to industrialize and grow economically after 1945’ (2004: 239). Meanwhile, the former French colonial countries of Laos, Cambodia and Vietnam remained highly impoverished, at least in respect to the new measures of modernization. Japan’s post-WWII occupation by the US and British Commonwealth until 1951 also saw new opportunities for industrialization and post-conflict recovery that played a role in its future economic success. These legacies of colonialism would have a lasting impact on the region’s post-colonial trajectories. In particular, as the era of colonial rule came to an end in East Asia, tremendously uneven geographies of development provided the basis for a tying of aid funding to the geopolitical struggles of the Cold War.

4.3: The Cold War and Western Development Ideologies in Asia

In 1947 the onset of the Cold War and the bipolar division of global society along the ideological lines of the US and the Union of Soviet Socialist Republics (USSR) saw a scaling up of aid and development institutions. Dividing Asia along ideological lines, the emerging nation-states of the region were perceived by the new global superpowers as ‘interchangeable pieces on the chessboard of Cold War geo-politics’ whose cooperation could be bought with aid funding, technological transfers and security agreements (Berger 2004: 246). Both the US and the USSR sent a number of development ‘experts’ into the region to
assist in building industry, infrastructure and the institutions that would encourage their respective development ideologies. Yet, while Soviet aid played an important role in the spread of discourses of development throughout Asia during the Cold War years, its influence has since declined significantly. Within the majority of ‘communist’ states in the region centrally planned economic development has been largely abandoned. Consequently, like most scholars on the region, I focus the bulk of my attention on the expansion and institutionalisation of the capitalist discourses of modernization that have driven the contemporary ‘rise of Asia’. One of the principal means through which capitalist development has become institutionalised within Asia is through the implementation of bilateral aid.

At the end of WWII the US began a grandiose program of industrial reconstruction and infrastructure development in Northeast Asia to transform the region into a capitalist bloc that would counterbalance the interests of China and the USSR (Berger 2004: 43). Massive amounts of aid began to be pumped into Japan, Taiwan and South Korea, whose economies were also fostered by special trade agreements that encouraged their export industries. In South Korea US military and economic assistance between 1946 and 1979 totalled US$13 billion, with more than 80 per cent of South Korean imports being financed by US aid during the 1950s. Likewise in Taiwan, US military and economic aid during this period funded as much as 75 per cent of the country’s infrastructure investment (Berger 2004: 240). Indeed by 1961 the US was the source of more than 40 per cent of total official aid to all developing countries (Fuhrer 1996).

Australia and the British also played an important role in the expansion of capitalist ideologies through bilateral aid funding with their Colombo Plan for Cooperative Economic Development in Asia and the Pacific. Beginning in 1950, the Colombo Plan was designed to ‘demonstrate to the peoples of South and Southeast Asia that there were viable alternatives to those provided by state-socialism in China’. While primarily a British initiative, the US also supported the Colombo Plan by providing more than half of program funding between

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32 North Korea is one notable exception.
1950-1983 (Berger 2004: 45). As the majority of Western governments began
to establish bilateral aid programs throughout the 1950s and 1960s the
international development sector emerged as a central feature of Cold War
geopolitics (Fuhrer 1996). In 1961 the US established both its official state aid
agency for international development (USAID) and the Peace Corps, while
France and Sweden also became important sources of bilateral aid to Asia. In
fact, following the establishment of the Organization for Economic Cooperation
and Development (OECD) development department in 1961, the United Nations
General Assembly designated the 1960s as the ‘development decade’ (Fuhrer
1996).

With growing importance being given to ‘development’ by the UN in the 1960s,
bilateral aid flows began to be accompanied by a growing number of
multilateral development institutions and inter-governmental organizations
designed to target specific development concerns with specialised expertise. In
1961 the FAO established the World Food Program to address hunger in the
developing world and five years later, in 1966, the UNDP was founded. The
number of international non-governmental organizations (INGOs) also began to
expand over the 1960s and 1970s, with Amnesty International starting its work
in 1961, World Vision beginning international projects in 1966 and Oxfam Hong
Kong commencing operations in 1976. By creating a swell in development
interventions that went beyond a focus on economic growth, these
organizations led to the further entrenchment of development ideologies as a
central feature of Western framings of Asia. Such viewpoints would only grow in
the following decades.

In the 1980s capitalist development ideologies gained further traction through
the rise of neoliberalism and the accompanying decline of Soviet influences.
Technological advances allowed for the rapid acceleration of financial and
information flows, and this saw the continued expansion of economic
globalization. With the Reagan administration undertaking a reenergized push
against communism, development institutions such as the World Bank and IMF
became prolific agents of global governance, which played an instrumental role
in the spread of the neoliberal development ideologies. This occurred through
two principal means.
First, these institutions became powerful ‘knowledge producers’. As Goldman notes in his detailed critique of the World Bank ‘one of the Bank’s greatest accomplishments has been to make its worldview, its development framework, and its data sets the ones that people around the world choose above others’ (2005: xv). With the central prescription for development from the 1980s onwards becoming the need for greater privatization and trade liberalization, both the IMF and World Bank produced a multitude of reports and policy documents that framed underdevelopment as resulting from excessive state intervention in economic matters. Such publications were then reinforced through the implementation of development aid that was tied to conditionalities’ of economic reform. Perhaps the most notorious manner through which the World Bank and IMF have encouraged a neoliberal development agenda is through their implementation of Structural Adjustment Programs (SAPs).

First implemented as a response to the 1980s Latin American debt crisis, SAPs were aid packages (usually to heavily indebted countries) that were tied to economic austerity measures such as trade liberalization, removing state subsidies, privatizing SOEs, the devaluation of currencies and enhancing the rights of foreign investors. Within Asia, SAPs were employed by the IMF and World Bank in Thailand, Indonesia and South Korea following the 1997 Asian financial crisis; a response that has since been widely interpreted as worsening the crisis. Foreign debt rose across much of Southeast Asia and the austerity measures demanded by SAPs restricted the distribution of state welfare to the highly impoverished. As Tan-Mullins et al. note, the ‘dogmatic’ and ‘inflexible’ SAP’s are a key feature of a history of Western aid in Asia that has been heavily critiqued for failing to alleviate poverty or stimulate economic growth, creating aid dependency and leading to a highly confused ‘operating field for recipient states’ (Tan-Mullins 2010: 860). Yet while SAPs may not have achieved their stated objective of economic recovery, they did ensure the strengthening of neoliberal development ideologies across the region.34

33 Such discursive power is wielded by the institution due to its unrivalled research budget, an extensive capacity for policy formulation and its economic leverage with aid recipient governments around the world (Berger 2004: 160).
34 For more on the crisis see Agénor et al 1999; Noble & Ravenhill; Haggard 2000; Blustein 2001.
As neoliberal discourse continued to argue in favour of reduced state welfare and austerity measures that most detrimentally affected the poor, from the 1980s onwards there was also a rapid expansion in the number of NGOs working in Asia. According to Campbell et al. the number of NGOs worldwide rose from around 175 in 1909 to more than 45,000 in 2002 (2010: 76). While it is impossible to pinpoint the exact number of NGOs working in Asia, it is clear that such organizations have played an important role in the promulgation of development ideologies, drawing in a multiplicity of aid workers that have established themselves as long-term residents of the region and also providing the means for many other individuals to engage in short-term volunteer projects or fundraising schemes. NGOs have grown in both size and proficiency, with organisations focusing on the environment, human rights, food security, community development, disability, gender equality, education, mental health, post-conflict recovery, disaster relief, sanitation, and so on (Banks and Hulme 2012). Here, it is worth pausing to note that while NGOs are often praised for being champions of poverty focused, participatory, grassroots approaches, these organisations have also faced wide-ranging critique, including that they ‘remain poorly placed to influence the real drivers of social change’ and have ‘had little participation or impact in tackling the more structurally-entrenched causes and manifestations of poverty’ (Banks et al. 2015; Banks and Hulme 2012).

One final means through which development discourses have been institutionalized within Asia that requires some acknowledgement is through the use of force. As Wallerstein notes, while the Cold War may have been ‘cold’ in Europe, in Asia it was rather ‘hot’ (2010: 19). Seeking to avoid direct conflict (and nuclear war), the US and USSR engaged in a number of satellite wars across Asia to facilitate the expansion of capitalist and communist ideologies. These conflicts ranged from covert operations to overthrow or unsettle uncooperative governments, such as the CIA’s activities in Indonesia and Afghanistan, to more direct acts of warfare, as took place through the Korean War (Berger 2004). No conflict was more significant to winning the ‘hearts and minds’ of Asia, however, than the Vietnam War. US involvement in Vietnam began during France’s failed attempts to maintain colonial rule and, shortly
thereafter, in the 1955-1975 America-Vietnam War, the US suffered a more direct defeat in its own attempts to turn Vietnam into a capitalist state (ibid: 247). Yet, while defeat in Vietnam marked a significant loss for the US model of capitalist modernization in Asia, the devastation that the conflict did provide a later demand for the expansion of development institutions; particularly those targeted at post-conflict recovery activities such as landmine and UXO clearance.

As the above examples make clear, the Cold War saw the consolidation of an increasingly diverse, Western-led, global development sector that promulgated capitalist modernization within Asia. However, it was not only through the work of Western institutions that development became a key way of framing the region. Rather, many Asian countries have also argued that the region’s economic successes are the result of a form of high-modernist development that is socio-culturally endogenous to Asia. One of the most widely discussed of these viewpoints has been that of the ‘Asian way’ for development.

4.4: Cultivating an Asian Way for Development

At the same time as neoliberalism was becoming the dominant economic ideology in the US and much of Western Europe, powerful challenges to Eurocentric forms of development began to emerge from within Asia. As the rise of East Asia gathered momentum throughout the 1970s to 1990s, pan-Asianism grew and alternative ways of understanding and doing development based on cultural, national and racial characteristics began to emerge (Berger 2004). Through the new ideals of ‘Asian values’ or an ‘Asian way’ for development key actors from within the region such as then Singaporean Prime Minister Lee Kuan Yew and the Malaysian Prime Minister Mahathir Mohammad argued that ‘Asian’ philosophical values such as Confucianism provided a more appropriate development framework for the region than ‘Western’ ideals. Yet, while these arguments challenged existing notions of development, they also saw the further institutionalisation of a comparative and hierarchical developmentalism as the most appropriate way of interpreting and understanding the region.

Whereas ‘Western’ neoliberal ideologies argue for a market economy that is free from state controls, the ‘Asian way’ for development advocated for state-led
economic planning, a highly regulated political environment and the belief that key economic industries should remain under state control. In particular, they challenged the idea that free trade required democratic reform. As Aiwha Ong has long recognized, ‘in Asia, state narratives insist that their modernity is an alternative to the West because from the viewpoint of Asian states, capitalism should strengthen state control, not undermine it’ (1997: 195-96). Also often referred to as a ‘developmental state’ model, it is this form of political economy that many have suggested underpinned the strong economic growth rates of the Asian ‘Tigers’ of Singapore, Hong Kong, Taiwan, and South Korea (Woo-Cumings 1999). Indeed, many East Asian commentators have even extolled Asian values as a superior socio-economic framework to the Washington consensus, which could be employed as a means to address the various ‘social ills’ of the West.

It is important to emphasize here that Asian values have generally presented an ideologically motivated perspective that has faced much valid criticism. In particular, such arguments have been denounced for labelling Confucian value-systems as universally ‘Asian’, when in fact Asia is a highly heterogeneous region of great social, cultural and religious diversity (Sen 1999). Furthermore, supposed Asian values systems have also drawn a dubious distinction between the West and the Orient in order to legitimize authoritarian political regimes or to counter pressure to improve human rights (Berger 2004). However, such debates around the validity of Asian values, while important, are not of concern to the argument that is being made here. Rather, what I seek to draw attention to is the ways in which these debates have sought to present processes of modernization as endogenous to Asia, or to suggest that the region’s development is not the product of Westernization but of the natural progression of its own socio-cultural value-systems. What ‘Asian values’ show, is that the institutionalization of development within the region has been a product of forces both internal and external to the region. This is nowhere clearer, than in the case of Japan.

Japan has long sought to establish itself as a regional leader in Asia through both military force and economic dominance. During WWII it occupied countries across East Asia (from China to Hong Kong, Indonesia, Laos, Myanmar, Malaysia, The Philippines, South Korea, Taiwan, and Vietnam), and attempted to promote
a sense of regional unity through discourses of a ‘Greater Asian Co-Prosperity Sphere’. While the brutality of the occupying Japanese forces resulted in many Asian nations becoming resistant to its latter attempts at gaining regional hegemonic status, from the 1950s until the end of the 1980s rapid economic growth saw Japan become of the wealthiest countries in the world. As the conflict of WWII became replaced by the economic and ideological struggles of the Cold War, the US sought to make an ally out of Japan and began offering substantial aid assistance to facilitate the country’s economic and industrial reconstruction. Somewhat ironically, however, the resulting economic prosperity of these aid flows provided Japan with the opportunity to begin promoting its own development experiences as a model for a wider Asia.

From the 1950s onwards, Japan’s regional hegemonic aspirations have been facilitated by its attempts to shape ideological frameworks of development. During the 1960s and 1970s it sought to establish itself as a regional leader in East Asia under its ‘flying geese’ paradigm, and an Asian way model that emphasized the need for a strong bureaucratic state and the promotion of export industries.\(^{35}\) Strategies were also put in place to draw the region away from its economic dependency on Western countries through large injections of FDI and the establishment of ‘regional’\(^ {36}\) trade organizations such as the Pan-Pacific trade organization. By the end of the 1970s, Japan already controlled up to 70 per cent of international trade with South Korea and Taiwan while, in the ASEAN countries, in 1981 then Prime Minister of Japan Zenko Suzuki also announced a $100 million ASEAN Human Resources Development Project and the establishment of the ASEAN-Japan Development Fund (in 1988) to use aid funding as a means to provide credit to Japanese companies (Berger 2004: 241; JICA 2014a). While this caused friction with the US, it was well received within ASEAN, where Japan’s FDI rose between 1985-1989 from approximately $US900 million per annum to US$6.4 billion (Berger 2004: 168, 195). In

\(^{35}\) The ‘flying geese’ paradigm suggested that comparative advantage and low labour costs would provide the opportunity for other Asian nations to ‘catch up’ to high-income countries such as Japan.

\(^{36}\) The PECC was not exclusively a regional organization, as it included the US and Canada, however, it nonetheless played an important role in increasing regional ties into the 1980s (Berger 2004: 268).
addition to this growing FDI, from the 1960s onwards Japan also began rolling out substantial aid contributions across the region.

Japan has provided bilateral aid to Asia since the 1950s. It had affiliations with the British Colombo Plan and sent its first aid workers abroad in 1965 (JICA 2014b). In 1974 its official state bilateral aid organisation, the Japan International Cooperation Agency (JICA), was formed, and by the end of the decade it had already surpassed the US as Asia's leading aid donor (Berger 2004: 267). Today, JICA is still a principal donor to many countries within the region, employing more than 1800 staff members and over 30,000 volunteers (JICA 2014a).

Like the US, Japan has also used multilateral aid to promote its own development ideologies in the region, most notably through its formulation of the ADB in 1966. While, the ADB should not be interpreted as a Japanese, or even an Asian, institution (four of its top ten shareholders are Western nations), there are clear correlations between the ADB’s development ideology and that of Japan and other Asian powerhouses (ADB 2014). Japan is the leading shareholder in the ADB, and the control of key positions within the institution has always been allocated to Japanese citizens, usually former staff members of the country’s Ministry of Finance (Saito & Ishida 2007). ADB funding has been used to encourage transnational infrastructure development across Asia that benefits Japanese corporations and the institution is a key advocate of the need for greater regional economic integration. Furthermore, Saito & Ishida have suggested that the institution’s lending program has shown a correlation with the interests of the Japanese Ministry of Finance (2007). What the ADB represents then, is both a site of contestation between neoliberal and ‘Asian values’, and an international development institution that promotes the shared interests of both Asian and Western nations to promote divergent models of capitalist development. This paradoxical mix of ideological similarities and struggles can also be seen in the conceptual debates around what political-economic framework led to the success of the Asian ‘Tigers’.
4.5: Asian Tigers and the Perpetuation of an Asian Way

Known under various descriptive titles, such as the four Asian ‘Tigers’, the high performing Asian economies, the ‘miracle economies’ or the newly industrialized countries, Singapore, Hong Kong, South Korea and Taiwan all underwent rapid socio-economic changes throughout the 1970s and 1980s. From the 1960s onwards each of these four nations has experienced largely uninterrupted economic growth, averaging rates of around 7.5 per cent. From 1953 to 2004, for example, South Korea’s GDP per capita rose by over 1200 per cent, leading it to become the 13th largest economy in the world (CIA 2013c; Lee et al. 2008). All four of the Tigers are now high-income economies, and Hong Kong, Singapore and South Korea are all in the top 15 ranked countries of the UNDP’s global Human Development Index (Taiwan is not listed) (United Nations 2013).

The ‘secret recipe’ that led to the economic successes of the Asian Tigers is a widely debated topic. Some commonly attributed features include export-oriented industrialization, the reduction of trade barriers, urbanization, state-managed macroeconomic growth, the establishment of large nationalized corporations, low levels of external debt, equal income distribution and high investment in education. For many, they are the exemplification of successful neoliberal development policies. As Berger notes, a crucial component of the spread of neoliberalism in Asia has been the framing of the Tigers’ economic successes as dependent on neoliberal economic policies (2004). In particular, this viewpoint gained popularity following the 1997 Asian financial crisis, as neoliberal readings of the event suggested that it occurred as a result of crony capitalism and heavy-handed state interventions that undermined the economic productivity that free-market neoliberalism had provided (Thompson 2004: 1079). Yet, paradoxically, for many others, the Asian Tigers are exemplars of a developmental state model of socio-economic growth and a uniquely ‘Asian’ political-economic framework that included state intervention in economic matters and protectionist trade policies (Berger 2004; Beeson & Islam 2005; Chang 2002; Langguth 2003).

From the 1980s onwards the continual outpacing of Western economies by East Asian countries saw a reinvigoration of arguments suggesting the region’s
prosperity resulted from ‘Asian’ cultural value-systems, including a strong appreciation for hard-work, social solidarity, loyalty to the nation, and respect for authority. In a statement made at the World Bank and the IMF’s Board of Governors annual meeting in October 1991, for example, then head of the Bank of Japan Yasushi Mieno, contended that the East Asian experience demonstrated the significance of government intervention in economic management (Berger 2004: 169). As noted above, this favouring of state-guided economic development was dealt a powerful blow by the onset of the 1997 Asian Financial Crisis, however, the crisis also made clear that the region was both over-dependent on Western economies and ill-equipped to respond to financial instability at a regional scale.

At the end of 1997, and especially following widespread perceptions that the IMF, the US and the World Bank had responded poorly to the crisis, a growing push for pan-Asian regionalism emerged. Cooperation between ASEAN, China, Japan and South Korea grew under the ASEAN+3 framework and the ‘Chiang Mai Initiative’, while intra-regional trade in Southeast Asia alone grew from US$164 billion to US$481 billion between 2001 and 2008 (Tong & Siew Keng 2010: 4).37 Chinese, Taiwanese, South Korean and Hong Kong based companies also increased the scale of their investment across the region, leading intra-regional investment to eventually account for more than half of the total trade flows in East Asia (Duara 2010: 975). Significantly, China managed to remain comparatively unaffected by the crisis, enabling it to offer Thailand a US$1 billion bailout package and resist devaluing its own currency – an act that would have increased its regional competitiveness, but only at the expense of those countries affected by the crisis (Beeson 2009; Phraxayavong 2009). Indeed, its response to the crisis signified a key shift in China’s engagement with Southeast Asia, as both its financial support to struggling nations and its ‘relatively unscathed’ emergence from the event led many countries to consider its political-economic structure as a framework for their own future development (Mingjiang 2009). The importance of China to the institutionalisation of development within Asia has only grown over the past two decades.

37 The Chiang Mai initiative was designed to create a pool of foreign exchange reserves within Asia that could be used to prevent further economic instability.
4.6: China’s South-South Cooperation and the New Donors

As regionalism has continued to grow in Asia over the past two decades, and as many Asian nations have economically prospered, new investors and aid providers have emerged. China, India, South Korea, and smaller Asian nations such as Vietnam, Thailand and Malaysia are continuing to look abroad for new investment opportunities and their attention is increasingly falling on lesser-developed neighbours. Often described as ‘new’ or ‘emerging’ donors, in order to distinguish these states from OECD Development Assistance Community (DAC) members, the growth in aid flows from middle-income countries represents a historically unprecedented change in the international aid architecture (Sato et al. 2011; Woods 2008: 1205). For Clemens Six, the emergence of new donors ‘questions not only the established modes of development co-operation but also the development paradigm as a whole’ (2009: 1103), while for Sato et al. emerging donors are not simply ‘another source of development finance’, rather they signify powerful alternatives that might lead to new ways of understanding ownership in development (2011: 1). As Woods also notes, by offering alternatives to aid-receiving countries, ‘emerging donors are introducing competitive pressures into the existing system…. [that are] weakening the bargaining position of western donors’ (2008: 1206). None of the new donors have generated more academic and media interest than China.

While China has been a donor to the developing world since the 1950s, its current aid platform emerged as a result of the economic reforms that began in 1978 (Bräutigam 2009). Following Mao’s death (in 1976) the Chinese Communist Party (CCP) began implementing reforms that saw the country move towards a market economy, and which encouraged FDI and ODA flows through what it labelled as a ‘going out’ strategy of global political-economic engagement. Here, China’s emphasis on South-South co-operation has played a central role in its efforts to build diplomatic partnerships for countering US global hegemony (Power and Mohan 2010: 478).

38The DAC refers to an international forum on development aid that sets guidelines for best practices of aid lending. There are currently 29 member countries of the DAC. Japan and South Korea are the only non-Western member-countries.
This has been driven in a large part by a need for natural resources. As Mohan notes, ‘China’s “state-orchestrated market capitalism” has produced consistently high growth for two decades, but energy security is required to sustain this growth.[] China has therefore been forced to look beyond its borders for sources of energy and other natural resources’ (Mohan 2013: 1259). The result has been a significant scaling-up of the CCPs aid program and FDI from China. While China’s aid contributions are not yet financially anywhere near the scale of traditional donors such as the US and Japan, donor contributions and private-sector investment from the country have grown significantly in recent decades and have already produced a powerful ideological challenge to traditional donors agenda-setting dominance (Mawdsley 2015: 340; Tan-Mullins et al. 2010: 858).

Within Asia, such political-economic shifts allowed China to adopt a more prolific role in the region and, during the latter part of the Cold War, it began to position itself as a key nation-state in the growing ‘Third World’ challenge to the imperialist aspirations of the US and USSR (Berger 2004: 273). Rescinding on its earlier claims that ASEAN was a manifestation of US expansionism, by 1991 China had established diplomatic relations with every Southeast Asian country (Shirk 2007; Wibowo 2009). It also became a major site of economic and industrial activity at this time, leading to a new regional order that began to gradually endorse its rising influence (Tan 2012).

Since the year 2000 China’s imports from ASEAN alone have seen an annual increase of 30 to 40 per cent, with total bilateral trade between 1995 and 2008 rising tenfold (Jacques 2009: 282). China has strengthened its ties with ASEAN by agreeing to the ASEAN Treaty of Amity and Cooperation, by developing the China-ASEAN Free Trade Agreement (CAFTA) to reduce competitive pressure on ASEAN industries, and by vowing not to unilaterally enforce its claims over the heated South China Sea disputes (Deng 2009: 72; Kui 2009). As Beeson (2010) and Shirk (2007) have both argued, China has worked hard to improve relations with East Asian nations and to avoid perceptions that it is seeking to become a regional hegemon. Such policies have also seen China surpass the US as ASEAN’s third largest trading partner and become the leading foreign
investor in Cambodia, Laos and Myanmar (Hughes 2008: 72; Tong & Siew Keng 2010).

In addition to private-sector investments, China's aid to the region has also climbed from roughly $260 million in 1993 to more than $1.5 billion in 2004 (Kurlantzick 2007). In 2009, following the global financial crisis of the time, China declared a grand increase in its aid to Southeast Asia, which included ‘a US$10 billion contribution to initiate a China-ASEAN Investment Cooperation Fund… a US$15 billion line of commercial credit targeted at poorer ASEAN states… an additional US$39.7 million for ‘special aid’ to Cambodia, Laos and Myanmar, [and] US$5 million to the China-ASEAN Cooperation Fund’ (Reilly 2013: 151). While still lagging a long way behind Japan’s contributions to the region, Chinese aid is now greater than US assistance to Myanmar, Cambodia, Indonesia, Laos and the Philippines (Kurlantzick 2007). Indeed, the China is now the leading non-DAC donor to Cambodia, Indonesia, Laos, Mongolia, Myanmar, Philippines, Timor Leste, and Vietnam (Asia Foundation 2014).

Unsurprisingly, China’s growing influence in impoverished nations, and its impact on Western development objectives, has been the topic of much academic debate– particularly in regards to China’s aid to Africa (Mawdsley 2012, 2015; Mohan 2012, 2013; Power et al. 2012). Moving away from this focus on Africa, of concern to this chapter, is how China’s increased international presence in East Asia is producing of new ways of thinking about and understanding development. Unlike Japan and the Tiger economies, China’s own economic ‘rise’ was not the result of large inflows of US aid, or the ideological discourses that accompanied such aid. This crucial historical difference continues to hold importance today in respect to what political-economic model China presents in its aid funding programs and ‘South-South cooperation’.

4.7: The Beijing Consensus

Over the past two decades China’s approach to development has delivered ‘spectacular economic growth’ and rising standards of living for much of the

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39 While China’s aid as a percentage of its national GDP have remained fairly constant over the past decade, its impressive economic growth has seen a marked increase in its total contributions.
population (Harvey 2005: 122). Its education and healthcare systems have improved, as is reflected in the country’s 20-place rise on the UNDP’s global Human Development Index during the last 20 years, and millions of people have been lifted out of absolute poverty (UNDP China 2008: 4). However, rapid economic growth has also led to environmental degradation and social inequality (Mingjiang 2009). China’s growth has been said to be ‘less pro-poor’ and ‘more unequal’ than that which occurred during the 1970-1990s in the Asian Tiger countries and, in regards to education, the Chinese state spends far below the average for developing countries (Appleton & Song 2008: 62; Shirk 2007: 33). Relative to GDP, its healthcare budget is the 156th lowest in the world, and its gini coefficient is the third highest in Asia (UNDP China 2008: 52; CIA 2014d). For many, these changes in the country’s key development indicators are a product of its own, somewhat unique, ‘Beijing Consensus’ political-economic model.

The term ‘Beijing Consensus’ was coined by former Time magazine senior editor, Joshua Cooper Ramo (2004). According to Ramo, in contrast to the neoliberal policies of the Washington consensus, China’s development model is built on political innovation, equitable growth, the maintenance of stability, and a respect for self-determination. Described by the CCP as ‘socialism with Chinese characteristics’, the notion that China represents a somewhat unique model for socio-economic growth has been argued by a number of thinkers, who have used the ‘Beijing consensus’ to describe a diversity of traits, including export-led growth, gradual reform, authoritarianism, state capitalism and the support of state-owned enterprises (SOEs). In this thesis, I use the term to refer to an overarching mixture of a market economy and an authoritarian political system whose composite parts include the use of SOEs and a strong emphasis on maintaining state sovereignty.

One of the leading priorities of the Beijing consensus, both within China and with respect to its development aid, is technocratic modernization. Emphasizing infrastructure development, industrialization and urbanization, China’s approach to development is reminiscent of the modernization programs that were advocated by European donors in the 1950s and 1960s. Modelled on a Confucian value-system that privileges hierarchy over democracy, the Chinese
world-view draws on middle kingdom perceptions of China as being surrounded by ‘less culturally advanced, ‘barbarian' peoples’ (Stuart-Fox 2003: 9). As Nyíri states, ‘the Chinese discourse of modernization is an intensely comparative and competitive one... Just as, to use an often-repeated phrase, China must learn from the “advanced technology and management methods of developed Western countries”, it can, in turn, transmit its own “advanced experience” to those less fortunate’ (2006: 93-94).

Here, an important distinction can be made between the contemporary perspectives presented by traditional donors as aid provision as a moral responsibility and the CCP’s discourse of development cooperation between countries that are both ‘climbing the development ladder’ (Mawdsley 2012). Yet, despite the clear indication of Chinese superiority that is so deeply embedded within China’s approach to development, its development model has often been well-received within countries from the global south. In respect to China’s aid contributions to Angola, for example, Power (2012: 995) has argued that what brings the governments of these two countries together is ‘a mutual conception of development as modernisation as well as a sense that Angola can learn from (and potentially seek to reproduce) China’s historical experiences of “development”’. Or, As Nyíri continues;

*What the Chinese State and Chinese investors are offering is the affirmation and attainability of progress through hard work, in the social evolutionist language of Northern European colonizers... a hope of catching up that, for all the recent microcredit fads, global modernization theory’s erstwhile Western propagandists no longer seem to offer (2006: 93-94).*

Another common assessment that is made of Chinese aid is that it lacks transparency and breeds corruption. Although Hubbard (2007) has indicated that data on Chinese aid is more easily accessible in Chinese language sources, which are often overlooked by Western critics, the lack of intercultural dialogue between China and Western donors about aid disbursement has made traditional donors suspicious of China’s activities (McCormick 2008). As Guttal
states, ‘information about the size and scope of projects, their impacts and financing are extremely hard to come by and Chinese government agencies, financiers and private companies generally refuse to divulge information to the public about their operations’ (2008: 25-26). Such suspicions have been compounded through frequent acts of bribery and graft by the Chinese firms that have been contracted to build aid-funded infrastructures. As one Chinese citizen interviewed for this thesis who works in Laos’ development sector explains:

*These same bribery processes also happen in China. Chinese companies are used to operating this way. Bribery is a Chinese way of business and cannot be changed easily...*

The prevalence of corruption within China’s private sector is made worse by a lack of Chinese civil society organisations that can operate freely from the powers of the state. For example, despite being one of the leading sources of FDI and an increasingly important provide of ODA to Laos, at the time of writing there are no Chinese NGOs working in the country.40 Of course, it must be noted that while this lack of a non-state sector limits China’s ability to adopt a more diversified and decentralised approach to poverty alleviation it also favours one of the other central tenants of its aid program – namely, the respect of state sovereignty.

In its aid contributions abroad the CCP has promoted the freedom of economic flows while maintaining a non-interference approach to political affairs. Rather than appealing to ‘international’ ideals of justice, democratic rights, and political freedoms, its approach to development is instead built on ‘relationships’ and ‘friendships’ that favour non-interference in ‘national’ affairs (Lazarus 2009: 2). As Tan-Mullins et al. point out, ‘according to more official accounts of China’s approach to development cooperation, China’s strategy is “one of humanitarian and development aid plus influence without interference”... [which] centres on the real needs of the recipient countries’ (Tan-Mullins et al 2010: 861). Put

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40The only Chinese NGO that has worked in the country, *Global Environmental Institute* or *GEI*, was not granted a Memorandum of Understanding by the Lao government and was forced to cease its operations after less than two years.
simply, the CCP has avoided the sorts of conditionalities’ around human rights, political reform or environmental sustainability that have become increasingly common to bilateral aid from the West, and especially the US. This is true even in authoritarian, politically corrupt and despotic states where Western donors have placed restrictions on aid provision and foreign investment, such as Angola, Sudan and the Democratic Republic of Congo. One result of this has been concerns that the country’s aid flows will allow non-democratic nations to resist the conditions that Western donors and international institutions frequently attach to donor-funded projects to improve environmental protection and respect for human rights (Pholsena & Banomyong 2006; Phraxayavong 2009). For Eisenman et al. ‘the one area in which China’s growing influence has undeniably challenged U.S interests is in its support for nondemocratic regimes… in Cambodia and Laos… run counter to U.S. interests to promote human rights and democracy in Asia’ (Eisenman et al. 2007: 171).

It has even been suggested that China’s poor environmental policy in developing countries is causing other donors to act less ethically in order to remain competitive agents in the aid sector (Lyttleton & Nyíri 2011). As Mohan (2012) states, ‘Chinese projects tend to be elitist and enclaved, with limited local consultation, thus remaining relatively non-transparent [and having]… the potential to release a spiral of undercutting standards (Mohan 2012: v). Indeed, for Obiorah (2007) China’s history of economic growth, which has occurred without a transition to democratic processes, provides a strong form of discursive legitimation for authoritarian states to deny political rights to their citizens; a denial that is further reinforced through the CCP’s ‘no-strings attached’ support of such states through a policy of non-interference in ‘domestic affairs’. Furthermore, while China has called for a non-interference approach to aid, it has also used development assistance as a means to support its own political and economic interests.

Two of the most central critiques of Chinese aid are that it is targeted towards securing natural resources and that it is being used to promote the profit-generation of private companies. For example, in Cambodia, Laos and Vietnam - where natural resource extraction has become the leading sector of Chinese FDI
Chinese firms (whose work is funded with aid contributions) have been important builders of the transport infrastructures that provide access to previously inaccessible environments (Jalilian & Flower 2013; Leebuapao & Voladet 2013; Ouch et al. 2013). In fact, almost all of China’s largest companies that are working abroad are SOEs, or - as the CCP calls them - ‘national champions’, whose senior managers have been appointed by the Communist Party (Morck et al 2008: 340). These firms have played a leading role in identifying China’s aid projects abroad and this blurring of the state and the private sector, coupled with frequently unclear ownership structures, has made it difficult to differentiate profit-making and aid provision.

As will be argued in detail throughout this thesis, one of the most significant features of ‘China’s’ aid program in respect to its impact on both the international aid architecture and the livelihoods and wellbeing of impoverished communities has been a “blurring” and “bundling” of its aid, investment and “development” packages’ (Power 2012: 994). China has combined aid and private-sector interests in ways the DAC has not embraced with both Chinese SOEs and private firms representing major stakeholders in the CCP’s aid program (Mohan 2013). Much bilateral aid from China is project based, and has been facilitated through ‘a select group of Chinese corporations which form part of the Chinese Government’s ‘Go Out’ Policy (Tan-Mullins et al 2010: 863). To provide just one example from a commonly researched country on Chinese aid and investment, in Angola the CCP’s aid commitments to the country are based on the agreement that at least 70% of all public enterprise contracts that are financed by the Chinese state must be built by Chinese companies, with almost all construction materials and machinery being imported from China. (Power 2012: 1000). While not the focus of this thesis, another issue of concern in respect to the blurring of Chinese ODA and FDI is the poor track record on worker-rights and corporate social responsibility by Chinese companies that are operating internationally (Mohan 2013).

Yet, as noted above, although China’s mixture of a market economy and authoritarian governance has faced much criticism from democratic states it has also served as a model for success for much of the developing world (Kurlantzick 2007: 56). For Guttal, what makes Chinese aid so appealing to
beneficiary countries is its lack of policy conditions (2008: 23); while for Pholsena, China’s ‘ask no questions’ approach to development is one that countries such as Laos not only support, but also seek to emulate (2006: 50). Similarly, in the context of Africa, Mohan argues that for many ‘regimes and businesses, China is welcome for the economic benefits it brings, coupled with its relative absence of moralising discourse and harsh conditionality’ (Mohan 2012: v). Indeed, Woods has suggested that China’s growing involvement in the aid sector is ‘exposing standards and processes that are out of date and ineffectual’ (2008: 1206), while Fullbrook argues that all Southeast Asia’s LDCs would be worse off without Chinese ODA & FDI (2006). Going even further, according to Moyo, the CCP’s focus on trade, investment and infrastructure over softer forms of aid represents a ‘golden opportunity’ and a ‘win–win’ alternative for Africa (Moyo, 2009: 120, 122). Finally, in many respects China’s linking of aid with its national interests is not all that different to the development agendas of many Western donors or, as Reilly’s 2013 article on aid flows and natural resource extraction in Myanmar shows, from Japan.

Despite rhetoric to suggest otherwise, the majority of Western aid programs are also targeted towards national interests and financial gain. According to Power et al. (2012) much Western critique of aid from China has been hypocritical in its accusations of exploitation, resource exploitation and the support of rogue governance. Similarly, Tan-Mullins (2010: 874) argue that ‘the wider debate on aid effectiveness and conditionalities is to a large extent the result of confrontations between global players seeking to delegitimize the other whilst at the same time asserting the (moral) superiority of their approach, while Mohan suggests that although China ‘stands accused of riding roughshod over established norms of democratic and sustainable planning’, ‘much of this is hypocritical hype, intended to paint Western interests in Africa as more enlightened and well-meaning’ (Mohan 2012: v - vi).

For example, Sautman and Hairong have highlighted that ‘about 80 per cent of US grants and contracts to developing countries must be used to buy goods and services from US firms and NGOs, while ‘some 90 per cent of Italy’s aid benefits Italian companies and experts’ (2008: 104). They also note that China’s investments in countries with poor human rights records, such as Sudan, are
not entirely different from US investments in Angola, Chad and Gabon, and that oil accounts for more than 70 per cent of all US imports from Africa (ibid 2008: 89; 92). An important, but infrequently acknowledged, observation of China’s ‘impact’ on the international development sector is that the CCP’s ability to discursively frame Chinese aid as offering a valuable ‘alternative’ to traditional donors stems from the many failures of the Western-led global development sector (Mawdsley 2012). As Jacques states, ‘there is little evidence ... that China’s record in Africa is any worse - and in fact is almost certainly far better - than the West’s own miserable catalogue of support for corrupt and dictatorial regimes on the continent, not to mention its colonial legacy’ (2009: 332). Finally, it must also be noted that the CCP does not unilaterally direct ‘Chinese’ investment abroad. Rather, distinction must be drawn between projects and investments that are tied to the Chinese state (and usually also SOEs), and those that are largely independent from state objectives (Mohan 2012: vi). As Power notes in respect to ‘the explosion of media and academic interest’ around Chinese aid in Africa, for example, a tendency towards ‘generalised analyses’ that have presented an imagined idea of a ‘single Chinese “model” which is often used simultaneously to refer to a Chinese model of development in China ... a Chinese development model enacted in Africa to steer the continent’s development... and as a global model of interaction around development cooperation’ (Power 2012: 994). Or, as Tak Cheun explains, ‘after two decades of reform in China, of decentralisation and privatisation... it is important to appreciate that China is a heterogeneous grouping of various collective actors... and that the interests among the various actors within each sector might well differ’ (Tak Chuen in, Guerrero & Manji 2008: 14). Nonetheless, given the aforementioned ‘blurring’ of Chinese ODA and FDI this challenge of disentangling Chinese aid and FDI is often difficult – and sometimes impossible - to address. Indeed, this has been a significant challenge for the writing of this thesis. What is certainly achievable, however, is more considerate and careful usage of the term ‘China’ in respect to projects where funding sources are not clear.

My concern here is not with whether Chinese aid and investment is ‘better’ or ‘worse’ than similar flows from Western nations. Such a dichotomy would be far
too generalized to capture the true complexity of both new and traditional donors. Rather, what I seek to emphasise is that China is playing a key role in the further institutionalization of development within Asia. The aid architecture of the DAC donors are now being complemented by the growing prevalence of new aid flows, which have brought with them new multilateral partnerships and new priorities for development. While the CCP’s ‘Beijing Consensus’ may see a transition away from neoliberal ideologies of development towards a newly conceptualised ‘Asian way’, it is nonetheless still furthering the expansion of high-modernist development discourses as a way of both hierarchically categorising the region and planning its future.

4.8: Conclusion
From the end of the Second World War onwards the paradigm of development has become one of the prevailing means through which post-colonial Asia has been conceptualized. As this chapter has shown, Asia’s development was central to the geopolitical struggles of the Cold War and, from the 1950s onwards; there has been a continual expansion of development institutions and aid flows to the region. In the 1980s, the spread of global neoliberalism was accompanied both by a reinvigorated push for capitalist development from IFIs such as the IMF and World Bank, and a mushrooming of non-governmental organizations. Such development aid has since faced widespread critique. However, it has not only been Western donors that have sought to institutionalize development as a way of seeing and knowing Asia. Rather, as this chapter has noted, discourses and institutions of development from within the region have also played a central role in how residents of Asia have conceptualized themselves and their place in the world. Indeed, some of the most leading advocates of capitalist development ideologies within Asia have been Japan and the so-called ‘Tiger economies’.
Following rapid socio-economic transformations during the 1960s-80s, Japan, Hong Kong, Singapore, South Korea, and Taiwan have all become high-income countries that have often been perceived as offering alternative development models to the US-led Washington consensus approach. This alternative has been voiced most vehemently in debates around ‘Asian values’ and ‘developmental states’. Although it is questionable to what extent so-called ‘Asian values’ are
representative of the diversity of socio-cultural value systems that exist within Asia, these discourses make clear that the institutionalization of development in the region has not only been the product of Western expansionism. Through the ideals of an ‘Asian way’ for development key actors and institutions from within the region have also sought to provide their own explanations for Asia’s success and to promote a distinctly ‘Asian’ framework for development. In the past decade, the most influential force for the production of Asian development values has been China.

Often described as a new or emerging donor, China and its Beijing consensus model for development represents a powerful alternative to the priorities of traditional donors. China has become a leading player in the region’s development sector, offering new aid packages and promoting the further institutionalisation of development ideologies with aid-recipient countries. In the wake of this change – and also the growth in aid flows from countries such as South Korea, India and even middle-income countries such as Thailand and Vietnam - Asia’s own drive for development can no longer be described solely as the expansion of Western value-systems.

Yet, at the same time, China continues to reproduce longstanding perceptions of the region as in need of high-modernist development. This is a model that focuses primarily on the development of hard infrastructure, that privileges state intervention into the economy, that supports a respect for state-sovereignty in authoritarian countries, and that has seen a blurring of aid and private sector investments. In other words, this high-modernist way of viewing the world is becoming (or has already become) naturalised within Asia. As the region’s development future continues to be shaped by intra-regional aid and investment new priorities for socio-economic progress, and new ways of ‘doing’ development, are emerging. In subsequent chapters I explore how one of these new donors, China, is reconfiguring development ideologies and practices within Laos.
5
The Making of Least Developed Laos

5.1: Introduction

To understand the contemporary positioning of Laos within a ‘rising Asia’ it is necessary to first step back historically. However, choosing a starting point for telling the history of the country’s development is no simple decision. As nationalist histories insistently emphasize, the first ‘Lao’ polity was not born out of French colonialism, but was formed in the mid 14th century under the leadership of the warrior Fa Ngum (Evans 1999; Stuart-Fox 1998). Following the southern migration of Tai-speaking peoples into present day Laos, Thailand, and Myanmar in the 10th Century (CE) a number of Tai ‘mandala’ kingdoms were established across mainland Southeast Asia, one of which was the first Lao kingdom of Lan Xang. For almost three centuries from its formation in 1353, Lan Xang held what is perhaps the most powerful position that a ‘Lao’ geopolitical entity has ever achieved.41 Yet, while Lan Xang is often presented as the antecedent to contemporary Laos, this historicising of the country is one that overlooks important differences and discontinuities between the ancient kingdom and the current nation-state.

To begin with, Lan Xang was a ‘mandala kingdom’, which represented a fundamentally different governance structure to that of contemporary nation-states (Evans 2002; Ishikawa 2010; Scott 2009; Stuart-Fox 1998). Constituted by a variegated landscape of geographically uneven development based around a central core, mandala kingdoms were concerned with the regulation of people more than with territorial boundaries (Evans 2002). Under the ‘galactic-polities’ of mandala-kingsdoms smaller vassal powers would rule with relative autonomy,

41 As with contemporary Laos, the kingdom of Lan Xang was not only a Lao space, rather it is also incorporated a great diversity of ethnic minority communities.
while the boundaries of neighbouring mandala kingdoms would often overlap, expand and contract as power increased or decreased in the central core (ibid). Furthermore, it is also worth emphasizing that the territorial boundaries of Lan Xang do not directly correlate with that of the contemporary nation-state; rather it was a much larger territorial space that included parts of present-day Thailand, Vietnam, China and Cambodia. Finally, perhaps even more important than the differences in territory and governance between Lan Xang and present-day Laos is that the kingdom had all but ceased to exist by the time the French arrived.

In the 16th century (in 1574) Lan Xang faced its first major invasion and defeat, which came from the kingdom of Pegu, now a part of present-day Myanmar (Tarling 2001). This was a period of much conflict in the region and Lan Xang suffered heavily from this loss, with many of its former territories becoming vulnerable to the pillaging of neighbouring mandalas (Stuart-Fox 2003). In 1778 the kingdom was again attacked, this time by the Siamese kingdom of Bangkok and, following a failed uprising by the Lao warrior Chao Anouvong, in 1828 Siam (now Thailand) completely destroyed Lan Xang and forced as much as 90 per cent of its population to migrate west of the Mekong onto the Siamese-rulled Khorat plateau (Keyes 2000: 210; Osborne 2006: xiv). At this point in time any form of historically enduring Lao political space came to an end, leaving behind a weakened and largely empty region that the arriving French would find easy to incorporate into their colonial ambitions.

Given the extent to which Lan Xang had been destroyed, the common narrative suggesting that post-colonial Laos draws its origins from the former kingdom are, at best, tenuous. Rather these are two distinct socio-political territories that have been drawn together through nationalist discourse in order to give the contemporary nation-state a more longstanding and naturalised history that predates European intervention. Indeed, it is not clear if Lan Xang would have ever been reconstituted as either a kingdom or a nation-state without the intervention of France. These difficulties of writing a history of contemporary Laos that recognizes both the continuities and discontinuities of this ‘imagined’ geo-political entity have been well recognised within existing academic inquiry (Evans 2002; Ivarsson 2008; Stuart-Fox 1998). For Grant Evans, for example,
‘one cannot write a history of Laos’ from a nation-state perspective without producing some misrepresentation of how the modern world came into being (1999: 15). Or, as Jonathon Rigg more directly puts it, ‘to say that “Laos” existed prior to the 20th century would be to stretch the point’ (2009: 706). The formation of the Lao nation-state that exists today was at no point during the pre-colonial and colonial period a historical certainty. To project ‘state-centric’ histories back to a period when they did not exist risks distorting the socio-economic and political frameworks of the pre-nation state era (Scott 2009).

Yet, at the same time, the imagining of nations always takes place amidst an existing socio-cultural milieu, and ‘Laos’ was not a placeless entity before it became a nation-state. In telling a ‘national’ history of how a Lao nation-state came into being, it is important to recognize that its transformation into a colony did not completely bring to an end ‘the interconnections, exchanges, genealogies, hegemonies, moral systems, and migrations’ that defined the social landscape before it was reconfigured into a ‘modern’ nation (Mitchell 2002: 180). Although Lan Xang had been destroyed by the time the French arrived, it nonetheless remains a symbolically important period for nationalist histories as a time of political independence and greatness; a period when ‘Laos’ was a formidable regional power, not a ‘least developed’ country in need of foreign assistance.

Confronted with such historical ambiguities, the approach adopted here is to emphasize, rather than conceal, that any historical retelling of ‘Laos’ is a discursive construction that presents a specific historical narrative, which can never seek to be exhaustive in its analysis. As Stuart-Fox has done in his historicising of the country, this thesis acknowledges the historical discontinuities in its social, cultural, territorial and political landscape, but also seeks to ‘identify and emphasize the continuities that transcend them’ (2002; 1996). Rather than trying to present a ‘complete’ history of Laos, I stress that this is a particular historical story that leaves aside as much as it recollects. It is the history that is oriented towards the themes of ‘development’ and ‘modernization’. Consequently, in this chapter I map the shifting actors, practices and ideologies that have given shape to contemporary Laos and its position as a land-locked, least developed country. In order to improve
analytical clarity the chapter is split into three broad historical periods that represent pivotal shifts in the country’s development genealogy. These are the colonial period, the Cold War era and the post-1980s acceleration of Asian regionalism.

5.2: The Colonial Period

5.2.1: From Lan Xang to Laos
In 1886 the appointment of Auguste Pavie as the first vice-consul of Luang Prabang marked the beginning of French colonial rule in Laos (Osborne 2006). As noted above, the arrival of the French came shortly after the invasion and defeat of the kingdom of Lan Xang and, as a result, the new colonial power encountered a relatively isolated space which they perceived as being inhabited by primitive and ‘uncivilised’ peoples that was in need of foreign intervention (Norindr 1996; Anderson 1991; Stuart-Fox 1996). Drawing on the high-modernist metanarratives of the European Enlightenment that were discussed in Chapter 3, French colonialists began to roll out a *Mission Civilisatrice*, or ‘civilizing mission’ to enlighten and develop ‘backward’ Indochina (Agostino 2007: 199). A discursive construction of the region as ‘primitive’ and ‘backward’ allowed French-led modernity and ‘progress’ to become the absolute standard against which colonial subjects were measured (Norindr 1996: 5).

Finding little evidence to indicate that Lan Xang was once a formidable regional power, France did not prioritise the reconstitution of the former kingdom into an independent nation-state (Pholsena 2006). Just as Indochina was perceived as a place in-between the two more significant powers of India and China, so too was Laos seen as a place of ‘in-betweeness’; a place to be incorporated into the larger political and economic entity of Indochina. With their primary administrative hub located in Vietnam, France’s foremost goals in Laos were to establish a hinterland for natural resource extraction, gain control of the Mekong river, establish riverine trade routes with Southern China, and to form a buffer against British colonialism in Burma (Stuart-Fox 2002: 6). Indeed, were it not for the wider conflicts and geopolitical shifts of WWII, it remains unclear if
the French would have ever sought to make Laos into an independent nation-state at all (Stuart-Fox 1996).

That being said, while it was not until the end of the colonial period that the French began to conceive of Laos' independence from Indochina, one of the earliest priorities of colonial rule was to demarcate fixed territorial borders that would separate it from Siam and China (Goscha 2012, Ivarrson 2008). To achieve this transformation, France took control of all 'Lao' territories east of the Mekong and, in 1893, signed a formal treaty agreement with Siam that saw the territorial, (but not yet political), reformation of Laos as part of Indochina (Stuart-Fox 2002: 6).

As the French colonial project continued to expand, and as hostilities between France and Siam continued on, it also became necessary for the French to strengthen nationalist sentiments within Laos. Through the creation of a bureaucratic administration and legal system, the dissemination of national newspapers, infrastructure upgrades, standardized education systems, university exchange programs to nationalist France, and new maps that depicted the new borders of Indochina, France began to encourage the people of Laos to 'imagine' themselves as a nation (Evans 1999; Rehbein 2007: 20). Indeed, it has been argued that it was only as a result of French colonialism that the existence of contemporary Laos became at all possible (Stuart-Fox 1996; Evans 1999). As Evans states, without French colonial rule 'it is almost certain that at least the lowland areas of Laos would have become part of the Thai state, while upland areas... would probably have been absorbed by Vietnam' (Evans 1999: 21).

One of the principal means through which France sought to strengthen political nationalism and, somewhat paradoxically, to improve regional trade networks, was through infrastructure development. Colonialism had made Laos land-locked and France quickly set to the task of using infrastructure to address this inhibitor of modernization and economic growth. As Pholsena notes, 'the French colonial project in Indochina was guided by the ambition to make this wider

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42 This treaty ensured the preservation of a Lao space as distinct from northern Siam, and put a stop to the gradual eastward expansion of the Tai kingdom towards Vietnam that had been taking place ever since the collapse of Lan Xang. At this point the treaty with Siam did not include a formal border agreement, however, border agreements would come within the next two decades.
political and geographical space a viable economic reality’ (2006: 44). The French built the first highways, linking Luang Prabang with Pakse in the South and from Vientiane to Annam (now Vietnam) in the East. Riverine travel, communication grids and, mostly-unfulfilled, plans for railway networks were all part of France’s modernisation program - and would later serve as a grounding framework for increased regional trade between independent nation-states in the post-colonial era. Like contemporary infrastructure networks, colonial transportation routes were primarily designed to expand the power of the (colonial) state, promote a market economy, and to improve access to natural resources (Ivarsson 2008; Stuart-Fox 1996: 29).

As with most foreign interests, French colonialism represented a double-edged sword, bringing both new opportunities and new challenges for development and poverty alleviation. On the one hand, colonial bordering saw the loss of almost three quarters of the former Lao population to Siamese territory and relegated the country to the status of ‘a remote colonial backwater’ that was ‘land-locked, underpopulated, and underdeveloped’ (Stuart-Fox 1996: 24). France reconfigured Laos into a resource hinterland for the Indochinese territories of contemporary Vietnam and produced a discourse that represented the local population and their socio-cultural practices as barbaric. As a result, the country remained both the least developed and the least important of the French-administered territories in Indochina, with the revenue produced from opium production and a number of other small industries never amounting to governance costs (Stuart-Fox 1996: 17).

Yet, as noted above, it was also the French who brought the first modern infrastructures and encouraged nationalist sentiments. Furthermore, not everyone in Laos was disadvantaged by colonial rule; some actually profited from colonialism, particularly the small urban middle class, the old elite and Vietnamese and Chinese businesspeople (Rehbein 2007: 101). Irrespective of how one views the colonial era, it is clear that the ideas (and infrastructures) of the period of French suzerainty had an enduring legacy on how the country was imagined as a post-colonial space. Described by Norindr as ‘an elaborate fiction’, and a ‘myth that has never existed’, Indochina was a ‘discursive construction that supported [the] financial and political ambitions’ of the French and that
saw 'every facet of Indochina’s ‘cultural identity’ refiured and reproduced’ (1996: 1, 2).

5.2.2: The Beginnings of Independence

It was in the climate of World War II, and particularly the post-war years, that Laos first began to move towards independence from French colonial rule. Nationalist ideals were stirring during the war and, following France’s 1940 defeat to Germany and the subsequent invasion of Japanese forces into Indochina, new post-colonial imaginings of the country began to take shape. France lost control, temporarily at least, of its Indochinese territories and, although Japan eventually withdrew from Southeast Asia following defeat in WWII, its brief invasion gave Lao nationalists a new belief in their ability to live independently from French rule (Evans 2002; Tarling 2001). In March 1947 elections were held for the first Royal Lao Government and, for the first time, both Lao citizens and the rest of the world could consider Laos as a political entity that was distinct from the rest of French Indochina (Stuart-Fox 1996: 35; Evans 2002; Pholsena & Banomyong 2006: 8). Independence, however, would be short-lived.

At the end of World War 2 France sought to regain its territories in Indochina and, after a successful reinvasion of Laos, the country was returned to a colony. According to Grant Evans, the majority of the population in Laos at this time had little interest in gaining independence from French rule and the former colonial power easily defeated the small Lao independence movement (2002: 88). Beyond Laos, however, Indochina and the wider global geopolitical environment had changed considerably. In Vietnam especially, France found itself confronted with a much more hostile colonial environment that led, in 1946, to the emergence of the First Indochina War.

Much has been written on the battles and strategic directives of the First Indochina War and it is not necessary to retell this story here (see Lawrence & Logevall 2007; Fall & Herring 2005; Windrow 2004). What should be noted, however, is that the conflict both slowed socio-economic development and saw

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43 In Laos, the resistance against colonial occupation was led most virulently by the Lao Issara (Free Lao) who, with the help of Vietminh forces, fought a ‘bloody battle’ against the French in March 1946 (Evans 2002: 88).
the increased engagement of other powerful nation-states in Laos’ domestic affairs. For example, China played a substantial role in Vietnam’s victory over the French, sending ‘tens of thousands of small arms, hundreds of artillery pieces and heavy mortars, thousands of tons of ammunition, not to mention food, medical supplies, military uniforms, vehicles and other equipment’, to support the Viet Minh forces (Stuart-Fox 2003: 157-67). In contrast, the United States offered substantial assistance to France as a part of its wider commitments to prevent the spread of communism in Southeast Asia. This support was not, however, enough to see the French to victory. In 1949 France granted greater autonomy to Laos by allowing the country to join the United Nations and, in 1953, full sovereignty was achieved by the Royal Lao Government (Evans 2002: 92; Phraxayavong 2009: 50).

For Laos, the end of the Indochina War saw the country enter a new era of multipolar relations. In the wake of France’s defeat, the US began to increase its role in the Mekong region by continuing the former colonial power’s implementation of large-scale infrastructure projects such as dams and road networks (Bruce St John 2006: 197). Australia began offering scholarships to Lao students, training civil servants and providing English language teachers, while Japan offered assistance to rebuild Vientiane’s power supply. This shift toward greater international engagement held long-term consequences for the making of a modern Laos, including the refashioning of colonial discourses of a ‘civilizing mission’ into a technocratic and apolitical framework for ‘development’. As colonial rule came to a close, Laos was already economically far behind many of its neighbours. This led the UN to classify it as an LDC, beginning the now decades-long process of development interventions to help the country progress beyond this most lowly of development categorisations (Dixon and Smith 1997:4).

5.3: The Cold War

5.3.1: Conflict Comes to Laos: The Cold War and Second Indochina War
During the colonial period it had been French, Thai, Vietnamese, and Lao influences that had played the dominant role in shaping Laos’ future. With the
onset of the Cold War, however, the country became embroiled in the previously discussed USSR-US global communist-capitalist struggles (Berger 2004). The, now independent, nation-state shifted from a French colony to a ‘domino’ in the US fight against Soviet-led communism and discourses of development picked up where colonialism left off. In this geopolitical milieu former French colonial perceptions of Laos as an uncivilised space were replaced by capitalist discourses of development that framed the country as both a least developed country in need of modernization and a space of ‘the Communist threat’ (Bruce St John 2006). In other words, modernist metanarratives continued to play a role in shaping the country’s future.

In 1958 the UN, a small number of NGOs and a growing number of bilateral donors, including the US, Australia, Japan, France, New Zealand, Canada, Switzerland, Britain, the USSR and Japan, began providing aid to Laos (Phraxayavong 2009). Following decades of neglect and the violent conflict that led to France’s departure from Indochina, such aid was desperately needed. At this time the entire country had only 5,600 kilometres of roads, of which only 800km were surfaced and therefore useable in the rainy season. There were only around 100 motor vehicles in the country, air transport was minimal, and telecommunications were confined to the main urban centres (Evans 2002: 96). Yet, while the country was impoverished, according to Evans this was also ‘a time of great optimism in Laos’, with many people welcoming the prospects of building a Lao nation-state (2002: 94). This optimism would, however, soon be shattered by the re-emergence of conflict across the country.

After just over a decade of peace, by 1965 Laos again found itself playing host to the ideological and military battles of foreign powers in the Second Indochina War. Known as the ‘secret war’, due to a lack of global awareness that conflict was occurring in Laos, ground battles were fought between, on the one side, the Lao People’s Revolutionary Party and the North Vietnamese, and on the other, the Royal Lao Army, Hmong resistance forces and CIA supported Thai Special Forces (Howe & Sims 2010).\footnote{At this time most of the global population was only aware of the conflict that was being fought in neighbouring Vietnam. Laos, along with Burma, Cambodia, Canada, China, Vietnam, France, India, Poland, Thailand, the USSR, the United Kingdom and the US, had signed a Geneva Declaration to ensure the country’s neutrality during the conflict in Vietnam. In reality, however,}
also made Laos the most heavily bombed country in history; a situation that continues to have serious impacts on human security and development through explosive remnants of war (Sims 2009). In a repeat of the First Indochina War, the conflict both further impoverished Laos and its people by debilitating socio-economic development, destroying villages, killing thousands of civilians, and forcing as much as one-fifth of the population to flee as refugees (Branfman 1972). The war also saw the country become drawn more tightly into the political-economic relations of the global aid architecture although, while US aid funding during the war years was higher, per capita, than to any other country in the world, most donor funding at this time was spent not in developing the economy, but on feeding war refugees, buying influence amongst elites and maintaining a high standard of living for the small foreign expatriate community in the country (Phraxayavong 2009).

Consequently, when the war finally came to an end in 1975 Laos had become both highly impoverished and heavily dependent on foreign aid.

5.3.2: Laos Gets its Independence

After more than two decades of conflict and almost a century of colonial rule, in 1975 Laos finally gained its independence. Following the proclamation of the Lao People’s Democratic Republic in December that same year, the country became a Marxist-Leninist state that unsuccessfully attempted to create a collectivist economy based on a Soviet model (Evans 1990; Stuart-Fox 1996: 37). However, lingering legacies of war pushed it into a state of economic turmoil that further increased dependence on foreign aid; the majority of which was provided by the USSR. In fact, after having moved away from capitalist modernization towards a communist development model, from 1975 to 1985 around half of all aid to Laos came from the Soviet Union (Guégan 2005: 5; Phraxayavong 2009). Such aid contributions were not, however, enough to account for the cessation of American aid (following the communist victory)

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45 More than $74 million given to the Royal Lao Government each year between 1968-1973 (Bruce St John 2006: 30).
which, according to Phraxayavong, caused the country’s economy to collapse (2009: 85).

Aligning itself closely with the USSR and its communist agendas, the Government of Laos (GoL) spent the first decade of its leadership pursuing orthodox socialist policies including the nationalization of industry and the establishment of agricultural cooperatives (Stuart-Fox 2011: 1). However, as the economies of both the USSR and Laos began to fall into states of decline, their ties waned. Operating in such uncertainties, the GoL increasingly looked to Vietnam for guidance on the majority of political and economic matters and, while firmly entrenched in the ‘communist camp’ of the Cold War, by 1979 even its leadership was urging the abandonment of collectivisation programs in favour of a more market-based economy (Bruce St John 2006; Stuart-Fox 1997). Heeding this advice, in the 1980s the GoL began moving towards a more developmental state model that was built around political authoritarianism and market capitalism. This shift towards new economic management was reflected in the sudden closing of agricultural collectives, which were reduced from more than 2,800 in 1978 to just 65 in 1980, and in the 1986 announcement of the government’s New Economic Mechanism (NEM) (Bruce St John 2006: 37; Turner 2010).

Promoting free trade, decentralization of political control, foreign investment and the encouragement of private-sector growth, the policies of the NEM could be ‘neatly mapped onto the generic Washington consensus’ (Rigg 2009: 705). This movement towards a capitalist market economy represented a dramatic change that saw the development sector take on a new level of importance. With the movement away from collectivism towards privatisation, the GoL could no longer draw on communist ideals of equality as a means for its legitimacy in the same way as it had done in the past. Nationalism and the threat of ‘Western imperialists’ remained an important part of the state’s legitimacy but they would no longer be sufficient given the inherent contradictions that marketization presented to this rhetoric. To fill this void, development narratives took on increasing importance, becoming, as Pholsena notes, ‘the government’s national obsession and [the] catchcry’ for its legitimacy (2006: 55).
Over the next decade, global neoliberal ideologies continued to expand, and the GoL increased privatization and limited state intervention in economic matters (Glassman 2010). These changes were supported by IFIs such as the IMF and World Bank, who began their lending programs in 1989, while the major source of aid flows into the country shifted from the USSR to Japan and Western Europe (Stuart-Fox 2009). This redirection of aid flows was accompanied by a significant increase in the number of NGOs working in the country – which today exceeds 71 organisations working on some 246 projects (Internet Directory of NGOs in the Lao PDR 2014). As Stuart-Fox notes, for Laos the gradual weakening of Cold War tensions saw it adopt a foreign policy that welcomed aid and investment from whoever was willing to provide it (1996). In more recent years this has included not only traditional donors, but also a growing array of aid and investment from East Asia.

5.4: Regionalism and the Rise of New Donors

5.4.1: A New Era of Regionalism

The end of the Cold War produced a number of important shifts in the development landscape of East Asia. Most significantly, ongoing economic prosperity and the expansion of neoliberal ideologies across much of Northeast Asia saw the rapid acceleration of a development narrative that argued privatization, deregulation, free trade, the ‘softening’ of national borders to enhanced regional/global economic integration were essential to poverty alleviation (Berger 2004). This, in turn, saw a growth in regional solidarity across East Asia, which resulted in new diplomatic partnerships and trade agreements, as well as new aid flows.

The 1990s were an important time for regionalism in Southeast Asia, with Thailand forming the Golden Quadrangle initiative to strengthen cooperation around Mekong tourism flows (1992), Japan establishing the Forum for Comprehensive Development of Indochina to encourage regional cooperation

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46 NGOs are active in every province, covering issues ranging from healthcare to education, human resource development, agriculture, forestry and fisheries, community development, emergency and humanitarian relief, disability, mental health, drug use, unexploded ordnance, sustainable farming practices, gender inequality, conservation and wildlife protection.
on infrastructure and tourism development (1993), and both the Mekong River Commission and the ASEAN Mekong Basin Development Cooperation being founded in 1995 & 1996, respectively (Bruce St John 2006: 139; Diokno & Chinh 2006: 10). China also worked hard to improve its diplomatic relations with the region throughout the 1990s – as was reflected in the Chinese Prime Minister Li Peng’s official visit to Laos in December 1990 and the attainment of ‘full Dialogue Partner status’ between China and ASEAN in July 1996 (Stuart-fox 1996: 207).

One of the most important regional integration programs to emerge in the post-Cold War period was the Greater Mekong Subregion (GMS). Emerging out of an ADB-initiated meeting of the now member-states, the GMS saw diplomatic agreement between the governments of Cambodia, Laos, Myanmar, Thailand, Vietnam and China to promote greater economic regionalism. Although initially focusing almost exclusively on the development of transnational infrastructures, the GMS framework has since been expanded to include ten working sectors and eleven flagship programs that focus on agriculture, energy, the environment, human resource development, investment, telecommunications, tourism, trade, and transportation (ADB 2012b).

Collaborative partnerships between sub-regional tourism networks such as the Cambodia-Laos-Thailand ‘Emerald Triangle’ and the China-Laos-Myanmar-Thailand ‘Golden Quadrangle’ have been developed, an Environment Operations Centre (EOC) has been established to address transnational concerns and a GMS Business Forum has been initiated to facilitate regional trade and investment (ADB 2009a; ADB 2012c; Oxfam Australia 2008). Specific projects to facilitate regional flows include new bridges across the Mekong River, transnational highways and ‘economic corridors’, telecommunication networks, trade agreements, multiple airport upgrades as well as long-term plans to develop a regional railway system (ADB 2011a; 2012; 2010).

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47 According to Pholsena & Banomyong the GMS idea emerged from the successes of the Singapore-Johor(Malaysia)-Riau(Indonesia) growth triangle (2006: 118).

48 The GMS is primarily built around the three transnational highways of the North-South Economic Corridor (NSEC), the East-West Economic Corridor (EWEC) and the Southern Corridor. Both the NSEC and EWEC pass through Laos.
Through its GMS program and various other initiatives the ADB has been one of the most prominent advocates for increased regional integration within Asia. A self-described catalyst, advisor, and financier of the GMS, the institution has provided more than $5.4 billion in loans, grants and technical assistance to the program, facilitated subregional dialogue between member-states and acted as a secretariat and coordinator for the program (ADB 2012b). Furthermore, in addition to its financial commitments and administrative support, the ADB has also played an important discursive role in the promulgation of development ideologies that encourage economic regionalism. For example, despite admissions in ADB-sponsored publications that calibrating the ‘benefit-cost assessment’ of increased regional infrastructure ‘is extremely difficult’ to measure (Zhai 2009: 111-114), the institution has repeatedly asserted that regional cooperation and integration are ‘critical for Asia’s march towards prosperity’ and will ‘often help the poor the most’ (ADB 2011a: 44; ADB 2009a: 7). This is a narrative that emphasizes the primacy of the market and private sector in leading processes of development, and that perceives the integration of poor countries with international markets as crucial to their development (Oehlers 2006: 470; Zhai et al. 2009: 19).

Writing on Laos specifically, the ADB states that, ‘better connectivity will accelerate economic integration and enhance access to basic social services, especially for the poor in the border areas’, and that the country will ‘greatly benefit from increased regional cooperation and integration’ (ADB 2006: 9; ADB 2007: 3). Indeed, in almost every policy sector report on Laos, enhancing transnational infrastructures and encouraging regional economic integration is considered one of the most important factors proposed for promoting development (ADB 2011b; ADB 2009a; ADB 2008b; Bird & Hill 2010; Lewis 2008). While it is questionable if Laos has, in fact, ever been as isolated as such readings suggest, this framing of the country has had a significant impact on development. 49 Importantly, this way of understanding the country’s impoverishment has also been adopted by the GoL.

49 As this chapter has shown, Laos has been a part of global political relations since the French colonial era. It was of strategic importance to World War 2 and an important site of Cold War geopolitics.
Laos has worked hard to promote greater regional integration within Southeast Asia, becoming an ASEAN observer in 1992 and a full member by July 1997 (Bruce St John 2006). As previously noted, economic reforms in the 1990s saw the gradual opening of the economy to foreign investment, which led to a growth in exports from US$308 million in 1996 to over US$393 million in 2000 (Pholsena & Banomyong 2006: 82). However, while the country’s accession to ASEAN brought economic growth, it also led to further dependence on regional partners. Reflecting the strong economic ties that it has with its neighbours, for example, two-thirds of its 2002 exports were sent to Vietnam, while the rest were destined for Thailand (ibid: 85). Similarly, while tourist arrivals also rose significantly throughout the 1990s (from around 37,000 in 1991 to more than 67,000 in 2001), almost 75 per cent of these tourists came from within Southeast Asia (ibid: 135). Political and economic ties with China also expanded throughout the 1990s, while Japan continued to remain an influential development partner (Bruce St John 2006; Phraxayavong 2009).

As greater regionalism became a priority of the GoL and its development partners, there was also an expansion in the number of development indicators and reports legitimising the need for further regional integration. In 1992, for example, the GoL undertook its first nation-wide measure of development through the Lao Expenditure and Consumption Survey (LECs), which drew on economic determinants in order to categorise 72 per cent of households in the country as ‘poor’ (Rigg 1997: 112). A decade later, in 2002, the GoL adopted its first official definition of poverty and, following that, there has been a multitude of different reports and statistical measures that were used to categorize and codify Laos in accordance with ‘international’ development indicators – including, but not limited to, seven National Socio-Economic Development Plans (NSEDPs), the 2004 publication of the country’s first Millennium Development Goals report, and the 2005 population census and the Lao Reproductive Health Survey (GoL & UN 2008: 2; Rigg 2009). One result of this growing categorization of the country according to development indices was a clarification of just how impoverished it continued to be. Despite a tripling of GDP per capita from 1988-1996, for example, in the 1990s it remained one of the poorest countries in the world, with a 1994 life expectancy of just 51 years (fourteen years lower than
That year's average for Southeast Asia) and an adult literacy rate of 60 per cent (UNDP 1998: 4). Such impoverishment only further hastened the GoL’s push for greater regionalism.

However, in 1997 the regional integration of Laos, and much of the rest of East Asia, was temporarily slowed by the 1997 Asian Financial Crisis. In 1998, for example, all ADB-funded development projects in the GMS were suspended while the institution offered loan packages to 'bail out cash-strapped countries' (Evans 2002: 217). Trade and investment flows between nation-states declined significantly, and growing inflation saw a reduction in many of the economic gains of the previous decade. In Laos, the crisis made clear that it had become over-dependent on trade and investment flows with Thailand and Vietnam, encouraging the GoL to pursue FDI from elsewhere (Stuart-Fox 2011). China played an important role here, increasing its aid and investment flows, while Japan remained the country’s primary donor (Bruce St John 2006; Stuart-Fox 2009). Consequently, within Laos the long-term implications of the 1997 crisis was the further expansion of regional integration and investment. Indeed, the GoL became one of the most prominent advocates of greater regionalism following the crisis, with then Foreign Minister Somsavat Lengsawat criticising member states at the ASEAN Ministerial Meeting in July 1999 for not responding collectively to the event (Bruce St John 2006: 165).

From 2001–09 eight of Laos’ top ten investors were from within Asia, and during this period, investments from the country's top three FDI providers - Thailand, Vietnam and China - were more than five times the combined investments of the remaining top ten countries (GoL 2012). As a ‘land-locked’ or ‘land-linked’ country, the economy is principally oriented toward its neighbours. For example, more than half of all Laos’ exports go to Thailand, which in turn provides almost 70 per cent of imports (Stuart-Fox 2009: 153). Thailand has ‘massive’ investments in Laos' telecommunications, hydropower, and transportation sectors, and is also home to hundreds of thousands of Lao nationals who are working abroad (Chambers 2009: 95; Stuart-Fox 2009: 153; 50)

50 Since then, the GoL has continued to remain an important advocate of regional connectivity. In its most recent five-year development plan, for example, one of the five key development strategies outlined is to 'continue to expand cooperation and develop the necessary capacity for regional and global integration' (GoL 2010b: 19).
Rigg 2009). Beyond economic linkages, strong cultural bonds to Thailand remain, with many Lao regularly watching Thai TV shows, listening to Thai music and being able to speak the Thai language. Following the end to conflict in the region Laos’ ‘special relationship’ with Vietnam has also shifted from security to economic commitments, with the latter investing heavily in hydropower, agribusiness, and infrastructure development (Stuart-Fox 2009). In more recent years, however, investment from these two countries has begun to face fierce competition from other East Asian nations, such as South Korea, Singapore and Malaysia.

Now the fourth largest provider of FDI into Laos, South Korean investment has entered the country’s banking, hydropower, agribusiness, motor vehicle, tourism, electronics and real-estate sectors. From 2007-08 tourist arrivals from South Korea rose from 9,770 to 31,569, and were accompanied by a growth in Korean-owned hotels, apartment blocks, golf courses, and restaurants (Phouthonesy 2010a). Also the fifth largest provider of development aid from 2008-2011, South Korea provided funding for the construction of Souphanouvong University in Luang Prabang and the GMS northern power transmission project in Laos (Times Reporters 2010b; Times Reporters 2010c). The importance of South Korean aid and investment is made clear in tables 1 & 2, which also highlight the importance of FDI from other nations within the region.

Table 1. The ten leading FDI providers to Laos (2001-2009)

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Countries</th>
<th>Projects</th>
<th>Value of Investment (USD Millions)$^{51}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thailand</td>
<td>241</td>
<td>2,649.62</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>340</td>
<td>2,585.62</td>
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<tr>
<td>3</td>
<td>Vietnam</td>
<td>211</td>
<td>2,163.12</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>68</td>
<td>454.083</td>
</tr>
<tr>
<td>5</td>
<td>South Korea</td>
<td>142</td>
<td>445.33</td>
</tr>
<tr>
<td>6</td>
<td>Japan</td>
<td>42</td>
<td>433.44</td>
</tr>
<tr>
<td>7</td>
<td>India</td>
<td>6</td>
<td>352.81</td>
</tr>
<tr>
<td>8</td>
<td>Australia</td>
<td>32</td>
<td>334.45</td>
</tr>
<tr>
<td>9</td>
<td>Malaysia</td>
<td>43</td>
<td>151.32</td>
</tr>
<tr>
<td>10</td>
<td>Singapore</td>
<td>29</td>
<td>113.24</td>
</tr>
</tbody>
</table>


$^{51}$ Rounded to two decimal figures.
Table 2. The ten leading bilateral aid providers to Laos (2008 – 2011)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Countries</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Japan</td>
<td>66.29</td>
<td>92.36</td>
<td>121.45</td>
<td>48.51</td>
<td>328.61</td>
</tr>
<tr>
<td>2</td>
<td>Thailand</td>
<td>122.55</td>
<td>20.39</td>
<td>21.9</td>
<td>17.6</td>
<td>182.44</td>
</tr>
<tr>
<td>3</td>
<td>Australia</td>
<td>28.1</td>
<td>29.61</td>
<td>32.68</td>
<td>53.93</td>
<td>144.32</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>28.83</td>
<td>27.36</td>
<td>24.8</td>
<td>24.32</td>
<td>105.31</td>
</tr>
<tr>
<td>5</td>
<td>South Korea</td>
<td>11.57</td>
<td>25.14</td>
<td>27.75</td>
<td>33.38</td>
<td>97.84</td>
</tr>
<tr>
<td>6</td>
<td>France</td>
<td>25.39</td>
<td>19.09</td>
<td>14.98</td>
<td>16.84</td>
<td>76.3</td>
</tr>
<tr>
<td>7</td>
<td>Switzerland</td>
<td>7.32</td>
<td>11.29</td>
<td>16.37</td>
<td>24.58</td>
<td>59.56</td>
</tr>
<tr>
<td>8</td>
<td>Luxembourg</td>
<td>14.21</td>
<td>7.91</td>
<td>12.35</td>
<td>16.53</td>
<td>51</td>
</tr>
<tr>
<td>9</td>
<td>United States</td>
<td>3.15</td>
<td>7.44</td>
<td>12.84</td>
<td>11.67</td>
<td>35.1</td>
</tr>
<tr>
<td>10</td>
<td>Finland</td>
<td>3.06</td>
<td>6.83</td>
<td>6.52</td>
<td>9.65</td>
<td>26.06</td>
</tr>
<tr>
<td></td>
<td>Total DAC Donors</td>
<td>243.96</td>
<td>285.88</td>
<td>301.87</td>
<td>287.15</td>
<td>1118.86</td>
</tr>
<tr>
<td></td>
<td>All Donors</td>
<td>495.59</td>
<td>418.98</td>
<td>413.79</td>
<td>396.67</td>
<td>1725.03</td>
</tr>
</tbody>
</table>

Modified from the OECD Query Wizard for International Development Statistics (QWIDS).
See: http://stats.oecd.org/qwids/

As the above two tables indicate, investment from across East Asia is becoming increasingly important to the public and private sectors of Laos. Although only three of the top ten aid providers listed are from within Asia (Japan, Thailand and South Korea), the cumulative total of contributions by these donors is greater than the remaining seven donors combined. Furthermore, both China and Vietnam do not report their aid contributions to the DAC and, consequently, comparative figures for these two countries from the OECD data cannot be provided. However, according to the GoL’s own records, China and Vietnam’s 2008 aid provisions were US$24 million and US$15.1 respectively. India’s aid contributions, which are also not listed in the OECD data source, were also reported by the GoL to be US$21.74 million. Assuming these figures are correct, China, India and Vietnam were the 6th, 7th and 8th largest aid providers in 2008, overtaking Finland, the US and Switzerland and resulting in six of the top ten bilateral donors coming from within Asia (GoL 2010a).52 In other words, China is now the leading non-DAC donor to Laos. Indeed, as the following chapter will show, no country is likely to be more crucial to the future development of Laos than China.

52 It must be noted that figures provided by the Lao government differ to those of the OECD database. Consequently, comparisons of these two data sources are useful, but not exact.
5.5: Conclusion

As this chapter has shown, since at least the French colonial era Laos has been perceived as a backward, uncivilized space in need of modernizing. Shaped by a desire to access greater trade relations with China, to form a buffer zone between the French and British colonial projects, as well as to create a resource hinterland for colonised Vietnam, France brought a model for ‘progress’ that was focused more on resource extraction and economic growth than on social or cultural wellbeing (Goscha 2012, Ivarrson 2008). In short, the arrival of French colonialism was pivotal to the introduction of high-modernist metanarratives of modernity and western frameworks of technocratic development. Yet, almost a century of French suzerainty brought little economic development. Indeed, it was largely as a result of French rule that Laos became the ‘land-locked’, sparsely populated, LDC that it is today.

This inability of the colonial project to bring economic prosperity did not, however, lead to any serious questioning of the feasibility of technocratic development as the most suitable framework for socio-economic progress, at least in the early years of independence. During the Cold War colonial discourses of a ‘civilizing mission’ persisted, albeit in the ideologically reconfigured narratives of communism and capitalism. Laos became a site of conflict, and the socio-economic destruction that the Second Indochina War brought with it saw the country become increasingly dependent on foreign aid flows. This aid-dependency has seen development priorities in the post-colonial and post-independence period become heavily influenced by the interests of foreign powers. As Rigg suggests, in the post-colonial era Laos has been incorporated into ‘a policy milieu which has as its intellectual and political heart an ideology of development that is Western both in its geography (it comes from the West) and in its intellectual provenance (it is of the West)’ (2009: 705). This policy milieu has, particularly from the 1980s onwards, reverberated French colonial discourses that presented underdevelopment as a product of geographic isolation and a lack of infrastructure. However, while the intellectual provenance of this discourse remains an outgrowth of Western ideas, in more
recent years such perceptions have also become an important source of legitimisation to increased regional integration within Southeast Asia. From the early 1990s onwards the development of Laos has been increasingly shaped by the rise of new Asian donors and investors. To date, this growing regionalism has undeniably been accompanied by an improvement in indices of development. However, as the following chapters will show, it has also resulted in many new forms of poverty, marginalisation and disadvantage. The assumed causal relationship between greater regional integration and reduced poverty rates often remains tenuous, relying more on neoliberal ideology and economically determined development indicators rather than a detailed assessment of people’s livelihoods and wellbeing. Alongside the prolific optimism about greater regionalism that has been advocated by institutions such as the Asian Development Bank, there are also concerns from NGOs, academics, citizens of Laos and members of the GoL that regional integration may be occurring too quickly, or in a manner that is more detrimental than beneficial for Laos’ environment and much of its population.

As Asian regionalism continues to grow, a rebalancing of power is taking place that is seeing the production of new development priorities. Indeed, as China’s political and economic reach continues to expand it is likely that Western development organisations and donors are going to find it increasingly challenging to maintain their influence over development priorities. The greater autonomy that China’s aid is likely to provide is a freedom that the GoL has long strived for and, somewhat ironically, it is also a process that Western donors have facilitated. Multilateral development institutions, bilateral donors and private investors have all sought to enhance regional flows, and have directed a substantial proportion of aid funding towards large-scale infrastructure projects such as hydropower dams, roads, and telecommunication networks that are designed to encourage trade liberalization and the ‘opening’ of borders. As Pholsena notes, ‘Laos’ economic subregional integration was always to be an irreversible movement, favoured by... the country itself, its neighbours (first and foremost, Thailand and Vietnam) and international lending organizations, as well as China’ (2005: 174). In an attempt to construct a more balanced assessment of the wide ‘favouring’ of economic subregional integration by the
GoL and its donors, the remainder of this thesis explores some of the means through which regionalism and development are leading to new forms of poverty and disadvantage.
6

The Beijing Consensus Comes to Laos

Whereas I am regularly told that the project of development uplifts the poor and restores the environment, too often I see it impoverishing the majority and enriching the few.


As China seeks to project political power beyond its borders, Southeast Asia is the prime target.


China is likely to lord over the entirety of Lao bar none.


6.1: Introduction

In the preceding chapter it was shown that there has been a shift in development discourse towards the need for greater global and regional integration - and that this has been accompanied by a growth in new donors and investors from within the region. Of all the new donors and investors, the biggest change has come from China who, after more than a century of Western-led discourses of development in Laos, is once again playing a crucial role in shaping development trajectories. As the following pages will show, China is now one of the country’s leading providers of both FDI and ODA, a key trading partner, and an import force for the facilitation of regional development interests.

In this chapter I begin to unpack some of the implications of the ongoing shift away from Western influences towards those of Laos’ northern neighbour. As is
later noted, gaining an accurate perspective of China's ODA and FDI flows is made difficult by a number of research constraints. Consequently, in this chapter I have drawn from a 2008 master plan for the economic development of Northern Laos that was prepared by Chinese specialists on behalf of the Yunnan Province Reform and Development Commission (and presented to the Lao government), as well as key statistics on the country's FDI and ODA flows as a guiding analytical framework (Shi 2009). Following a summary of the general scope of Chinese aid, investment, migration, tourism and cultural flows, more specific attention is given to the implications of four key sectors of Chinese ODA and FDI, namely, infrastructure development, agribusiness, mining and hydropower.

6.2: Big Investment in Little Laos: the Growth of Chinese ODA and FDI

As the most populated and economically dynamic country within the GMS, China has come to play an increasingly prominent role in the development of Laos. From 2000 to 2010 China became the country's largest source of FDI, investing US$2.71 billion into 397 projects (Chambers 2009: 94; Tan 2012: 72; Xinghuanet 2011a; Yin 2009: 39).

Trade between the two countries has risen at an annual rate of 25 per cent over the past decade and, although a strong trade deficit with China remains, it is nonetheless one of the country's most important trading partners (Leebuapao & Voladet 2013). While Chinese investors have projects across the country, their interests have been especially pronounced within the northern provinces, where they now account for 96 per cent of FDI into Luang Namtha, 87 per cent to Oudomxay and 76 per cent to Bokeo (Tan 2012: 71). Indeed, according to Schoenweger and Üllenberg many northern provinces are now, 'for all intensive purposes (sic), economic zones for the Southern Chinese province of Yunnan' (2009: 17).

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53 Such investment has further accelerated in recent years, rising by more than 150 per cent between 2008 and 2010 (Xinghuanet 2011a).
54 Laos’ main export products to China are primary resources such as wood and wood products, minerals, and agricultural products. In contrast, China's exports to Laos are chiefly equipment and materials for investment projects, including machinery, vehicles, office equipment and construction materials, as well as electronic equipment such as mobile phones and televisions (Leebuapao & Voladet 2013: 391).
Over the past decade China has become the leading source of investment in Laos. Chinese firms have become ‘the most important builders of roads, bridges, dams’ and have often drawn from concessional loans that have been supported by the Chinese state (Nyíri 2012: 544). These investments, coupled with contract farming, mining and retail trade ventures have also seen a significant increase in the number of Chinese migrants who, according to Nyíri, ‘now dominate the markets for consumer goods’ (ibid).

The main Chinese investors are SOEs and large private companies, who have principally targeted agriculture, industrial production, hydropower, mining, and tourism (Tan 2012: 72). These investors are an important component of the CCP’s soft power strategy for the region, and have frequently received subsidies or other forms of financial or political support from the Chinese state (Mingjiang 2009). In respect to agriculture/agribusiness, rubber has been a particularly popular sector for Chinese FDI, although cassava, corn, sugarcane, watermelon, banana, maize, tobacco, peanut, and Jatropha plantations have also expanded in number and size (World Bank 2008: 32). Much of the land provided for these investments has been allocated by the GoL as land concessions, and while this concessionary development model is not unique to Chinese investment, there is a clear ‘assertiveness and enthusiasm to the promotion of concessions as engines of modernization... that is peculiar to Chinese projects’ (Lyttleton & Nyíri 2011: 12-13).

The number of Chinese motor vehicles is also growing, with Chery and Great Wall both operating out of Vientiane, and companies such as BYD, Lifan and ALSVIN increasing the number of exports to Laos (Times Reporters 2010d). Chinese companies are investing in housing and office projects, television networks, electronics and the software industry, casinos and hotels and restaurants that cater to Chinese tourists and traders, many of which receive their produce from Chinese plantations and fish farms located on the periphery of provincial capitals (Tan 2012). Meanwhile, other Chinese aid-funded investments include the US$1.2 million construction of a mobile phone

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55 According to Lyttleton and Nyíri, ‘in the Chinese discourse, concessions are seen as ‘model units’ that, by disseminating their advanced practices (economic and technological as well as values and behavior), will pull up the rest of the country they are inserted in’ (YEAR: 13).
assembly plant and plastics factory in Oudomxay province (Vongsay 2010a), the US$1.3 billion Chinese owned mine in Sepon (Phouthonesy 2009), the Luang Prabang airport upgrade, and numerous road building projects and hydropower dams.

While large-scale firms have played the leading role in China’s economic advances, FDI from the country is operating across multiple scales and in almost every economic sector. Chinese-owned shops can be seen throughout major urban centres and there are now substantial Chinese markets in Vientiane, Luang Prabang, Oudomxay, Houay Xai and Luang Namtha provinces. Whereas large-scale investors have often been involved in projects involving land acquisitions, forced displacement, environmental degradation and other assorted livelihood threats, small business owners have brought new and inexpensive consumer items - from plates, to clothes, televisions and electrical equipment, tools and motor vehicle parts – all of which have played a role in poverty alleviation. To provide just three examples, cheap Chinese motorcycles have provided a previously unattainable means for many to travel to work, school and health facilities, televisions are bringing entertainment, news and other information to Lao families, and mobile phones have created new opportunities for communicating with distant relatives or coordinating business activities.

Not all Chinese investment has gone smoothly, however, as was made clear in the case of the Macau-based Sanum Investments Limited. A partner and manager in several casino projects, including the Thanaleng slot machine club at the edge of the Thai-Lao friendship bridge and the SavanVegas casino complex in Savannakhet province, Sanum has filed a legal suit against the GoL for unlawfully taking up to US$400 million in investments from the company (Antara News 2012). Elsewhere in the country, another Chinese-owned casino project has been closed following reports of murder and other illegal activities (see Chapter 9), while at a large-scale urban development on the That Luang Marshlands in the Lao capital of Vientiane, public outcry over the number of Chinese workers required for the project’s construction has led to ongoing delays. Finally, Chinese entrepreneurs have also caused friction with Western expatriate business owners, who claim that they have adopted unsavoury
business practices and shown little interest in supporting local economies. To date, however, such incidents have had little effect on the growing outpour of Chinese FDI, which grew from 2008–10 by more than 150 per cent (Xinghuanet 2011a). Beyond economic interests, Chinese migration, tourism, and cultural flows are also increasing. In the *Vientiane Times*, for example, there are frequent propaganda pieces about China’s amazing levels of economic growth, many of which have come from Chinese news sources such as Xinhua. A Confucius Institute has been built at the country’s sole university, and Lao Airlines in-flight magazines now include both English and Chinese editions, the latter of which mostly details various engineering feats within China. Members of the government frequently travel to China for training on a variety of issues and many students also attend Chinese universities, often on scholarships provided by the CCP (Kurlantzick 2007: 103; Stuart-Fox 2009: 146; Times Reporters 2010e). The two countries have signed agreements on military partnerships and less institutional forms of cultural exchange such as music, cinema and new cuisines are also expanding through the growth in the Chinese diaspora (Creak 2011: 119).

From the 1990s onwards the number of Chinese residents has increased rapidly (Tan 2012: 67). The GoL now estimates that there are around 30,000 Chinese living within its borders and, although this ‘is widely believed to be a gross underestimate’, it nonetheless represents ‘a tripling of the Chinese population over the last decade’ (Stuart Fox 2009).56 Like Chinese FDI, the vast majority of migration from the country has been into the north of the Laos (Tan 2012) where, according to Pholsena & Banomyong, Mandarin has become ‘a lingua franca almost to the same degree as Lao’ (2006: 183). According to a Chinese employee of a health-related NGO working in Laos much Chinese migration into the country is driven by large Chinese firms preference for Chinese employees. As he states:

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56 There is no reliable statistical data on the number of Chinese living in Laos. Many arrive on tourist visas and then continue to live and work illegally (Leebuapao & Voladet 2013: 394).
Most big Chinese companies prefer to hire Chinese laborers because Lao workers are perceived as lazy. Many of these workers are brought into Laos illegally by bribing immigration and then they [the employees] decide to keep living here [in Laos].

In addition to migration, Chinese tourist arrivals have also been growing. In 2008 China became the third largest source country for tourists entering Laos, rising by approximately 88,000 people in Luang Namtha province alone (ADB 2009a: 29; United Nations 2010: 38). While there are still less Chinese living in Laos than in any other GMS country, growing rates of Chinese migration and the reputation within the country that the Chinese are rude and are non-integrative with Lao society has become a serious concern for many citizens. As one Lao friend simply put it, 'Chinese want to destroy Lao culture'.

Finally, in addition to growing private investment, tourism, migration and intercultural referencing there has also been a scaling up of Chinese aid. According to Leebuapao & Voladet, China is now the country’s fourth biggest ODA provider (after Japan, France and Sweden), with recent projects including the building of the National Culture Hall and restoration of the Patuxai monument in Vientiane, the Laos-China Friendship Hospital and airport upgrade in Luang Prabang, a second cement factory in Vang Vieng, and the strengthening of the government’s mapping capabilities (2013: 414-15). As the various examples provided above make clear, the contemporary political-economic and socio-cultural relationship between China and Laos is complex and diverse. Investment flows from China into Laos move across multiple scales and economic sectors and are by no means all linked to the strategic objectives of the CCP. Consequently, care must be taken in regards to how the term ‘China’ is used when discussing transnational flows that emanate from the country. In this thesis my principle focus is primarily on large-scale private sector investors, SOE’s and Chinese aid projects, which I suggest share overlapping interests that are producing a new era of technocratic high-modernist development within Laos. In respect to these investors there are key industries where the majority
of investment has been targeted, and these are made explicit in the aforementioned ‘Northern Plan’.  

6.3: The Beijing Consensus and the Northern Plan

Given a strong lack of transparency on the part of the CCP and the GoL in regards to the two country’s economic relationship, obtaining a clear picture of China’s ODA and FDI flows into Laos is difficult. The former’s blurring of aid and private-sector investment also makes differentiation between state and private interests particularly challenging. On almost every occasion that Chinese ODA has been provided for construction projects, for example, Chinese firms have been awarded the building contracts. The CCP also publishes few English-language reports on its aid flows, and both ODA and FDI from the country is considered a highly ‘sensitive’ topic that cannot be easily discussed. A rare insight into the Chinese state’s development strategy is, however, provided in a translated version of a Chinese drafted development plan for the north of the Laos, here after referred to as the ‘Northern Plan’.

In 2008 Chinese specialists for the Provincial Government of China’s Yunnan province finalized a comprehensive plan for the development of northern Laos. Published in Chinese, the document has since been translated by Weiyi Shi, a US-based academic who prepared the report for the German sustainable development organisation Deutsche Gesellschaft für Internationale Zusammenarbeit (or GTZ) (Shi 2009). Sharing many similarities with both the Chinese and Lao governments own five-year socio-economic plans, the Northern Plan seeks to provide a ‘roadmap’ of key development priorities. As Shi notes in her own summary of the document, the plan cites basic strategies for the development of northern Laos from 2010 to 2020 (2009: 6).

In accordance with the CCP’s high-modernist, technocratic, approach to development, the ‘central objectives’ of the Northern Plan are ‘economic development, industrialization and modernization, and regional integration’

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57In a recent GoL publication on aid flows into Laos, for example, China is listed as focusing on only three sectors, namely, energy, agriculture development and infrastructure (GoL 2010b: 57). Indeed, according to Leebuapao & Voladet, more than 47 per cent of China’s ODA to Laos is concentrated in the transport sector, especially in road infrastructure development (2013: 416-17).
(Shi 2009: 6). In particular, it argues for the need to ‘take an intensive, concentrated approach to economic development by strategically channeling public and private investment into... four backbone industries of power, agricultural and forestry production and processing, the tourism-led service industry, and mining’ (ibid: 6). It also advocates for ‘fostering the development of large enterprises, building geographically concentrated economic kernels, encouraging industry clustering through industrial parks, and facilitating urbanization’ (ibid: 6). This is an approach to development that is modelled off China’s own experience of economic growth - one that seeks to employ infrastructure upgrades, economies of scale and ‘backbone’ industries as the means for creating ‘trickle-down’ and ‘spillover’ effects that will lead to poverty alleviation (ibid: 11). As Shi notes, ‘while many development partners emphasize bottom-up, community-identified development initiatives, the Northern Plan is centered around intensified industrial developments led by the state and large enterprises’ (ibid: 15).

How responsive the GoL has been to the document is not clear. In numerous interviews with government officials I questioned the importance of the Northern Plan and was either informed that they had no knowledge of the document or, more commonly, that this was not something they could comment on. It should also be noted that few developments outlined in the plan are explicitly tied to Chinese funds, contracts, or technical assistance. However, according to Chinese media sources, the Northern Plan was to be adopted during the 9th Party Congress of Laos and would provide a framework for the preparation of the 7th NSEDP (ibid: 4). Many of the projects listed in the plan have already begun implementation, in most instances via Chinese funding. Consequently, and regardless of its now dated release, the plan continues to provide one of the clearest roadmaps for the CCPs development priorities in Laos.

Throughout this chapter I focus on Chinese investment in three of the four backbone industries outlined in the Northern Plan, namely; power; agricultural and forestry production; and mining. I also look at the role of Chinese aid in building infrastructures to promote regional integration. The remaining
objectives of the Northern Plan - urbanization, industrialization and the tourism industry - are covered in greater detail in subsequent chapters.

6.4: Building the Infrastructure of Regionalism

The first infrastructure sector that both Chinese ODA and FDI has been actively investing in within Laos is air travel. In 2012 China provided upgrades to the country’s two busiest airports in Luang Prabang and Vientiane, while upgrades for Savannakhet, Xieng Khouan, Xayaboury, Attapeu and Champasak airports are also under various stages of planning (Times Reporters 2010f). Chinese aid was used to upgrade Luang Namtha airport and there are also plans to use Chinese aid to fund a new private airport at the Golden Triangle SEZ in Bokeo province. As is often the case with Chinese aid, such inputs have also been linked to private sector investments. For example, in 2010 Lao Airlines purchased two aircraft from the Commercial Aircraft Corporation of China Ltd (COMAC), who in turn provided financial support of US$50,000 for Laos to participate in the Shanghai World Expo (Pansivongsay 2010a; Vongsay 2010b). Furthermore, outside of Laos, the building of twelve airports in China’s southern province of Yunnan have also facilitated connectivity between the two countries.

The CCP’s support of Laos’ air travel industry has been well received by the GoL. Improving air connectivity is an objective of both the ADB’s GMS program and the Lao government, as the country’s mountainous topography makes air travel even more crucial to regional integration than in other land-locked nations (United Nations 2010: 18). As Mr. Somphonh Sygnavong, Director of Aerodrome and Security Division, Department of Civil Aviation, notes:

_We have a plan to release Lao PDR from Least Developed status by 2020 and airport upgrades are a key part of our strategy to transform Laos from a land-locked to a land-linked country._

In addition to hard airport infrastructures, Laos is also increasing its air connectivity through new airline partnerships. ASEAN has sought to liberalize air transport on a sub-regional basis from as early as 1996 and, although this
has not yet been fully achieved, there are longstanding agreements between Laos, Cambodia, Vietnam and Thailand to promote the liberalization of air travel networks (Hooper 2005: 341). Indeed, the growth of air travel in Asia has outpaced other continents, doubling between 1996 and 2005, and quadrupling in East Asia (ADB 2009a: 45). Lao Airlines is now operating direct flights to Singapore, Thailand and Vietnam (Xinhuanet 2011b), and, according to a 2011 in-flight magazine, the purchase of two Airbus A320 aircrafts is intended to allow for flights to other regional air hubs, including a direct route from Vientiane-Seoul. This growth in air travel is likely to increase further following the implementation of the ASEAN-China Regional Air Services Agreement, which will create greater cooperation between airlines and encourage regional participation in the construction, planning and design of airport infrastructure (Taylor et al. 2009: 851).

A second key infrastructure sector that Chinese aid has funded is road construction. The Northern Plan calls for upgrades to ‘3 north-south (2,270 km) and 5 east-west key roads (2,644 km) and 8 branch roads (1,222 km), rehabilitation of district and khumban level roads, road extensions to major ports, border crossings, and key power plants and mining sites’ (Shi 2009: 7). For the CCP road development across Southeast Asia is a priority sector for facilitating its trade relations with ASEAN, encouraging transnational investment into its Western provinces, and as an alternative transit route to US-controlled sea-lanes in Asia. The most important road infrastructure project financed by Chinese aid in Laos is a 70-kilometre section of the GMS North-South Economic Corridor (NSEC), known in Laos as Route 3, which cost approximately US$33 million (Leebuapao & Voladet 2013: 417). Route 3 was a ‘dirt track’ until its upgrade was finalized in 2008 but now accommodates some 3000 Chinese trucks every day (ibid 2013: 419; Chambers 2009: 93).

As with its support of airport infrastructures, China’s aid funding for road building has been welcomed by the GoL and ADB, both of whom have identified road infrastructure as a national priority, ‘pivotal to government efforts to support inclusive growth and poverty reduction’ (ADB 2007: 6). Road construction in Laos is considered crucial for two principal reasons; first, to create an internal network that will draw together the country’s provinces and,
second, to strengthen linkages with neighbouring states (Stuart-Fox 1996: 232-33). Yet, despite considerable investments into road development over the past three decades, the country’s mountainous landscape has slowed construction. Its road network is relatively limited, with a large percentage of the population still living many kilometres from the nearest road (Pholsena & Banomyong 2006: 102; Warr 2008). For this reason, Chinese aid funding for road construction will likely remain an important feature of its donor contributions for years to come.

Plans are also in place to construct a high-speed railway that, if completed, will travel from Kunming in Southern China all the way through Thailand and Malaysia to Singapore. At present Laos has almost no railway infrastructure or regulatory railway regimen in place (ADB 2010b: 8), but its location at the centre of the GMS has resulted in a push from surrounding countries for it to undertake railway development. China plans to invest heavily more than any other country in the project, applying the usual combination of aid funding to support construction of the project by Chinese firms. The sections of the proposed eastern, central and western lines of the Pan-Asia Railway inside China have all been incorporated into mid and long-term plans for railway networks, and their construction is expected to be completed by 2015 (Xinhuanet 2011c). In Laos, China has already spent US$56 million to initiate the construction of the railway in Houayxay, while early reports suggest that Chinese ODA will cover as much as 70 per cent of the total project cost (Creak 2011: 116; Swe & Chambers 2011: 92). According to a 2010 article in the Vientiane Times, the Chinese government has already ‘signed an agreement with Laos to cooperate in building the railway, including the provision of a long-term loan’ (Times Reporters 2010g).

If the project does proceed, it will be the most ambitious infrastructure project ever undertaken in Laos, involving some 50,000 workers and costing more than the country’s total annual GDP (Phouthonesy 2010b). Railway development remains a key objective for encouraging regionalism in Laos and the wider GMS, with China alone listing US$267 billion in railway investment in its 11th Five-Year Plan, and Thailand, Myanmar and Cambodia all also developing their railway programs (ADB 2010b; Parkash 2008: 3). The ADB has also been an
avid proponent of railway networks as a tool for poverty alleviation, stating in a report on railway development in China that they ‘stimulate balanced economic growth and efficiency’, ‘create jobs’ and have ‘opened up fresh opportunities for rural industrialization and the rapid expansion of microenterprises’ (Parkash 2008; 12, 14).

Within Laos, the railway project is listed as a priority project in the 7th NSEDP and draws excitement from the many citizens of the country who have never seen a train (Creak 2011). More than just a connective infrastructure, a high-speed trainline through Laos would be a new symbolic representation of modernity that has previously only existed within Asia’s most powerful nations. However, the 21 kilometre-long US$7 billion Laos-China section of the development has already experienced a number of delays. Lingering concerns include the level of debt that such a project would involve, the land concessions that the GoL would likely provide to build the project and China’s own poor track record of railway safety.58 The removal of China’s Minister of Railways Liu Zhijun in February 2011 on corruption charges, and a difference in track-width between Thai and Chinese railways, has further complicated the project (Swe & Chambers 2011; Tan 2012). At the time of writing, the future of the Pan-Asian railway thus remains unclear.

The final transport sector targeted by Chinese ODA is Mekong River travel. The Northern Plan calls for ‘a river transport network consisting of a major Inland Container Depot for each Mekong-bound province and improved passage and navigation for select tributaries’ (Shi 2009: 8). Both China and Thailand have blasted rapids along the Mekong, and dredged the river in order to make it a more suitable for shipping (Chambers 2009: 100). One of northern Laos’ Chinese-run casinos is also located on the edge of the Mekong River (at Tongpeun), and in excess of 2000 Chinese cargo ships berth at Thailand’s Chiang Saen port annually (Swe & Chambers 2011: 94). While much of the commerce along the river is currently between China and Thailand, investments such as the Tongpeun casino and the Golden Triangle SEZ (see Chapter 9) suggest that riverine trade may become increasingly important to Laos.

58 Safety concerns include a 2010 high-speed train crash that resulted in thirty-nine deaths (Xinghuanet 2011b).
6.5: Agribusiness, Hydropower and Resource Extraction

Correlations between Chinese aid funding and natural resource extraction have been well documented across the developing world (Bräutigam 2009; Downs 2011; Eisenman et al. 2007; McCormick 2008; Nyíri & Lyttleton 2011; Sommer 2011). In Laos, the Chinese government’s aspirations for securing natural resources has been complemented by the GoL’s objective to ‘turn land into capital’ and a broader development narrative that presents the country as a business-friendly untapped frontier. The ADB, for example, describes Laos as ‘well endowed with natural resources’ (ADB 2007), while the UN states that it is ‘rich in natural resources, most of which are unexploited and yet to be explored’ (United Nations 2010: 29).

This depiction of bountiful and freely available land and resources is also advocated by the GoL, who has provided vast concessions to foreign investors (Barney 2009). Almost 75 per cent of all FDI is in the mining and hydropower sectors and, by 2009, between two and three million hectares, or as much as 15 per cent of total land area had already been allocated to foreign investment (Dwyer 2011a: 3; United Nations 2010). Indeed, for Pholsena and Banomyong, the positioning of Laos as a ‘peripheral supplier of resources for more economically developed nations’ is an ‘integral part’ of Southeast Asia’s economy (2006: 88). As previously noted, Chinese investors and SOE’s are already key stakeholders in the agribusiness, power, and mining industries, which account for both the majority of Chinese FDI inflows and Laos’ exports (Heinrich Boll et al. 2008: 3). One of the key agribusiness sectors in which Chinese firms have invested is rubber.

Chinese rubber plantations in Southeast Asia have a long history, which includes investments in Malaysia, Indonesia, Laos, Cambodia and Myanmar (Ishikawa 2010; Tsing 2005; Wade 2009). According to Martin Stuart-Fox, rubber was first planted in northern Laos in 1994, with cultivation expanding to cover an area of 7,341 hectares by 2006 (2009: 144). Rubber is specifically mentioned in the Northern Plan as an important sector for economic growth and the state-owned Yunnan Natural Rubber Industrial company has alone planted 66,000 ha of rubber in Laos, with plans to reach 333,000 ha by 2015 (United Nations 2010: 43). There are now rubber plantations in most provinces,
however, almost all Chinese investments are in the north. Despite many questioning the sustainability of these ventures, for the most part such investment has been welcomed by the GoL, which sees the industry as an important driver of economic growth. Rubber has been used as a means for reducing opium production and swidden agriculture, as a way to introduce market practices to subsistence communities, and to generate state revenues and increase exports (Baird 2010: 2). For the Chinese government, rubber investments are perceived as both as a mechanism for combating opium addiction problems in Yunnan and as a means to meet the growing demand for resources within its national industries.

China’s booming industrial sector has also led it to become a major investor into mining. By 2008, 118 companies had already been awarded 181 mining concessions, of which at least 57 were Chinese projects (Sommer 2011: 7). A Chinese company has purchased the country’s largest copper and gold mine, in Sepon province, and has also begun the implementation of an even bigger US$2 billion bauxite and aluminium mine (ibid). As a result, minerals such as coal and copper now account for 75 per cent of total exports to China (Jalilian & Flower 2013: 24). Like rubber plantations, mining ventures have been welcomed by the GoL as mechanisms for private sector growth, and also by multinational development partners, who consider the country’s resource sector important to reducing aid dependency. As the UN notes, Laos ‘is rich in mineral resources with discovered and exploited deposits of copper, gold, silver, zinc, gypsum, coal and sapphire… at present… only 30 per cent of the Lao People’s Democratic Republic’s territory has been explored’ (United Nations 2010: iii).

The final natural resource sector outlined in the Northern Plan is power; and key to this is hydropower. At approximately 1,860km, more of the Mekong River flows through Laos than any other riparian country (Binh 2006: 70; World Bank 2007: 26). It possesses the greatest potential for hydropower development of all the Mekong nations and is often described as the ‘battery’ of Southeast Asia (United Nations 2010: iii; GoL 2011: 19; Pholsena and Banomyong 2006). In 2010 there were 12 operational hydropower projects and another 42 undergoing feasibility analysis. According to Bird & Hill, ‘about 97 per cent of power generation capacity’ is already from hydropower (2010: 122). Indeed,
the country’s hydropower potential far exceeds its own energy needs, with much of the planned future dams being built to generate electricity for export to neighbouring Thailand.

Laos’ hydropower sector has seen investment from many nations, with Thailand and Vietnam being the two major investors (Foran et al. 2010). However, state-supported Chinese investment into the sector, mostly through the SOE’s Sinohydro, has also grown strongly in recent years, particularly following IFI’s such as the ADB and World Bank shying away from such projects in the wake of heavy criticisms by civil society organizations. The first Chinese hydropower dam built in Laos was in 2004 and, since then, investment into the sector has risen to around 30 per cent of total Chinese FDI (Lintner 2008: 177). The Northern Plan lists at least 20 new hydropower dams to be constructed and, according to Middleton, in 2008 Chinese companies had obtained Memorandum of Understandings to conduct feasibility studies on at least 10 major hydropower projects in Laos (2008). These developments will accompany the already existing Chinese-built dams of the Xeset 2, the Nam Lik 1-2, the Nam Mang 3, the Nam Ngum 5 and seven Sinohydro dams on the Nam Ou river. With the GoL’s seventh national development plan calling for the need to ‘develop hydropower sources and renewable energy … and become the battery of ASEAN’, it seems certain that China’s investment into hydropower will continue to rise (GoL 2011: 19).

It is worth noting that, as with the high-speed rail project, the development of hydropower dams is not only for economic gain, rather such projects (and the electricity that they provide) are also a powerful symbolic marker of modernity. As Tsing notes, ‘big dams are symbols of human mastery over nature: they are among the most high-profile international development packages’ (2005: 223). Or, as Ferguson similarly states, ‘fusing a powerful image of universal connection in a national grid with the classical Enlightenment motif of illumination of the darkness, electrification has been an irresistible piece of symbolism for the modernist state’ (1999: 243).
6.6: The Implications of Growing Chinese ODA and FDI to Laos

6.6.1: Top-down, Technocratic Development

As the previous pages make clear, China has emerged as one of Laos’ most critical aid and investment partners. This growth in financial inflows from north of the border has had a number of important social, spatial, and economic implications. Firstly, Chinese aid has brought a top-down and technocratic approach to development targeted towards trade networks and the production of economies of scale. This has had some positive implications, including new trade opportunities and improved access to markets, distant relatives, schools, hospitals and other social services. It has provided a means for development organisations to more easily assist remote communities, and is a central feature of the GoL’s desires to transform itself from a land-locked to a ‘land-linked’ country. In respect to the NSEC, for example, a 2009 report by the ADB suggests that upgrades to the road have seen an increased and more diverse range of commodities for local communities to purchase, improved access to district and sub-district health and education services, increasing tourist inflows and greater opportunities for trade at the both the national and local scale (ADB 2009b).

A second important feature of Chinese aid has been its funding for projects that traditional donors have not customarily financed. For example, Simon Creak has noted that China’s investment into infrastructures such as sports stadiums (while linked to concessions elsewhere in the country), has been well received by both the GoL and much of the wider population (2011). The same is true of the high-speed railway. Many Lao look forward to having a train in their country which, as Creak again notes, both typifies ‘the Lao Government’s development dreams of rapid modernization based on foreign investment’ and fulfills aspirations for a railway project that were first created in the country’s colonial past (2011: 116). Indeed, it could be argued that the CCP has been ‘too active’ in infrastructure development and has neglected some other aspects of aid funding such as health and education. Either way, it is clear that its infrastructure-driven approach to development has also resulted in new risks and new livelihood constraints for the impoverished.
To take roads as one example, there has been considerable academic work conducted on the impact of transnational highways on local residents, and in particular around the Chinese-funded North-South Economic Corridor (NSEC) (ADB 2009b; Lyttleton & Nyíri 2011; Rigg 2009; Swe & Chambers 2011). Research has suggested that the highway has been responsible for rising inequality, land grabbing, new competition over natural resources, decreased food security, environmental degradation and many new health and security threats (ADB 2008c: 53; ADB 2009b; Doussante et al. 2011; Kemp 2011). In particular, Rigg stresses that transnational roads may have an effect on existing ethnic divides (2009), a concern that is especially relevant given that, ‘of the 76 villages that are located along the roadside of the Route 3 highway, more than 90 per cent are ethnic villages’ (ADB 2009b: 11).

To date, the only major investments along the NSEC have been cash-crop plantations and two casino complexes. These ‘developments’ have provided few working opportunities (other than prostitution) for local communities, and have reportedly seen a growth in illicit drug use and alcoholism, trafficking, kidnapping, and even torture and murder. Physical accessibility to hospitals, schools, and other facilities may have increased with the building of new roads but this does not equate to social, cultural or financial access and for many people these services remain beyond their reach. Likewise, as Chamberlain notes, while roads may immediately provide transit pathways for established industry, they ‘have little commercial value to poor villagers if they are unable to produce goods for the market because of lack of suitable land’ (Chamberlain 2007: 77). Furthermore, while national highways have received considerable aid funding the same investment has not gone into community roads. It is worth emphasising that only 4 per cent of local roads, which account for 70 per cent of the entire network, are paved (Warr 2008: 270). This emphasis on regional connectivity over local and national needs is also of concern for many members of the Lao government. In particular, there is a concern that Laos is being bypassed by regional traffic. As Mr. Sengsavang Phandanouvong, Director, Division of Transport Techniques and Environment notes;
They [foreign investors] only come to Laos for raw materials – mining and hydro and then they go straight to their final destination [abroad]. Laos has its policies for concessions and big projects but it is hard to monitor and manage different sectors. We have private [sector] short-term benefits but no long-term benefits.

As previously noted, similar concerns have also arisen about the high-speed rail project, particularly regarding a fear of increased Chinese migration, land concessions, and resource grabbing. According to an international development masters student at the National University of Laos, for example, students in his class frequently discuss the top-down nature of the decision making process, the lack of state accountability, the likelihood of development-induced displacement, destruction of biodiversity, and landless farmers being forced into exploitative wage-labour positions. As he informed me:

*We talk about how the government is moving too fast on this project. Only a little [amount of] people will benefit. These people don’t think about the future consequences... We worry the train will make people poorer. They will lose their land and natural resources.* ...

The validity of this student’s concerns about land concessions and forced displacement is also reflected in local media. In a 2010 article in the Vientiane Times, it is stated that private firms interested in constructing the railway have indicated they require access to ‘mining concessions and agreement on other natural resource based investments’ in order to make their investment profitable (Phouthonesy 2010c). Similarly, in a 2011 article in the Bangkok Post it was revealed that forced displacements were already occurring to make way for the anticipated railway project (Bottollier-Depois 2011). While presented by the ADB, the GoL and the CCP as a poverty alleviation project, it is clear that regional highways such as the NSEC or the high-speed railway are principally designed to encourage the investments and commercial exchanges of medium and large-scale companies and to link together key regional urban-industrial hubs that are located outside of Laos (Glassman 2010; Rigg 2006). As
Phraxayavong states, ‘aid-funded roads now link the various remote areas of Laos to Thailand, Vietnam, and China... Without roads, the poor would have remained poor. However, with roads but without basic education, they have become poorer’ (2009: 228-9). This ‘trickle-down’ approach to poverty alleviation is also reflected in Chinese investments into Laos’ agribusiness, mining and hydropower sectors.

One of the most widely criticized consequences of increased regional integration and Chinese investment to Laos has been the destruction of natural habitats and biodiversity (Barney 2009; Cox 2004; Hirsch 2001; Middleton 2009). Hydropower projects, increased industrialization and urbanization, mining, legal and illegal logging, and monoculture plantations have all increased alongside greater Chinese aid and investment and have had a serious ecological impact. Between 10 and 40 per cent of arable land in GMS countries is already degraded and national environmental performance assessments show that natural habitats across the region are in a state of decline (ADB 2012c: 8-9). As noted above, China is by no means the only investor in Laos’ natural resource sector. Countries from across Asia and Europe have been involved in hydropower development. Australian firms have invested in mining, and Thailand and Vietnam are major agribusiness investors. What makes Chinese capital into these sectors particularly important, however, is the quickening pace in which it has sought to secure access to natural resources, the unparalleled potential for future growth that China’s industrial output presents, and its poor historical track-record with both sustainable development practices and development-induced displacement. This is particularly so in respect to rubber plantations.

Frequently promoted as an alternative to the farming of opium, rubber farms have often been implemented on communal land without the prior consent of local communities and have been criticized for underpaying local workers (Baird 2010). They have caused increased soil erosion in upland areas, threatened watersheds, reduced food security and access to NTFP’s, undermined biodiversity and led to the death of livestock through exposure to pesticides (Baird 2010; Cohen 2009). Combined together, these factors have transformed subsistence farming communities into wage-laborers, forcing
people to purchase food items they previously grew themselves and causing many to become further impoverished (Baird 2010). Indeed, some have even argued that vulnerabilities created by rubber plantations have been responsible for increased human trafficking and the spread of communicable diseases amongst upland ethnic minority communities (Chamberlain 2006).

Furthermore, whereas the majority of rubber plantations were once the result of small-scale transborder networks between communities in Laos and China, the sector has increasingly shifted towards a top-down coercive model built around the awarding of sizable land concessions to large private firms and SOEs (Dwyer 2011a). This is a model for development that seeks to create development initiatives to stimulate economic growth and private-sector gains, rather than to improve the livelihoods of local residents. In a recent study conducted by the National Land Management Authority of Laos, for example, it was found that more than 50 per cent of the 2000+ land concessions in the country have resulted in a ‘detrimental effects’ to local communities (Pongkao 2011). Access to arable land is a vital resource for the impoverished and as powerful firms from China continue to acquire vast concessions people are being confronted with fewer livelihood opportunities. As Baird succinctly states, ‘foreign investors have been acquiring land with rich soils for low state rents, often without having to appropriately compensate local people, let alone ensure that they significantly benefit from the investments’ (Baird 2010: 3).

Rubber farming has become a highly contentious issue in Laos that has resulted in widespread land displacement and environmental degradation. The GoL has on more than one occasion made attempts to enforce legislation limiting the size of land concessions, however, such laws appear to have had little effect at the provincial level. According to a Lao journalist who once ran a talkback radio station on land concessions, (until it was closed down in 2011 by the GoL);

*People used to call my program from all over the country. A common problem was that companies often clear land and expand beyond concession areas - for example if they are given 150 hectares they might actually clear as much as 1000 hectares. My program would speak to people from these companies as well as*
local people... one problem in Laos is that the government awards concessions before they have undertaken an EIA [environmental impact assessment] or detailed compensation agreements for [negatively affected] local people. The rule of Law says they must do EIA and compensation first but in fact they give the concession first.

This prioritization of private interests and national economic growth over impoverished residents can also be seen in the hydropower sector, especially in respect to food security (Cornford 2006; Goldman 2005). Mekong inland fisheries rank among the world’s largest and provide a source of both nutritional security and income generation to millions of people in China, Laos, Thailand, Vietnam and Cambodia (Foran et al 2010: 10). According to Friend and Blake (2009) 87 per cent of these fish species are migratory and, as Foran et al. note (2010: 10), multiple assessments have found that hydropower dams, especially on the mainstream Mekong River, have ‘serious negative impact[s] on fisheries’. For example, at the ADB’s first major hydropower project in Laos, the Theun-Hinboun dam, the project saw 6,200 indigenous peoples forcibly relocated, 120,000 downstream villagers affected by changes to water flows, the flooding of wildlife habitats, ‘major fishery and aquatic resource losses’, and logging in construction areas (Oxfam Australia 2008: 33). More recently, pressure by civil society organizations and academic research that points to the severe social and environmental impacts of hydropower dams, as well as diplomatic hostilities regarding the transnational impacts of dam projects in Laos on the downstream countries of Vietnam and Cambodia has seen a reduction in IFI investment into the sector that Chinese firms have capitalized on.

The first Chinese aid funded hydropower project in Laos was the Nam Mang 3 dam. Commissioned in 2004 and financed by the China Exim Bank, the US$63 million development led to the first ever hydropower-related, villager-led protest, as local Hmong communities challenged eviction from their lands and the insufficient information about the relocation process that they had received (Middleton 2008). Two years later, and following the villager’s eventual
resettlement, inquiries by an NGO found that that relocated community was still facing land and water shortages (ibid: 8). Chinese hydropower developers have been found to be illegally extracting mineral resources from the Nam Ou 2 Sinohydro and EDL dam project, to have provided insufficient compensation to displaced communities, and to have avoided environmental impact assessments (Foran et al. 2010: 38).

Furthermore, it has also been suggested that China's involvement in Laos' hydropower sector has forced other donors to undertake environmentally destructive projects that they would have otherwise avoided. At the World Bank funded Nam Theun 2 hydropower project, for example, Kurlantzick states that the institution only agreed to fund the project to prevent Chinese companies from completing the development in a more unsustainable manner (2007: 172). That being said, the former Mekong Program on Water Environment and Resilience (M-POWER) director Kate Lazarus has, somewhat contrarily, stated that Chinese companies have proven more approachable than firms from Vietnam and Thailand, and that they have also made considerable efforts to engage with international development organizations to improve their social and environmental responsibility. As she states, 'Chinese hydropower companies in Laos are given an unduly negative status... for us they have been much easier to open up dialogue with than both Thai and Vietnamese companies' (pers. comm.)

Either way, almost all large-scale hydropower projects - especially those on the Mekong river - are highly environmentally destructive projects that present serious threats to the food security and livelihoods of rural residents. As Cronin puts it, hydropower dams on the Mekong river are ‘prime examples of the kind of development that benefits those who finance and build the dams, and distant urban areas that gain additional electricity, at huge cost to those who lose their land, fisheries and related livelihoods’ (2009: 154).

6.6.2: Regional Connectivity or Regional Crossroads

A second notable feature of Chinese ODA and FDI has been its encouragement of greater regional interconnectivity. As noted above, it has been a key investor in transnational transport infrastructures and, with Thailand and Vietnam,
fluctuates as the country's leading source of foreign investment. However, while the expansion of transport infrastructures, agribusiness and the extraction of natural resources has seen Laos drawn more tightly into the regional economies of Southeast Asia and beyond, they have also, somewhat ironically, done little to elevate the country's status from a periphery nation. Rather, what such investment has primarily achieved is the positioning of Laos as a peripheral resource frontier and a crossroads for the trade relations of its neighbours (Glassman 2010; Pholsena & Banomyong 2006; Rigg 1997: 174). Of total trade flows in the GMS, for example, 71 per cent are controlled by Thailand, 21 per cent by Vietnam, and less than 2 per cent by Laos (ADB 2010b: 14). As the country continues to open itself up to regional and global economies it is becoming increasingly shaped along what Brenner has referred to as 'post-Keynesian' state spatialization (2004). This has had two primary spatial consequences. First, the centralisation of development into key cities that has resulted in Laos becoming further marginalized on a regional-scale and, second, it has seen development become increasingly centralised along key transnational corridors and urban nodes. Together, these changes have further entrenched uneven geographies of development and the marginalization of impoverished rural communities.

Returning to the issue of roads as just one example, despite the declared position of the ADB that new industries will develop all along transnational highways, the vast majority of cargo is expected to move from one hub to the next as quickly as possible. Almost all discussion of road networks and other forms of connectivity in Laos express the speed at which they will allow commuters to move, indirectly ignoring the vast spaces that are being moved through. As Sofield writes on the NSEC:

> ‘designed by engineers and economists to facilitate the movement of goods and passengers by the shortest (by time and distance) routes[,] Virtually no consideration was given to basic infrastructure for tourism such as lookouts, small river piers for ecotourism, rest stops [etc]… or linkages for impoverished
wayside communities to take advantage of the passing traffic’ (2009: 2).

This growing centralization of regional wealth accumulation beyond national borders has not gone unnoticed by members of the GoL. As Mr. Sengsavang Phandanouvong, Director, Division of Transport Techniques and Environment puts it:

One challenge for Laos is to build infrastructure and we are given a lot of money to do this. But these roads [transnational highways] are only being used by trucks from Thailand and Vietnam trucks, who are also damaging them. ... Laos is still not a production or export country – it is only an import country. This is a very big problem for Laos. We are only becoming a transit country.

Of course, the same cannot be said for the CCPs funding of airport development. Servicing only those who wish to exclusively enter or exit Laos (which does not have any airports that serve as transit hubs between other international destinations), these connective infrastructures have played an important role in increasing inflows of foreign tourists and investment. They are an essential feature of globalization that have become a key determinant in the economic success of many countries (Taylor et al. 2009), and that have significantly reduced the importance of geographical proximity in shaping economic relations (Cwerner et al. 2009). However, airports have also been a key feature in the spread of geographically uneven development in Laos, through the bypassing of locations that are without air-travel facilities. Airports are a ‘non-space’ or a transitory space that are built for the movement of a privileged segment of the global population. As Chapter 7 will show in more detail, while airports are an important infrastructure for promoting economic growth, their construction and expansion has sometimes resulted in new forms of poverty and disadvantage.
Again, it is important to stress here that these spatial shifts toward the increasing centralisation of resources and investment are not exclusive to Laos, or to Chinese aid and investment. Such restructuring of the nation-state is happening across the globe. As Soja noted almost three decades ago, this ‘geographically uneven development is an essential feature of capitalist spatiality’ (1985: 178). Or, as Banerjee-Guha more recently put it, ‘the fragmented landscape on which globalisation works, is found to be integrally associated with spatial patterns of uneven development’ (2010: 6). This is an approach to development that has resulted from broader ideological and spatial shifts towards neoliberalism, and also the development aspirations of the GoL. However, given China’s heavy investment in transport infrastructure, its pursuit of natural resources, its growing tourist flows and its attempts to build economies of scale, it clearly plays an important role in the spread of such development trajectories.

6.7: Conclusion

From the 1990s onwards China has played an increasingly prominent role in the development of Laos. It has become both a leading source of private investment and a key aid provider. Trade relations between the two nations have grown, new diplomatic partnerships have been forged, and tourist and migration inflows have grown substantially. As China continues to build influence across multiple sectors and scales in Laos, the small land-locked nation has become less beholden to the requests of traditional Western donors. This rather unprecedented shift in the country’s development landscape, and the so-called costs and benefits of Chinese aid and investment, has been a popular topic for academics, members of the country’s civil society and everyday Lao citizens.

Chinese ODA has been criticized as being mercantilist, exploitative, resource driven, and as unjustly providing support for rogue states. It has been condemned for its lack of transparency, for showing little concern for social and environmental standards, and for providing poor safety conditions for workers (Guttal 2008: 25; Kurlantzick 2007; Lyttleton & Nyíri 2011; Woods 2008: 1207). All these criticisms are applicable to Chinese aid and investment to Laos, which has been driven by a high-modernist approach that favours urbanization,
resource extraction and infrastructure development. As the Northern Plan highlights, its aid program has pursued a top-down, technocratic, and apolitical development model that often undermines the rights of the poor and that has been linked to profit making for Chinese firms. Yet, Chinese ODA and FDI has also brought new infrastructure upgrades, hotel complexes, sporting venues, health centres and schools. It has brought cheap consumer items and some new employment opportunities, and has provided new training and education programs university students and Lao government staff. For the GoL, it has been an important force for the expansion of state power, a key driver of national economic growth, and a significant facilitator of regional integration.

This chapter has explored three of the key sectors – infrastructure development, agribusiness, and hydropower - through which Chinese ODA and FDI has entered Laos. As previously noted, the GoL and many of the country's development partners see these sectors as key to economic growth. However, their expansion has also frequently led to new inequalities and vulnerabilities, new threats to livelihoods, and the rapid depletion of natural environments. What current investments into each of these industries show, is that Laos is being drawn into the region through unfavourable terms that have resulted in the uneven distribution of resources, benefitting some and creating new livelihood constraints and socio-economic disadvantage for others. More than a decade ago Jerndal & Rigg argued that the two primary fears related to regional integration in Laos were that it would become a transit country for the goods of its neighbours and that foreign interests would unsustainably pursue natural resource extraction (1999: 56-57). As Laos continues to turn towards China for development assistance, both fears have been well founded.

In particular, this chapter has sought to stress that the growth of Chinese aid and investment into Laos – and the manner in which these two financial sectors overlap and facilitate one another – has resulted in an increased privileging of national and regional economic interests over poverty alleviation and community wellbeing. This is an important outcome of China’s increased presence in Laos that will be discussed in more detail in the following chapters. One aspect of China’s interests in Laos that has not been addressed in this chapter, however, is how its ODA and FDI flows are reconfiguring built
environments. Urban (re)development has been an important component of China’s aid and investment that has received scant academic analysis. Significantly, it is the modernisation of city centres that will be pivotal to Laos’ ability to become more than just a crossroads for development. This issue will also be taken up in the following three chapters.
7
From Heritage-scape to Regional Node: China in Luang Prabang

There are so many Chinese trying to set up businesses in Luang Prabang now. They all sell the same products and copy each other. They are like trees fighting over sunlight... they just keep pushing and taking until there is nothing left!

– Luang Prabang Shop Owner.

Luang Prabang is a boom economy city so land is very very valuable. Investors have seen the land is gold and the people who have the big pockets is ready to pay the authorities to move other people away from the cities

– Lao Journalist.

The power imbalances in Luang Prabang are much bigger than in Vientiane. If you go just a few kilometres from the city centre there is a big power gap in regards to knowledge and economic power.

– GoL Land Management Official.

7.1: Introduction
After more than two decades of regional integration initiatives within mainland Southeast Asia, 'land-locked' and 'isolated' Laos has now become a 'land-linked', 'crossroads' of regional trade networks. In the previous chapter it was shown that Chinese aid and private sector investment into transport infrastructures and the natural resource sector is playing an influential role in regional integration. However, it was also noted that such inputs have done little to alter
Laos’ position on the socioeconomic periphery of the region. As global trade, finance, information and people flows become increasingly centralized into a number of key networks and nodes, reconfiguring the country into a more economically central position within the region will require more than just the building of economic corridors. Rather, what is needed is the creation of regional ‘hubs’ and ‘nodes’ that will encourage capital to establish itself within key urban centres. As the following three chapters will show, this is something that China’s aid institutions, and private investors, have well recognised. In this chapter I examine how Chinese aid and investment is drawing on discourses of heritage preservation and tourism to modernize Luang Prabang.

Long recognized as an important site for Buddhist culture, Luang Prabang has fast emerged as a key node for greater regional integration. Investment from across East Asia is pouring into the city and is no longer limited only to the tourism and services sector. This growth in regional investment and aid has been accompanied by new aspirations for the city’s future that contrast with the desires of traditional Western donors, tourists and investors. In particular, new economic flows from China have sought to rapidly modernize Luang Prabang beyond the city’s heritage core, and to create new tourist facilities such as golf courses, shopping complexes and grand five-star hotels.

Given its location, the expansion of the airport has become a critical development project for a state seeking to capitalize upon the rapid growth of its regional neighbours. No infrastructure is more central to the city’s transnational connectivity and the upgrading of the existing airport facilities has been the primary catalyst for much of the new regional investment that has flooded Luang Prabang. However, while the growing interconnectivity of the city is bringing many new opportunities for economic growth, it has also come with new forms of marginalisation and disadvantage. Drawing on fieldwork conducted in the city and a series of personal interviews conducted in 2011, which focused on the issue of forced displacement, this chapter brings attention to some of the implications of global and regional networks at the local scale. More specifically, the chapter attends to the following three key concerns; the dynamics through which economic flows from China are transforming Luang Prabang’s urban landscape, the manner in which this transformation reflects
the CCP’s high-modernist development ideology and the impact of a growing Chinese presence in the city for local residents – particularly those that were forcibly relocated for airport expansion.

7.2: Heritage Core, Modern Periphery

Luang Prabang is the former royal capital of Laos and has been a UNESCO World Heritage Site since 1995. It is one of the most well known historic urban landscapes in Southeast Asia and a key tourist attraction (Reeves & Long 2011). A fusion of traditional Lao and French colonial design, Luang Prabang’s protection from the forces of modernization has, for some, led to the creation of a ‘nostalgiascape’ that draws on an Orientalized colonial imagining of the country and region (Berliner 2011: 235). This is a city where development discourse has, somewhat paradoxically, traditionally focused not on modernization, but on the preservation of a distant and ‘undeveloped’ past.

With its thirty-four Buddhist temples and many young monks wandering about its streets, Luang Prabang has come to be seen as the quintessential ‘authentic’ and ‘romantic’ Asia. Lonely Planet describes the town as a place with ‘hundreds of monks’ and ‘resplendent gold and claret wats’, that will captivate ‘even the most jaded travellers’ and lull them ‘into a somnambulant bliss’ (2010: 134). For most tourists the city is a place to escape the modern, urban, world in order to experience a ‘remote’ Buddhist landscape of mountains and mysticism. Yet, such narratives and framings exist alongside global-connectivity. Today, Luang Prabang is also a key urban node for regional connectivity. It is the largest city in northern Laos and an important hub in the ADB’s GMS. It is a place where wealthy tourists fly in from faraway destinations to drink imported wine and check emails while discussing ‘untouched’ and ‘remote’ beauty.

Beyond the heritage buffer zone the development of new hotels, restaurants, golf courses, concrete factories, timber yards, fish farms and other industries are growing quickly.59 Many young Lao travel to the city from other provinces in search of work and education opportunities and in more recent years such migration flows have been accompanied by a growing number of migrants from

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59 The Heritage Buffer Zone refers to the border between the UNESCO World Heritage zone and the surrounding Luang Prabang townscape.
nearby countries such as Thailand, Vietnam and China, who have also come in search of business opportunities. In the aforementioned Northern Plan that was drafted by Chinese development ‘experts’ for the government of Yunnan, Luang Prabang is described as the country’s ‘Economic Centre’, and, as a city with much potential for the development of processing industries such as coffee and timber, vehicle assembly, animal husbandry, and transportation (Shi 2009: 45). Particularly important to the city’s development is tourism. The past two decades have seen the number of tourist arrivals grow rapidly. For the period spanning 1995 to 2009 the country experienced close to a 500 per cent increase in visitor numbers, reaching the landmark figure of two million (Lao National Tourism Administration 2009: 5; United Nations 2010: 37). Recognising the future potential for the further expansion of tourism activities in the country, the GoL aims to welcome more than 2.8 million tourist arrivals in 2015 and to increase tourism revenues to US$350 million. With more than 39 hotels, over 190 guesthouses, and 69 restaurants along the banks of the Mekong and Nam Khan rivers, nowhere in Laos is more structured around tourism than Luang Prabang (Berliner 2011).

Where Laos was once the realm of adventurous Western tourists searching for authentic, ‘off the beaten track’ experiences, in recent years much of the rise in tourism numbers has been the result of growing regional markets, most notably from China, South Korea, and ASEAN nations. Indeed, visitors from these countries now account for more than three quarters of all inbound tourism (United Nations 2010: 39). Significantly, while Western tourists typically spend more than day-trippers or weekend tourists from Thailand or Vietnam, the sheer number of visitors from within the region means that more than 90 per cent of tourism revenue now comes from within the Asia-Pacific (Lao National Tourism Authority 2009: 6-7). This movement towards intra-regional tourism looks set to continue expanding. According to the United Nations World Tourism Organisation, for example, it is estimated that China will have 100 million outbound travellers by 2020, with 91 per cent of current Chinese tourists visiting the Asia-Pacific (Kui 2009: 202-3). This growth in intra-regional tourism has also been well noted by the Lao Association of Travel Agents, such
that marketing efforts have turned towards prioritising the Asian market (MTCO Communications 2011).

As the visitor base shifts increasingly towards East Asia, new investors from Thailand, Hong Kong, Singapore, South Korea and Vietnam are reconfiguring the city’s landscape in accordance with the desires of intra-regional tourists. For the most part, these desires do not entirely break away from longstanding representations of Luang Prabang as an untouched Buddhist Shangri-La. Many Thai tourists, for example, come to ‘see’ a romanticised version of how Thailand once ‘was’. Crucially however, and as Berliner points out, important shifts have occurred concerning how these tourists seek to inhabit and engage with the urban heritage landscape (2011). Whereas European tourists seek out their own imaginaries of ‘authentic’ Laos through the discursive practices of eco-tourism, lodging in colonial-style guesthouses, eating street food and searching for Eastern spiritual encounters, the package tours of many Asian tourists mean they experience Luang Prabang and other sites in Laos via the fairways of golf courses, the balconies of luxury hotels or the seats of large tour buses.

One of the biggest forces of modernization is China. Chinese run hotels and restaurants are opening in increasing numbers on the city’s periphery and at least one tour company specifically targeting Chinese tourists has been opened within the heritage zone. Luang Prabang now has its own Chinese market selling imported goods, while Chinese entrepreneurs, who often work alongside their Lao employees, also own many stalls within local markets. A number of private Chinese health-care centres also now exist in the city and the provincial hospital, with all its furnishings and equipment, was built with aid from China. Indeed, according to one employee of the Luang Prabang Ministry of Planning and Investment that requested to remain anonymous China has been the leading foreign investor in the province from 2006, with the majority of investment being towards hotels, restaurants and agribusiness.

Although Chinese investment has primarily taken place outside of the heritage zone, an increasing number of hotels within the old city are also being bought by Chinese operators, who have invested in businesses selling tourism related goods imported from China (see Figure 2). Finally, Chinese construction firms are also involved in building the hotels of investors from other countries, such
as the Thai-owned Anantara hotel. As the Deputy Director General of the Luang Prabang Provincial Tourism Department, Mr. Khamtanh Somphanvilay notes:

More Chinese are coming and we expect more in the future...
When the roads are improved more people will come to Laos driving in their own cars. At the moment two very big Chinese hotels are being built, one behind the Grand hotel and the other behind the Santi resort. Chinese never stay in cheap hotels; they want luxury.

As Mr. Khamtanh's comments indicate, Chinese tourists coming to Luang Prabang are reconfiguring the city's landscape according to their own socio-cultural desires. These desires are far more modernist than the majority of Western tourists, who visit the city and do not embody the same fantasies of colonial Indochina. As Logan has noted in respect to one of China's own World Heritage cities, the old town of Lijiang, Chinese tourist desires resemble a 'theme park approach' that is driven by pleasure seeking, shopping and restaurant dining. This approach to tourism has seen significant changes in Luang Prabang’s built environment (2012).

The growth in Chinese tourism to the city has been accompanied by many opportunities for local residents and business owners. New hotels and restaurants have provided employment opportunities, increased tourist flows have brought new consumers for business owners and those who sell hand-made products in the popular Luang Prabang night market, and Chinese run health care facilities have expanded the range of services available to those who can afford to access them. According to one of the chief doctor's at the Chinese aid funded Luang Prabang provincial hospital, for example, the CCP has continued to offer ongoing financial and technical support since the facility was first built. As he states;

China has paid for the building of the hospital, all furnishings, air-conditioning, and medical devices such as laboratory materials, anaesthetics, ventilators and x-ray and ultrasound machines. It
[Chinese aid] has also paid for skills training for hospital staff including one year of training for 17 Lao doctors in Yunnan. Medical staff from Yunnan hospital have also come to work here, including a radiologist, an anaesthetist, a surgeon, and medical equipment repairmen. – Dr. Parnomsai

While Chinese investment is playing a central role in expanding the tourism industries and the urban landscape of Luang Prabang, it must be noted that investment from elsewhere in East Asia has also been growing. Indeed, it is possible that one of the biggest long-term investments associated with tourism development will come from South Korea. Since 2008 there have been discussions about the construction of a South Korean megaproject known as Diamond City just across the river from the World Heritage zone. This US$2 billion-joint-investment, if undertaken, will incorporate around 3,000 hectares of land and is conceived to serve as a comprehensive tourist, trading, financial and recreational centre that will be linked by road, and potentially rail, to China and Thailand (Voice Of Asia 2008). While speculation currently surrounds its viability, and will likely remain at least until a decision is made regarding the high-speed rail project, if completed the project will include five-star hotels, shopping malls, a 36-hole golf course, residential areas, business service and tourism centres (ibid).60

South Korean investors have also been investing in hotel development in the city and are responsible for one of Luang Prabang’s most contentious tourism projects – the Luang Prabang golf club. Located on riverfront land around six kilometres from the city’s heritage core, the golf course saw the acquisition of land from more than 3,860 people and the imprisonment of those who refused to move from their land. According to Ngaosrivathana and Rock, compensation for the displaced was offered in sealed envelopes that could not be opened until the relocated families had handed over their land titles (2007: 20). Unfortunately, and despite members of the provincial government having their positions terminated over the incident, this sort of unjust ‘development-induced’ displacement has been a common feature of the city’s modernization.

60 As of September 2014 likelihood of the project’s completion remained unclear.
In light of this growth in Asian, and particularly Chinese, tourists, Winter has argued that there is a need to better account for how the ongoing rise of intra-regional Asian tourism ‘is emerging as a powerful force of social transformation for a series of heritage landscapes’ (2010: 116). Yet, the impact of growing Chinese tourist numbers into Laos remains seriously under-researched. In respect to Luang Prabang, academic debate around increased tourist numbers has largely remained limited to the impact of such flows on the city’s infrastructure and heritage landscape. More attention is needed on the transformative power of non-Western tourism and investment flows for the city’s residents.
7.3: Aero-Urbanism

At the heart of the GoL’s future development plans for Luang Prabang is the local airport. According to the Department of Civil Aviation, Luang Prabang is the second busiest airport in the country. Serving as a regional hub with scheduled international flights to Bangkok, Chiang Mai, Hanoi, Jinghong (China) and Siem Reap, it is also a domestic centre for other cities in Laos, with connections to Vientiane and Pakse. Yet, due to structural and technological limitations, the airport has only been serviced by three airlines, who have been confined to providing only short haul services (up to 1,500 kilometres), with no more than 80 passengers per flight (ADB 2008d). Of the seven routes served from the airport, four are operated only by Lao Airlines, including the international routes to Chiang Mai and Jinghong. With a continual growth in the number of inbound tourists, the GoL has deemed the upgrading and expansion of the city’s current airport facilities as a priority development project.

In technical terms, the plans for the airport upgrade include improving the runway to an ‘International Civil Aviation Organization (ICAO) Code 4C Category I precision approach instrument runway’; effectively enabling the airport to receive the larger B737 and A320 aircraft (ADB 2008d). This will
enable both medium-haul services and a doubling of capacity. The possibility to serve aircraft of longer-range will allow for more non-stop destinations, thus accessing new markets, with the potential to accommodate flights from Seoul, Tokyo and Taipei, amongst others. A longer runway will also bring Luang Prabang within range of Asia’s other key aero-hubs. Presently, only Vietnam Airlines can provide network traffic through connections at their hub in Hanoi. However, it is expected that with a longer runway Thai Airways will seek to enter the market, creating the capability to feed traffic from its extensive network, as well as from its Star Alliance partners. Other new airlines expected to commence direct flights include China Eastern Airlines, who will operate outbound routes from Kunming and Jinghong, Yunnan. Such developments mean that projections for inbound arrivals are in the order of 3,973 in 2006 to 11,655 in 2032, with the total number of arrivals increasing by almost 400 per cent over the next twenty years (ADB 2008d). According to the ADB, the upgrading of Laos’ airports is important not only for national GDP, but also for economic growth across the region, with Chinese, Thai and Vietnamese (amongst others) airlines and tourism operators also benefitting from more streamlined regional connections (ibid).

Again reflecting the blurring of aid and private-sector interests that has been common to China’s aid program, construction of the project (at a cost of approximately US$ 83.6 million) has been 75 per cent financed by the China-Exim Bank, with the contract awarded to China CAMC Engineering (CAMCE), a Chinese SOE that has been a key player in CCP funded infrastructure projects in Laos. 61 CAMCE is undertaking a US$38 million renovation of Wattay International Airport in Vientiane and has reportedly been involved in the planning of a, still not yet commenced, US$77 million upgrade to Xieng Khouan airport (Pansivongsay 2010b). Both these projects have been funded with Chinese aid and further extend long-term airline industry links with China, including the 1992 Yunnan Airlines purchase of 60 per cent of Lao Airways and the aforementioned 2010 Lao Airlines purchase of two airplanes from the

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61 CAMCE is is linked to Chinese ‘ODA’ around the world. It has projects in Southeast, South and Central Asia as well as Africa, South America and the Caribbean.
Commercial Aircraft Corporation of China Ltd (Evans 2000: 166). Indeed airport development is a key priority of Chinese aid to Laos, with the Northern Plan calling for the expanded capacity of Luang Prabang airport into the focal airport of the north, supplemented by upgrades to Luang Namtha, Houayxay, Sam Neua and Phongsaly airports (Shi 2009: 8).

It is easy to see that the airport upgrade will deliver significant financial opportunities to many residents of Luang Prabang. Tourism is the city’s largest economic sector and provides an important source of income and employment to a substantial number of the city’s residents. In particular, the new airport is likely to provide considerable benefits to foreign investors and landholding domestic elites. However, the (re)development is also expected to place greater pressures on the city’s already strained public infrastructures and bring new social challenges. As Mr. Khamtanh Somphanvilay, Deputy Director General, Luang Prabang Provincial Tourism Department states;

*The old section of Luang Prabang is very small and both domestic and foreign investment in this area is pushing out local people. We also know that drugs, prostitution, theft and other social problems are increasing … we need to ensure that tourism doesn’t damage the environment and culture.*

For some residents, airport expansion has seen their homes destroyed and their livelihoods drastically altered. Prior to the upgrade around 420 households that lived immediately behind the airport were forcibly relocated in order to provide room for runway expansion. Brick factories, educational institutions, religious sites, private homes, businesses, agricultural plots and fruit bearing trees have all been demolished for the airport expansion and the costs for resettlement and environmental mitigation and compensation have been estimated to be around US$14.5 million (ADB 2008d). How the forced displacement and resettlement has affected this community has remained largely absent from discussions around the challenges and opportunities posed by the airport, which have given insufficient attention to the urban periphery (and especially displaced residents) in their focus on the city’s heritage core. Further, it must be stressed
that while the airport upgrade was funded with Chinese aid, this did not include any financial allocation for the resettlement of displaced residents – an expense to be met by the Lao government. The experiences of those who were relocated for the airport upgrade are my focus in the rest of this chapter. They are captured below via five key points of consideration.

7.4: Making Way for Connectivity

The first and perhaps most important consequence of the rapid modernization of the city’s periphery is increasing competition over land access. At the airport relocation site, almost all residents were allocated the same 15x20 sqm land parcel, irrespective of how much land they previously owned. The majority of allotments were substantially smaller than families’ former landholdings, and the size and quality of land was an issue of real concern. Furthermore, much of the resettlement village was located on rice paddies that required landfill before they could be built on, an expense that would be borne by the villagers themselves. This cost was felt by residents from across the socio-economic spectrum, but had the most significant impact on those that could not easily afford this additional expense. This is highlighted in the experiences of Mr. Tshua.

Tshua is a single Hmong man in his late twenties who works as a freelance tour guide. Like all my research informants, I first met Tshua around a year after the airport relocation had taken place. Tshua was the second oldest male in his family and the primary income earner for his parents and siblings. His family was on the lower socio-economic spectrum of the village, owning farmland and two motorbikes, but still facing occasional food shortages. In his current family home of thatched timber and straw there is no furniture other than one broken plastic chair, a fridge, and three beds built from bamboo. According to Tshua and other villagers, land in the resettlement village was allocated through a lottery-based system, with residents assigned plots based on their selection of a number from a plastic container. Like the majority of residents at the relocation

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63 All names have been changed to protect the identity of those who participated in the research. Names provided above are not the real names of participants.
site, Tshua and his family had to spend a number of months living in tents that were provided by the Chinese company undertaking the airport upgrade until they could build a new home. Furthermore, in his case, the ability of his family to rebuild was compounded by the quality of the land that he was awarded. As he explains:

_They [the resettlement committee] gave me land that was a fish farm. I had to pay for fifty deliveries of soil [at a cost of US$23 per carload] to fill my land so that I could build on it. For the people that could afford [before compensation payments were awarded] to buy them beer and kill a goat [to offer as food] the soil was provided for free. But I could not afford to do this and so I had to pay - Tshua._

While Tshua had decided to keep his allocated land, many other villagers had resisted their resettlement and employed various forms of protest to gain better allotments. At the time that I first began conducting interviews, at least 51 families were living illegally in the resettlement site on land owned by other residents, while others had returned to the countryside to build new homes on vacant land or had combined their allotments into a larger single block to be sold to outside investors. As is highlighted in the case of Mr. Blia Lor, however, not all strategies had met with equal success.

When I first met Mr Blia Lor he and his family were squatting on land owned by another local family, which he shared with three other landless families. A forty-year old father of three that had owned a 29x32m² plot of land in his former village, Blia Lor's land problems arose from his tardiness in applying for a new land parcel in the resettlement site. Believing the statements of the resettlement committee that all villagers would benefit from the relocation process, Blia Lor was slow to seek out a new plot and, by the time he attempted to do so, all available land had been allocated. Consequently, he was provided a 10x18m² plot of poor quality that, during his negotiations with the resettlement committee to try and find land elsewhere, was then re-allocated to another family. This left Blia Lor and his family landless and forced them to illegally
occupy vacant land while he continued to seek property elsewhere. As one of
the poorest residents of the resettlement site, with no motorbike and few
personal belongings, Blia Lor informed me that since being relocated he had
spent almost half of his compensation payment on rice and school fees for his
children.
In an attempt to provide property to those who had previously lived in their
own house on shared family land, the government also allocated non-
landowners their own holdings. For the most part, these were the poorest
families prior to being relocated and many welcomed the prospects of acquiring
land. This strategy proved largely unsuccessful, however, as villagers were only
provided 10x18 sqm plots that were located on a dirt hillock behind the two
areas allocated for resettlement. Littered with grey stone, the land was dry and
dusty for prolonged periods of the year, and lacked piped water. In the wet
season it became a slippery, muddy space that carried the risk of landslide.
Many relocated families complained the plots were too small and that the land
was unsuitable for building or farming. The complexities of this issue are well
highlighted in the experiences of Mrs. Neng Lee.
Mrs Neng Lee is an elderly Hmong woman that had been living in a tent in the
resettlement site for more than a year when we first met. As with many
residents of the resettlement site, Mrs Neng had first moved to Luang Prabang
city in 2004, when the GoL forcibly moved her village from the countryside as
part of its opium and swidden farming eradication programs. Being an elderly
woman, Mrs Neng Lee chose not to purchase her own parcel of land at this time,
instead building a home on the land of her son. She informed me that the
resettlement to the city was very difficult for her because her family had been
forced to sell all their livestock and could only bring with them the belongings
that they could carry on their backs. However, she had started a small garden on
her son’s land and had since adapted to living closer to the city. Following the
relocation, however, Neng Lee’s son and his family had been allocated a plot of
land that was too small for her to build on.
Like many of her neighbours that were living in tents for an extended time,
Neng Lee had used long pieces of timber taken from the forest to prop up and
extend her now sagging and dust-covered dwelling into a semi-outdoor cooking
area. She would spend a lot of her time in this outdoor area, often sitting with other women to hand-sew slippers that the younger ladies would take to sell at the Luang Prabang night market. It is here where I would often come to speak with her, and others, about the relocation process and their attempts to gain some more hospitable land. The site where she lived for these discussions was not her land, but a patch of empty space that she had occupied while the government cleared vegetation from the hillock land where she was expected to soon relocate. As the following two comments by Neng Lee and another informant make clear, being relocated to the dirt hillock was strongly opposed by many residents;

_I do not want to move to this land. Nobody has moved there yet because it is not good land... it is not good for farming because the soil is dry and hard. There is no water there and it will be hard to carry water [to that place]. - Neng Lee._

_We will not move there until the government says we will kill you if you do not move! – Xee Her_

Finally, for those who owned land at the former village site but had not embarked upon any form of construction no compensation was provided. Space in the resettlement site was limited and one of the means through which the government had accounted for the limited availability of land was by providing new plots to only those who intended to immediately live in the area. As one former land-owner explained:

_In the old village site I owned 20x17 sqm of land. I owned that land for more than ten years. But the only people who have been given money for land [without a house on it] are those who pay the government five million kip [as a bribe]. I used to be a lawyer so I am fighting hard to get more land but the government will not speak to me. Before they took away my land I had a place_
where I could build a house for my son to live and to study. Now I cannot give this [the land] to them. - Seng Hung.

In these responses we can see that the removal of land and resettlement undermined hopes for upward social mobility and a sense of confidence in the prospects of children. Such complaints over insufficient land compensation following resettlement are common in Laos, and represent state-supported acts of accumulation by dispossession (Harvey 2005). For an example of the poor quality land that villagers at the airport displacement were being located see Figure 5.

Figure 5: Poor Quality Land in the Resettlement Site. String Lines Mark One Villager’s land. Photograph by Kearrin Sims

A second concern that is common amongst forcibly displaced residents across Laos is insufficient financial compensation for housing and other lost assets. As with land reparations, every resident that I interviewed expressed frustration about receiving less financial recompense than it would cost them to rebuild their former homes. This was an issue that affected residents across the socio-economic spectrum of the resettlement village, and that varied in its severity:
I only received nine million kip (cUS$1140) for my house, but it will cost me twice that to rebuild... and I have already spent five million kip on rice and my children’s school fees since we were relocated. – Blia Lor.

I was given 7.5 million kip (cUS$920) for my old house but it would cost me 12.5 million kip (cUS$1534) to rebuild – Moua Tong.

Our land at the old village was worth 60 million kip (cUS$7560). My husband is a singer who has travelled to America and so we had very nice land. But we were only given 5.5 million kip (cUS$690) in compensation. – Sheng Lor.

While all that received insufficient compensation were unhappy about this financial loss, it should be noted that the longer-term implications of this varied between residents. For impoverished families such as Blia Lor’s, the ‘gap’ between allocated compensation payments and the required income to rebuild represented a deficit that could not easily be replaced. Indeed, at the completion of my fieldwork period it remained uncertain what would become of Blia Lor and his family, irrespective of whether he was able to acquire a new plot of land. For wealthier residents, financial losses were more a matter of frustration than a force of impoverishment. Such was the case for Mr. Par Yee. Par Yee is a professional Hmong singer who has travelled internationally, both to Australia and the US. In his early thirties, he is already one of the wealthiest residents of the resettlement site. According to Par Yee’s own testimony and numerous other informants, his home in the former village was considered by many to be a beautiful home. Resisting the relocation and what he considered to be an insufficient compensation rate, Par Yee and five other families of the same opinion refused to move out of their former homes until one day, after numerous confrontations with the police, they were given the ultimatum to either leave their homes that same day or be arrested;
There were five of us [households] that would not move from the old village. We stayed there for twenty days after everyone else had been relocated but then the police came and said to me ‘if you do not move by this afternoon you will be taken to jail’. So we all moved on this day but we were very angry. – Par Yee.

Since this incident, Par Yee’s resentment about the resettlement has been compounded by his compensation payment:

My [former] house cost me US$20,000 to build in 2006 but now it is much more expensive [to build a new house]. The money they pay me is not enough! And my land is [also] too small and I cannot park my car... Before I had more land than this and they [the resettlement committee] told me that I would receive one hundred per cent of the price of my house but I was only given eighty per cent! – Par Yee.

In addition to these housing construction costs the resettlement also required numerous additional expenses such as buying landfill and costs for water and electricity connection. No compensation was given for fruit trees and other lost assets, or the time lost on income generation caused by the need to construct new homes. For those who had been allocated land on the dusty hillock behind the village, piped water and electricity had still not been provided more than a year after they were first relocated. As a result these residents had to purchase these amenities from their neighbors, who often sold water at inflated prices in order to make a profit.

One of the more common justifications for the forced resettlement of rural residents in Laos has been the need to bring them closer to state services and infrastructures (Evrard & Goudineau 2004; Petit 2008). However, in the case of urban displacement, residents are often relocated in order to make space for the construction of new infrastructures and built environments. In other words, they are often pushed away from state services. As a result the new
opportunities for increased mobility that infrastructure upgrades provide to migrants and tourists frequently comes at the expense of existing residents. At Luang Prabang airport the disruptions of the resettlement made it difficult for some to continue employment as they had in the past, or to continue growing crops on their land. Residents were expected to build their own homes and this time-intensive task had limited people’s ability to engage in income generating activities. In the initial two months of the displacement period residents also lacked electricity and piped water and were forced to travel twenty minutes each day to collect freshwater.

One critical implication of the time lost to generating household income was the associated loss in physical mobility. For those living in a tent, the resettlement substantially limited people’s ability to work, visit friends, or travel for other everyday activities such as shopping, doctor visits, schooling and so forth. As Blia Lor states:

I am angry because me and my wife cannot go anywhere... we have no door and we cannot lock our tent. If I leave the tent my wife must stay here and if she leaves I must stay here. Otherwise people can come and steal from us and I am worried people will take our rice.... It is also a problem because we [him and his wife] used to work together and could earn 50,000 kip (US$6.30) per day. Now only I can work. We also cannot visit our friends and we cannot spend much time together as one person must always be here [at the tent]. – Blia Lor.

Here, Blia Lor also explained to me that he does not own a motorbike and that, in the past, if he and his wife found employment far from their home they would stay at the worksite together for several days. No longer being able to do this, he now needed to travel more frequently and this was time consuming and expensive. Consequently, as a result of the resettlement his family income had been halved.
While prevailing discourses of development within Laos present new infrastructures as a sign of increased progress and mobility, the implications of large-scale infrastructure development at the local scale involves both increased mobility for some and a ‘tying to place’, or a restriction of mobility, for others (Bauman 2000). From my discussions with other residents in the village I learned of at least seven families, all on the lowest end of the socio-economic spectrum of the resettled villagers, who had returned to the countryside and met many others who were still considering leaving the city. For these families, some of whom had returned to villages that were more than 1 ½ days walk from the nearest road, the new regional connectivity provided by the airport upgrade had forced them to withdraw to a place where they had become further isolated from modern infrastructure, and the opportunities of regional connectivity and greater tourist flows. As one resident explained:

*I am worried about my children going to school. There is no school here [in his rural village] but I cannot afford to live in the city anymore. I want to raise some cattle and sell them so I can take my family back to the city.* –Gikong Lau.

Such concerns over families’ future, trying to negotiate better compensation agreements and living in makeshift homes while new houses were built had also placed a great deal of stress and physical discomfort on displaced residents. In the interim period, while displaced residents tried to rebuild their homes, they were provided with green canvas tents to live in that provided limited protection from the weather. Given it was monsoon season many villagers complained rain would often blow in on them and their belongings. Villages also lacked access to piped water and electricity at this time and many had lost food and personal belongings due to flooding. More specifically, some families lost up to fifty bags of rice, leading them to cut back on their food consumption, especially expensive items like meat:

*It has been very difficult since the relocation. My family does not have enough food... we are given rice [through a Lao non-profit*
Laos is a country where chronic malnutrition rates for children under the age of five remain around 50 per cent, and, as many observers have noted, this figure has remained persistent over the past decade despite strong economic growth (Howe & Sims 2011). Indeed, according to the extensive nation-wide participatory poverty assessments conducted by James Chamberlain that were discussed in Chapter 2, ‘the primary indicator of poverty in the eyes of the poor is the degree of rice sufficiency’ (Chamberlain 2001: viii; Chamberlain 2007: 10). Although primarily a problem for the country’s rural population, large-scale urban displacements, rising living expenses and the loss of arable land are also seeing threats to food security within urban environments.

As previously mentioned, at the lower end of the socio-economic spectrum of displaced residents, many villagers continued to live in tents more than a year after being relocated. These individuals still lacked access to plumbed water and ongoing discomfort had become an unavoidable part of their everyday lives. Tents were only about 4 sqm in length and, despite a small plastic window on each side, remained permanently dark inside. Faced with such limited living space villagers often stored their belongings in large nylon bags and spent much of their time outside, where they were constantly exposed to the natural elements. As two residents described it:

_We live the same as the chicken. When it is hot we are hot and when it is cold we are cold. When it rains we get wet._ – Neng Lee.

_Just this morning it was raining and the rain came in on us and we could not sleep... We even have to dig for our water. We have to pour the water through a cloth so we can use it – Blia Lor._

It is worth emphasising here that such uncomfortable living experiences were not only experienced by adults. On numerous occasions when conducting interviews at both Blia Lor and Neng Lee’s tents I encountered children below
the age of five that were dressed in dirty clothes and displayed signs of malnutrition. Without toilet facilities these children would often pee and defecate in close proximity to their parents’ tents and on one occasion I witnessed a child fall into mud created from its urine. Indeed, in many ways the living conditions of the families in the relocation site were much worse than in more remote villages several hours from the city. As the director of a Lao non-profit association that provided some rice, clothes and water to impoverished residents’ states:

*These people are very poor. They have no land and for one year they have no water or electricity and not have job. Some people used their compensation money to buy food and until now the government has not adequately supported them.*

For those who were able to quickly rebuild and move out from their tents, overcrowding of housing was common, with many families sharing small temporary homes until they could afford to build larger dwellings. To give just one example, Mr. Chor Her’s shared his 8x5 sqm thatched timber and straw home with his parents, three brothers, his brother’s wife, and three children. With no room to unpack many of their belongings, the family aspires to build a bigger, more durable, dwelling. However, Chor Her is a labourer who works for just 25 000 kip (cUS$3) per day. His older, married, brother is also a day labourer but his two younger brothers are currently still in secondary school. Consequently, Chor Her estimates it will be another two years before his family can afford to complete the larger concrete and brick house that stands unfinished beside their current home.

Beyond such physical discomforts, face-to-face interviews revealed numerous signs of emotional fatigue, frustration and anger amongst displaced residents. Cracked voices, hunched posture, staring at the ground and direct exclamations of frustration were common. While stress and fatigue were most evident amongst those who had been forced to live in a tent for more than a year, wealthy members of the village, such as the Hmong singer Par Yee, also expressed anger about their resettlement.
Finally, for the Hmong community at least, the impact of the resettlement also had important cultural implications. The residents that were relocated were from three ethnic groups (Hmong, Khmu and Dai/Lao) that have their own
languages and socio-cultural practices. While there did not appear to be any major tensions between these neighbours of more than six years, the location of the new village site and housing provided compromised the cultural practices of the Hmong residents. In particular living in a tent for a prolonged period of time posed culturally specific challenges:

*One of my biggest worries now is if someone dies or gets sick. I cannot afford to take them to the hospital but I also cannot call the Shaman because I have no house to bring them to. The tent has no windows and no back door.* – Blia Lor.

Typically, Hmong households have a front door for people to enter and a back door for the comings and goings of spirits. When a spiritual ceremony is undertaken, such as when a Shaman is present, this back door must be opened. The tents provided thus violated the spiritual and cultural practices of Blia Lor and his family:

*Now it is September already and Hmong New Year is soon (December) and I need a house for the New Year celebrations when there are many spiritual ceremonies.*

While it could theoretically be argued that these dwellings were only temporary and that there were no restrictions on how Hmong villagers rebuilt their new homes, in reality many residents had not been provided suitable land or compensation for rebuilding more than a year after their resettlement. The land that many villagers had been allocated - on the dusty hillock behind the relocation village - was not suitable for traditional Hmong architecture, which traditionally employs flat earth floors and requires flat ground. It should be noted that such cultural complexities did not appear to result from ethnic prejudice. Senior members of the resettlement committee were themselves Hmong. Rather, it appeared these concerns stemmed from a poorly managed resettlement program that was undertaken on a limited budget, and that
required the displaced to move from their former homes long before adequate land and infrastructure had been established elsewhere.

As these various examples highlight, the airport resettlement program had a detrimental impact on the wellbeing of many of those displaced by the airport upgrade. Although the improvements to the airport will position the resettled community directly beside expanding regional connectivity networks, many people continue to face social, cultural and economic disadvantages that have prevented them from benefitting from this ‘development’ project. Pre-existing inequalities have informed the manner in which the airport displacement was conducted and - accompanied by new forms of marginalization and disadvantage - have resulted in the emergence of new livelihood constraints. By implication, this new ‘connective’ infrastructure has seen some of the city's poorest and most vulnerable residents brushed aside by an agenda that prioritises the needs of tourists over localised wellbeing.

7.5: Conclusion
The objective in this chapter has been to emphasise three points. First, that a mixture of Chinese aid and investment is leading to the redevelopment of Luang Prabang’s urban landscape beyond the heritage core. Second, that this transformation is informed by the high-modernist aspirations of the CCP, which has funded the expansion of the city's airport as a mechanism to encourage further investment flows. Third, that the impact of such investment has had a mixed impact on local residents, bringing new employment opportunities for some, but forced resettlement and hardship for others. In bringing these themes together, the chapter brings attention to an under-researched aspect of China’s growing presence in Laos, namely, the growing number of Chinese tourists entering the country.

Fears that Luang Prabang’s historic charm will be damaged by the tourism industry and the new infrastructures and amenities that growing tourist flows demand have been debated extensively by academics, development institutions and the Lao government (Boccardi & Logan 2007; Harrison 1994; Stuart-Fox 1996). The preservation of Luang Prabang’s heritage landscape has raised concern since the city was first issued World Heritage status in 1995 (Logan
2012) and, more recently, scholars have expressed concern that Asian investor-driven forms of development are encouraging modernization with little concern for the historic environment (Reeves and Long 2011). In the wake of growing Chinese ODA and FDI into the city such trepidation appears well founded. Perhaps more important than these ongoing tensions regarding built environments, however, is the impact of rapid modernization on the city’s residents. It has now been well recognised that the profound social and economic change experienced by those living in or around places designated for World Heritage protection is too often framed by heritage tourism discourses that depoliticize heritage landscapes and remove local residents from development planning (Berliner 2011; Bristol 2010; Reeves and Long 2011). This is particularly so in politically authoritarian market economies, such as those found in Laos today, where heritage landscapes often disproportionately benefit elites over the rights and welfare of local residents who lack the political freedom to have their own interests protected (Reeves & Long 2011: 15).

However, what the case of Luang Prabang reveals is that heritage preservation is no longer necessarily the key force driving medium-large scale urban displacement, as is often presumed. Instead, the rapid modernization of the city ‘beyond the buffer zone’ by new donors and investors from China is now placing the greatest pressures on local residents access to land and other resources.

As has been shown in the pages above, China is playing a key role in the modernization of Luang Prabang. Growing Chinese tourist flows to the city have been accompanied by a growth in Chinese investment into new hotels, restaurants, shops, karaoke bars and other tourist services. In addition to private-sector growth, Chinese ODA has also seen the upgrading and expansion of the city’s most important transport infrastructure and the provincial hospital. This investment has seen rapid transformations in the city’s built environment as, whereas Western development discourses have sought to preserve the ‘ancient Asia’ image of Luang Prabang, Chinese aid and investment is drawing on the tourist flows that heritage tourism promotes as a means to modernize the city. This redevelopment of the city has brought many new livelihood opportunities and is something that many residents, and government officials, desire (Berliner 2011; Logan 2012). The GoL has sought to preserve Laos’
historic centre in accordance with the requirements of UNESCO and other heritage institutions largely because of the financial benefits that heritage has offered. If new donors and investors can offer more financial input through modernization, it is likely that heritage preservation will become increasingly less important to the Lao state.

Unfortunately however, Chinese aid and investment has also been responsible for processes of modernization in Luang Prabang that are exclusive of local residents. Building on the city’s long history as a touristscape, Chinese modernization of Luang Prabang has prioritised accommodating foreign tourists over the livelihoods and wellbeing of certain local communities, some of whom have been forcibly displaced from their land. What can be seen here is the coming together of state and private-sector interests in order to facilitate a technocratic model for development that is seeing people pushed aside to make way for connective infrastructures and the ‘coming together’ of the region. This is an approach to development that privileges economic growth over poverty alleviation, and that prioritises the accommodation of wealthy tourists over the needs of local residents. That being said, this is not to suggest that Chinese tourism has only been a destructive force in the livelihoods of the city’s residents. Many people, including those in the resettlement village, depend on tourism for their income and receive much higher earnings from the tourist sector than they would receive in other industries. Rather, what the upgrading of Luang Prabang airport shows is that both heritage preservation and modernisation are conjoined processes that have myriad social and economic impacts.

It has now been well recognised that growing regionalism in Laos has seen an intensification of geographically uneven development - especially between urban centres and rural peripheries (Barney 2009; Glassman 2010). What this chapter reveals, however, is that in many instances people are also being marginalised within spaces of ‘development’. As wealthy elites move along the corridors and nodes of global capitalism expanding their own life projects they compete for the same resources as impoverished communities (Hannam et al. 2006: 222). Consequently, the poor, marginalised and disadvantaged are not always experiencing upward social mobility as a result of new transnational
infrastructures. Rather, in many instances, they are actually being pushed away from regional networks so that the already wealthy can more easily move along these spaces of flows. In Luang Prabang at least, China has played an important role in such peripheralisation of local residents. This issue will be taken up further in the following two chapters.
8

The Beautification of a World-Class Vientiane

Laos is in the middle of the GMS and has a good opportunity to become a hub. For Vientiane to do this we will need to develop the urban transportation system and increase accommodation.

- Chanthasack Bottaphanith. Town Planning Section Head, Department of Public Works and Transport.

As ‘the capital city of Lao PDR and one of the major cities in GMS, Vientiane Capital has a mission to lead the national and regional economic development’


The government is becoming strongly aware of creating Vientiane the beautiful, Vientiane the magnificent.

- Long-term Expatriate in Laos.

8.1: Introduction
Premised on a belief that heightened urban competitiveness will improve the wider regional and national economies in which cities are embedded, urban development has become a principal state development strategy across East Asia. Cities provide the ‘meta-system on which the networked world of global capitalism is built’ (Dürrschmidt & Taylor 2007: 24) and, as Brenner has recognised, the expansion of ‘global’ cities across the world is a central feature of the restructuring of nation-state geographies in an era of global neoliberalism
In the previous chapter I considered how Chinese aid and investment is drawing on pre-existing discourses of heritage tourism as a means to reconfigure Luang Prabang in accordance with the high-modernist development ideologies that have informed China’s own framework for economic growth. In this chapter, I continue to explore the theme of China’s influence on urban transformation in Laos through a focus on the country’s capital of Vientiane.

Vientiane has long been one of Laos’ most important urban landscapes. It was the capital of the former kingdom of Lan Xang and the French colonial administration. During the first half of the Cold War, when the Royal Lao Government occupied the city, it became the predominant hub in the wider Lao socio-cultural sphere that transgresses nation-state boundaries to encompass much of northeast Thailand (Evans 2007).64 While the city has remained relatively distanced from the rapid urban developments that have taken place across much of East Asia over the past two decades, it nonetheless continues to be the centre of political power for the GoL and the country’s key urban-industrial hub. It is also a city that has seen a lot of foreign investment in recent years, especially from within East Asia.

In this chapter I suggest that the GoL, new donors, and private sector investors, are seeking to transform Vientiane into a more prominent regional node within East Asia. As the GoL seeks to compete for regional finance flows, and as transnational investors continue to seek out new opportunities for wealth accumulation, practices of ‘Worlding’ that mimic the urban aesthetics of the region’s more ‘spectacular’ sites of modernity (such as Singapore, Shanghai, Seoul and Hong Kong) are becoming increasingly common.65 As the above observation by one long-term expatriate of the city correctly notes, the GoL’s strategy for urban development within Vientiane has become shaped by a desire to create ‘Vientiane the beautiful, [and] Vientiane the magnificent’. Yet, as this chapter will also show through a detailed critical analysis of one specific example of urban beautification that has taken place on the Vientiane riverfront,

64 There are more ethnically Lao people living in the Isarn region of Northeast Thailand than within Laos. This broad Lao socio-cultural sphere includes the large Thai cities of Kon Khaen and Udon Thani.
65 Following Roy and Ong I use the term Worlding here to refer to a way of ‘being global’ through the modernization of urban architectures and the pursuit of striking ‘world-class’ symbols of modernity through built environments (2011).
in seeking to create modern ‘world-class’ environments, urban redevelopment is often marginalising, displacing and disadvantaging local communities.

8.2: A Capital of Contradictions

Vientiane municipality is the most populated, urbanized and ‘developed’ province in Laos (JICA 2011: 2-2, 2-3). In 2008 its Gross Regional Domestic Product accounted for 23 per cent of national GDP and, according to the Vientiane Times, by July 2012 all 483 villages of Vientiane prefecture were classified as not-poor (JICA 2011: 2-4; Times Reporters 2012b). With a total population of 795,000 and covering a land area of 3,920 square kilometres, the city is Laos’ primary industrial and financial hub. It has played host to all major international events, and is home to the national offices of almost every NGO working in the country. It is a highly cosmopolitan space, where a ten-minute stroll through the city’s tourist centre encompasses Italian, Korean, Japanese, Chinese, Indian, Turkish, French, Belgium, Mexican, Spanish, Scandinavian, Swedish, and American restaurants.

There is nowhere in Laos where the country's growing inequality is more evident than in Vientiane. Hummer’s, Mercedes, Porsche and Lamborghini’s can be seen cruising the city streets, while on the riverfront fishermen in long tail boats now compete for space with wealthy Lao youth on jet ski’s. There are more than 360 hotels and guesthouses in the city and over half the country's total number of registered vehicles (JICA 2011: 2-19, 2-5). In recent years there has also been a rapid expansion in the number of large-scale shopping malls, apartments and office buildings in Vientiane, many of which seek to encourage investment from ‘high-end’ international cosmetics, fashion and fast-food brands. The largest of these new shopping complexes, the ITECC shopping mall, is nine storeys high and covers an area of 106 000 square metres, or the size of

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66 Vientiane city is located within Vientiane province but is classified by the government as a separate municipality. As this chapter is primarily concerned with development in Vientiane city I will refer to Vientiane municipality from hereon using the shortened forms ‘Vientiane’ or ‘the city’. When speaking of Vientiane province the classifier ‘province’ will be included.

67 This categorization is based on all villages having a total number of poor people below 51 per cent of the population. Such figures should be treated with caution, however, as statistical data in Laos is of a low standard and the Vientiane Times is a state-owned newspaper with a political agenda.

68 Examples include the 2004 10th ASEAN Summit, the 2009 Southeast Asia Games, and the 2012 9th Asia-Europe Meeting (ASEM).
approximately 15 standard football pitches. While Western fast food chains such as McDonald’s or Pizza Hut have not yet opened stores, such popular icons of modernity are coming to Laos through Asian sources. Somewhat ironically placed behind the National Cultural Centre, for example, is the Thai-owned, Western-style, fast food chain *The Pizza Company* and *Swenson’s Ice Creamery*. Close by is the Chinese-owned *Home Ideal* shopping mall and a *McKonkey’s* fast food outlet that is reported to be the first to open outside of China. As expressed in the comments of one small business owner from the city, this growing FDI has led to rising living expenses and land prices, making it increasingly difficult for many residents to live in the city:

*These new hotels and shopping malls are not for Lao people... prices in Vientiane are so high now because so many rich foreigners come to Vientiane and they don’t care about the price of things. They just want air-conditioning [to be comfortable] and they don’t care about how much they pay. In my home village [just 26km from the CBD] a kilo of sticky rice is only 3000 kip, while here it costs 11 000 kip.*

Yet, despite having the world’s 11th highest rate of urban growth (World Bank 2015), Vientiane does not present the typical imagery that most from the West or Northeast Asia would associate with a nation’s capital. Young children can often be seen skipping across the streets without checking for traffic and, for the most part, it is clean and free from the begging, homelessness and public exhibitions of prostitution that nearby cities such as Bangkok and Phnom Penh display. Wats are a common feature of the landscape, and there are few buildings that are more than five storeys tall. 69 Indeed, as any foreigner who has visited on a Sunday (when most Lao remain in their home villages) will likely attest, there are times when the city centre has an almost deserted feel to it.

In contrast to GoL classifications that all the city’s residents are ‘non-poor’, the ADB states that the proportion of slum dwellers in Laos exceeds 50 per cent of

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69 A Wat is the Thai and Lao term for a Buddhist Temple.
urban inhabitants (Linfield & Steinberg 2011: 5). For UNESCAP, the figure is
closer to 80 per cent (2013: 13). With over 35 per cent of the ‘urban’
population still engaging in farming as their primary source of
income/subsistence (JICA 2011: 2-3), it is unsurprising that the ADB has
described Vientiane as ‘essentially a market town servicing an extensive
agricultural hinterland’ (ADB 2008e: 1). In the Wet Season much of the city is
subject to regular (albeit short-term) flooding and blackouts, which often put a
halt to business operations both in office buildings and at roadside food stalls.
Urban infrastructure is also weak, with no sewage system and two-thirds of
roads remaining unpaved (ibid). This relative underdevelopment of the city
compared to many of Southeast Asia’s other capitals is something that the GoL
has a strong desire to change.

In the Vientiane Urban Master Development Plan for 2012-2030 - co-produced
by JICA and the Ministry of Public Works and Transport - three ‘visions’ for the
future of the city are listed. These are to make Vientiane into ‘a regional hub in
the GMS’, the ‘centre of the nation’ and a ‘comfortably liveable and beloved
downtown’ (JICA 2011: 3-5). According to the plan ‘Vientiane Capital is
expected to develop as a regional gateway of Lao PDR’ and to expand from a
‘regional city’ to a ‘regional center’, such as Chiang Mai, Hanoi or Khon Kaen
(JICA 20011: 3-5, 3-17). Of course, the importance of the Master Development
Plan should not be overstated. The document has been largely ignored by
private investors and ‘has not been enforced effectively’ by the GoL (JICA 2011:
5-101). A number of new buildings do not comply with the regulations set forth
in the plan and, as recognized in the document itself, the plan ‘has no value
unless it is put to actual use for the regulation, control, construction and
rehabilitation of the city’ (JICA 2011: 5-101). As Mr. Sengdara Douangmyxay.

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70 It is important to stress that, for the most part, Vientiane does not have the type of slum
settlements that are seen in South Asia, Africa, or even Cambodia, that include traits such as
open sewers, makeshift housing, a high population density, widespread pollution etc. Rather,
ADB and UNSECAP categorizations are based on the the UN-HABITAT definition of a slum
household, which refers to ‘a group of individuals living under the same roof who lack one or
more (in some cities, two or more) of the following conditions: security of tenure, structural
quality and durability of dwellings, access to safe water, access to sanitation facilities, or
sufficient living area’ (ADB 2011a: 9).

71 The Vientiane Urban Master Development Plan is the ‘principal urban planning instrument in
Lao PDR’ (Rabe et.al. 2009: 36).
Deputy Head, Urban Planning Division – Ministry of public Works and Transport, Department of Housing and Urban Planning notes:

*Urban sprawl is a big problem that the current government does not have the capacity to deal with... private investment is not well integrated with urban planning and is happening spontaneously. Private investments dominate over master plan designs and there is little respect for the law.*

In Goldman’s work on world-class city making in Bangalore, he notes that it was primarily through processes of worlding that the city became confronted with problems such as congested roads, heavy pollution, ‘rapidly escalating social inequality, mass displacement... the proliferation of slum settlements... and epidemic public health crises due to severe water supply and sewage problems occurring in poor and working-class neighborhoods’ (Goldman 2011: 235). While Vientiane is a much smaller and less densely populated city than Bangalore, it remains possible that without more socially and environmentally conscious urban planning it too will eventually face similar concerns.

**8.3: Creating a World-Class Capital**

The increasing importance placed on Vientiane as the ‘centre of the nation’ by the GoL and aid partners like China is a product of the wider spatial shifts that have occurred through the global expansion of neoliberal capitalism. As neoliberalism has become one of the leading forces shaping nation-state geographies, there has been an increasing centralization of state and private investment into key, competitive, networks and nodes that facilitate the global flow of goods, capital and information (Brenner 2004; Castells 1996; Lefebvre et al. 2009). This in turn has seen national economies become increasingly dependent on a country's primary urban regions[s], and has led to the expansion of ‘World-class’ or global cities through which the majority of investments, state resources, tourists, and communications now flow (Bunnell 2002: 287; Winter 2007: 148).
As key urban regions have become increasingly important to nation-states’ ability to access transnational capital flows, so too has the value placed on the symbolic representations of modernity that ‘global cities’ provide. Described by Ghertner as ‘aesthetic governmentality’ (2011: 289), and by Roy & Ong (2011) as practices of ‘Worlding’, such conceptualizations of the city evaluate urban landscapes on the basis of visual categorizations of the modern and the traditional, or the developed and undeveloped. Worlding employs clear aesthetic criteria for the appraisal of urban space that privileges the development of aesthetically pleasing high-modernist architecture and new built environments over the livelihoods and wellbeing of local communities (ibid). Through the construction of airports, glittering shopping malls, luxury hotels, air-conditioned office towers and manicured gardens, Worlding attempts to create a space of elitist consumption that will attract global trade, finance, and communication flows. As Ghertner (2011: 289) states:

‘In this new, more aesthetic framework, the law crafts fields of intelligibility by disseminating standardized aesthetic norms. Spaces are known to be illegal or legal, deficient or normal, based on their outer characteristics. ... it takes an idealized vision of the world-class city gleaned from refracted images and circulating models of other world-class cities (a little Singapore here, a little London there) and asks if existing territorial arrangements conform to this vision.’

This high-modernist aesthetic governmentality can be seen across the globe, from New York, to London, Sydney, Dubai, Vancouver and Delhi. In particular, it has been a prominent feature of East Asian urbanisation, with a number of Asian cities (such as Shanghai, Singapore, Taipei, Tokyo and Seoul) becoming global metropolises whose urban landscapes are invoked and emulated in both Asia and the West (Ong 2011: 14). Although not operating at the same scale, or with the same sophistication, the glimmering glass and steel landscapes of Asia’s global cities are also being reproduced within least developed countries such as Laos.
The ability of the GoL to pursue ‘world-class’ cityscapes is a direct product of the aforementioned shifts in the global development landscape that have led to the emergence of ‘new donors’. Aid and investment from China, South Korea, and elsewhere in East Asia has become a driving force for the remodelling of Vientiane’s built environment to better fit with the aesthetic principles of East Asia’s global cityscapes. This is a strikingly different aspiration for development to that of traditional Western donors, who have often sought to ‘preserve’ the country from such forces of global homogenization, yet it is also one that the GoL seems to be actively pursuing. In an article on urban development in the Vientiane Times, for example, the author states that ‘we can take heed of neighbouring countries like China, who have also experienced fast economic growth and have taken a healthy line between preservation and modernisation’ (Sakdavong 2010).

### 8.4: Modernising from the Outside-In

Due to a lack of government revenues and large-scale national enterprises, the modernization of Vientiane has been primarily driven by foreign investment. There are at least 134 foreign-owned factories in the city (accounting for more than half of the total factories in Laos), and by 2010 FDI flows were already approximately three times greater than domestic investment (JICA 2011: 2-4; Syvongxsy 2010a). Using foreign investment as a means to modernize built environments remains a key urbanization strategy of the GoL and, as a result, more than 75 per cent of the province’s land concessions have been awarded to foreign businesses (Schoenweger & Üllenberg 2009: 19).

Vientiane’s four biggest sources of FDI are China, South Korea, Thailand and Vietnam. In respect to the latter, Vietnamese investments into the city have included a US$7 million shopping and office complex, a US$250 million residential housing and infrastructure upgrade project, and a billion-dollar mega-project which, if completed, will include a golf course, resort, school, hospital, and sports centre (Southivongnorath 2010; Times Reporters 2010h; Times Reporters 2010h). Thai investment includes the US$10 million Lao International Trade and Exhibition Centre and nearby shopping mall, while South Korea’s development of the city has principally been led by one
conglomerate, named Booyoung Group, whose investments have included a golf course for the 2009 SEA Games, and proposals for the building of a second airport in Vientiane to host flights to Seoul and Hong Kong (Dwyer 2011a). Booyoung Group also plans to build an information technology training centre near the National University of Laos, while other Korean firms have been involved in restaurants, road building, and the construction of apartment blocks (Phouthonesy 2010a; Times Reporters 2010j). In addition to private sector investment, Korean ODA has played a growing role in Vientiane’s urban development, most notably through the riverfront Chao Anouvong park and boulevard. Built by the Heung Hwa Industry Co., Ltd at a cost of more than US$30 million, the park now includes a children’s playground, grass covered areas, water fountains, and a large statue of the famous Lao warrior Chao Anouvong, which towers over the Mekong River with his hand forcefully pointing to remind Thailand that - as one Lao friend told me - ‘this is Laos!’

While Korean, Thai and Vietnamese investment has all played an important role in the modernization of Vientiane, none have seen the same outpour of aid and investment as China. Chinese owned restaurants, market stalls and shopping centres are emerging all over the city, selling everything from children’s toys to construction machinery, electronics, jewellery, medicines, imported foods and counterfeit Gucci and Prada handbags. The Industrial and Commercial Bank of China (ICBC) now has a grandiose branch in Vientiane and at the, currently under construction, Chinese ‘Sky City’ investment a planned 150m tall building will become the tallest in Laos. At the 300 store SanJiang Shopping mall that locals refer to as the Chinese Market (or Talat Jin), almost everything has been imported from China. Opened in 2007 at a cost of US$6 million, and flanked by Chinese motor-vehicle dealerships, Sanjiang is reportedly one of the largest Chinese markets in Southeast Asia. Closer to the city’s centre, the China-Singapore-Taiwan-Hong Kong owned Regal Global Investment Development Group has partnered with the Lao military to build a 350 room, US$100 million, five-star hotel that will be the largest tourist accommodation facility in Laos. Although by no means the biggest Chinese investments, for Tan, these ‘markets, shops, restaurants and guesthouses have become the most visible markers of
urbanization’ in Vientiane, ‘producing a new form of urban centrality that Lao cities were previously lacking’ (2012: 74-75).

Again, investment from China has taken place across multiple scales and has been facilitated or encouraged by Chinese aid funding of infrastructure projects and the modernization of the urban landscape. Vientiane is listed in the previously mentioned Northern Plan as a key industrial city and is an important site for the CCPs use of aid flows as a form of ‘soft power’ and friendship buying. To provide just a few examples, Chinese aid has funded the beautification of the Patuxai monument gardens, the erection of the National Stadium sporting complex, road upgrades across the city, and the construction of the Lao International Convention Centre to host the Asia-Europe meeting (Lintner 2008: 178; Phouthonesy 2010d).

Of particular importance to such processes of beautification within Vientiane has been a growth in what Shatkin has referred to as ‘urban integrated mega-projects’, or UIMs for short (2011). Including multiple architectural forms such as hotels, schools, apartments, roads, hospitals, and office buildings, UIMs are large-scale urban development projects designed to attract investment and mobilize corporate entrepreneurialism (Shatkin 2011: 77). An important component of the broader shift within Asia towards the reconfiguration of cityscapes to better attract foreign capital flows, UIMs have led to ‘the wholesale commodification of the urban fabric’, and ‘the ascendance of private-sector actors from an historically fragmented and indirect role in shaping urban form to a central role in the core functions of urban planning’ (ibid: 77-78). They have also been a central feature of China’s growing FDI into Vientiane.

The first Chinese UIM to begin development is a US$1.6 billion project that was awarded to Chinese company Wan Feng Shanghai Real Estate Company in exchange for the construction of the country’s largest sports stadium (the National Stadium), which was used to host much of the 2009 Southeast Asia Games (Times Reporters 2012c; Times Reporters 2012d). Located on the city’s largest remaining marshland at That Luang, the venture was awarded a fifty-year land concession that will reportedly cover an area of 365 hectares. It is the largest private-sector project to have ever been built in the city and is expected to include five-star hotels, shopping centres, public parks, numerous
entertainment venues and a large residential area that includes more than 18 high-rise condominiums (Times Reporters 2012e). It is also a development that has raised widespread concerns.

Built on a site of high hydrological importance, the ‘That Luang Lake New World’ UIM directly contravenes the planning guidelines set out in the Vientiane Urban Master Development Plan, which recognise the ‘extremely valuable role’ that the marshland plays in storing storm water run-off before discharging it to the Mekong River (JICA 2011: 2-2). Beyond its environmental impact, the development also sparked concern in Vientiane over the number of Chinese workers involved in its construction and who, it was feared, might continue to live in the city following the completion of the project (Stuart-Fox 2009). Finally, as with most UIM’s in the city, the development will also require the forced resettlement of a number of families living in the project area, who draw on the wetlands resources for subsistence or to supplement their incomes (Integrated Regional Integration Networks 2010).

Elsewhere in the city, on another of Vientiane’s fragile wetlands, a second Chinese UIM is being built through a joint venture between Yunnan Provincial Investment Co., Ltd and the two Lao companies of Asia Investment Financial Services Co., Ltd and the Krittapong Group (Vongsay 2010c). Located on Nong Chan Lake, in close proximity to the existing shopping complexes of Talat Sao and Talat Sao 2, the ‘World Trade Center’ UIM is planned to include a shopping mall, supermarket, international hotel, office building, apartments, a cinema and a casino. Reflecting the highly speculative and competitive nature of Chinese investment flows into Vientiane, the World Trade Centre complex is located directly beside another Chinese-owned UIM that is also planned to include all the same features (with the exception of the casino) as the World Trade Center complex, although so far only a shopping mall has been completed. As with the That Luang project, discourses of Worlding have been an important feature of these developments legitimisation, with billboards at the construction site

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72 According to Martin Stuart-Fox this agreement was negotiated through the China development bank (who provided the credit for building the national stadium) and includes a Lao company who has a 5 per cent stake in the project (2009: 142).

73 As the report states, ‘it is highly recommended to conserve marshes which have some important effects, such as retaining water, purifying water quality, and ... for citizens’ relaxation in the Capital city’ (JICA 2011: 5-90).
describing it as ‘a symbol of fast-developing Laos’ and ‘a world-class dwelling place’.

While neither of these projects will require any forced displacement, the Vientiane Centre has already seen the removal of one of the city’s last traditional marketplaces. This marketplace, located close to the Khua Din bus station, once accommodated a number of stallholders who are also being forcibly displaced from their homes by yet another Chinese UIM, which is discussed in some detail below. Such eradication of local marketplaces for large-scale, foreign owned, shopping malls has been a common occurrence in Vientiane over the past five years and is undermining the livelihoods of many small business owners. As an anonymous employee of the Lao National Land Management Authority states:

*These big investments are squashing local businesses that can’t afford to rent spaces in the new shopping malls. I have spoken with many of these people and they are very worried about their future.*

Significantly, with only a relatively small middle and upper class, the city does not have the domestic market to accommodate the current number of large-scale commercial developments, many of which at present remain largely empty of both businesses and customers. At the Talat Sao 2 market, for example, after four years of trading the top two floors of the five story complex remain empty, while at the Regal Megamall – once slated to be the largest shopping mall in Laos – construction has halted indefinitely. Such setbacks have not, however, slowed investment into the city, or reduced the GoL’s faith in its ability to use FDI as a means for implementing urban beautification and modernization. Indeed, it appears that a combination of anticipation for future transnational flows into Laos and the GoL’s willingness to provide low-cost land to foreign investors represents a highly enticing environment for speculative capital – as is evidenced by the opening of more than 30 independent banks in the past four years.
Figure 8 & 9: New Forms of 'World Class' Urbanism in Vientiane. Photographs by Kearrin Sims
8.5: Vientiane New World(ing)

Situated on 25 hectares of prime riverfront land at Vientiane's final remaining wetland, the aptly named Vientiane New World (herein referred to as VNW) urban development project is a $US600 million joint-venture between Chinese SOE CAMCE and the Lao-owned Krittaphong Group.74 Funded with Chinese aid and awarded a fifty-year concession by the GoL, VNW is planned to include a hospital, trade centre, school, restaurants, private apartments & fifty tourist villas (China Daily 2012; Pongkao 2013). The first and most immediate priority of the development, however, was its accommodation facilities, which were hastily built to host the visiting delegates of the 9th Asia Europe meeting (ASEM).75 An event that was attended by high-ranking government officials from over 40 countries, the 9th ASEM was a landmark opportunity for Laos to strengthen its global reputation and a crucial global image-enhancing project.

Discursively framed by both the project developers and the GoL as a matter of national pride, VNW was awarded the highest priority by the government, who drew on discourses of Worlding and the project's importance to regional integration as a means to legitimize the forced displacement and environmental concerns that it involved. In an article leading up to the ASEM meeting, for example, the Vientiane Times stated that 'foreign ambassadors posted in Laos have endorsed the Vientiane New World project... saying it will become a major centre for investment both in Laos and northeastern Thailand’ (Times Reporters 2012d). Quoting the Chargé d'Affaires of the European Union Delegation to Laos, who described the development as ‘Hong Kong on the Mekong’, and the Hungarian Ambassador to Laos, who labelled it as ‘Shanghai on the Mekong’, the article states that the project will contribute to the growth of the economy and enable Laos to become an economic centre of the Mekong sub-region (ibid). In various locations across Vientiane billboards advertising

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74 This is the same Chinese SOE who undertook the Luang Prabang airport upgrade. China CamC is an SOE that has been an important arm of the CCP's aid program. The website China aid data, a collaborative online platform that seeks to make information about Chinese development finance flows to Africa more accessible, list 37 projects by CamC in countries ranging from Bolivia to Bangladesh, Kenya, Chad, Sierra Leone, Nepal, Myanmar, Moambique Zimbabwe and Sudan. Projects include airport construction, power grid development, factory construction, hydropower, railway lines, and hotel complexes (http://china.aiddata.org/projects/37807).

75 The ASEM summit is a bi-annual meeting between heads of states in Europe and Asia to discuss political, economic and cultural relationships between the two regions.
the development during its construction phase depicted VNW as a series of glittering high-rise buildings that rested on the shores of an imperial blue Mekong, while above the construction site the three flags of China, Laos and CAMCE flew side-by-side in a symbolic display of the relationship between the modernization of Laos’ urban environments and Chinese FDI. The strongest example of the project’s attempts to draw on discourses of Worlding, however, can be seen in its investment promotion video.

Available on the video hosting website YouTube under the name ‘Laos - Vientiane New World Project’ (2012) the VNW promotion video begins by displaying images of global cityscapes. Text flashes across these images stating: ‘Not New York… Not Beijing… Not Hong Kong… Not Paris’, to draw further attention to VNW’s inter-referencing of these ‘world-class’ urban environments.

Moving on to describe ‘a pearl shining around Mekong river…’, the video depicts buildings of glass and steel back set by a green landscape that removes the actually-existing Vientiane and fictitiously presents VNW as a profound and unprecedented step from the jungles of Indochina into the glass and steel fronted urban landscapes of modern Asia. A narration behind the video states that Laos is ‘becoming the hub of Mekong River’ and that VNW will be an international centre ‘through which Laos goes to the world’. Later, with fireworks blasting over the computer-generated imagery of the development, the video again stresses the role that VNW will play in promoting globalization in Laos by depicting a map of the GMS, an airport, and finally a map of the globe.

Describing the project as ‘a sleepless city where people linger and stay’, that will attract ‘global investment as well as worldwide tourists’, the eight-minute video states the word ‘international’ fourteen times. As the following section will show, however, the ‘internationalization’ of the project into a tourist facility for fluid, mobile, elite has been pursued at the expense of more ‘fixed’ local residents.

8.6: Beautifully-Induced Displacement

With the highest population density in Laos, and with rapid investment pouring into the city, access to land has become highly competitive within Vientiane. In the city’s densely built-up urban center there is little vacant space for new
developments (JICA 2011: 2-17) and, according to Rabe et al., since 2000 land prices ‘have doubled or even quadrupled in prime locations or newly developed areas’, with some investors purchasing land and reselling it one year later for a 250 per cent profit (2009: 30). Across the city longstanding marketplaces are being torn down and replaced by new shopping malls, apartment blocks, hotels and retail outlets. One result of this has been a rise in the number of communities being displaced to make way for new developments. For the upgrading of ‘Talat Sao’, one of the city’s largest morning markets, for example, some four hundred shops were destroyed. Behind the iconic That Luang Stupa, residents have also been displaced to make room for new developments and urban beautification, while both the That Luang Marshlands UIM and the SEA Games National Stadium project required the forced resettlement of existing residents.

While displacements in the city have come from a diversity of investors, Chinese investment and aid-funded projects have been a particularly significant driver of forced resettlement and accumulation by dispossession. Termed ‘Chaiqian’ in Chinese, land disputes and forced displacement are one of the leading causes of social unrest within China, where the demolition and forced relocation of communities has been both a force for economic growth and a major driver of the rising inequality levels (Forsythe 2011; May 2011; Wu et al. 2010; Xuibin 2011). While it would be unfair to accuse China of ‘bringing’ this model for development to Laos (forced resettlement has long been undertaken by the GoL), it is clear that growing Chinese aid and investment has seen a rise in the amount of accumulation by dispossession taking place in the country. As the Deputy Head of the Urban Planning Division at Ministry of Public Works and Transport, Mr. Sengdara Douangmyxay simply states:

*Most resettlement programs in the city that are linked to private investments are from Chinese projects.*

At the VNW site, for example, in August 2011 somewhere between 163 to 300 families were forcibly displaced from their land in That Kao village, where most
had lived since the end of the Second Indochina War (1975). Indeed, prior to their relocation, the former Don Chan Island residents were one of the most longstanding and well-established communities in the city, with many homeowners being second-generation family members who were born at the village site. That being said, it should be stressed that the community had never been awarded permanent land-title documents and were thus considered by the GoL to be illegally occupying the area. A community of farmers, That Kao village had, in recent years, been selected by the swiss-based NGO HELVETAS as a target site for their program to promote organic agriculture within Laos. According to a senior staff member from the organisation, the objective of this program was:

To use organic farming as a means for localizing resources and project ownership. We aim to to work on sustainable development and participatory approaches... and to promote organic agriculture as a sustainable livelihood.

In Vientiane, however, this program had faced a number of setbacks relating to land acquisitions. As another staff member responsible for overseeing the organic farming program explains:

We work in six districts in Vientiane with many village projects. Last year we had a problem at Xiengda village, when a big Chinese company was awarded a concession on villagers land to build a hospital, an international school, and a golf course. In this case, however, villagers held land title documents and were able to successfully oppose the investment.... This year at Don Chan Island

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76 A lack of transparency make estimates for the total number of displaced unclear, however, most reports ranges from 163 to 300 families. The relatively small population of Laos (approximately 6.8 million) and a lower population density than many other East Asian countries has meant that forced displacements have generally not involved the sort of mass relocations that have occurred in countries such as China and India. However, as this chapter explains, the impact of forced displacement at the VNW site was significant for the resettled community and is representative of a broader confrontation between corporate interests, state priorities and community needs that has been a persistent feature of development practice within Laos – including at many other sites within Vientiane.
we have a similar issue, except villagers here do not have land title documents and the highest levels of government have approved the project. So we know that the villagers will have to move, but we are concerned by villager complaints that they have not been adequately compensated.

Although in Vientiane there isn’t much arable land and I don’t think investments should take place on the agricultural areas, HELVETAS concerns are not with the development itself - our concern is that people are being shoved aside and their resources taken away.

Four of the key concerns that residents expressed during the early stages of their relocation are discussed below.⁷⁷

One of the leading concerns for the former residents of the VNW site was the misappropriation and corruption of financial compensation. Payments of recompense had been unevenly and unjustly distributed, leading a number of families to be insufficiently remunerated. Personal networks, familial ties and links to the politburo played an important role in whether or not one received sufficient compensation, with many individuals being subject to graft and extortion.

One such resident that expressed strong dissatisfaction with the compensation process was Noy. A young woman in her early twenties, Noy grew in up a middle-class Lao family that was respected in the village because her father had served as a military officer in the Pathet Lao’s victory during the Second Indochina War. Noy is a well-educated woman and holds employment at an international mining project in the country’s southern region. While Noy did not own a home of her own, part of her decision to remain living in the family house was to take care of her mother. When she was not working at the mine site, Noy enjoyed her expendable income in Vientiane, often visiting restaurants with

⁷⁷ Given the lack of political freedom in Laos speaking with a community that is facing development-induced displacement is rarely a straightforward task. The majority of data collected here was facilitated through a passive snowballing method that drew on the existing friendships and village relationships of one individual, referred to here under the pseudonym of ‘Noy’, a common female name in Laos. See Chapter 2 for more detail on this.
friends. In respect to the resettlement compensation, however, Noy explained that:

For my house I was only given thirteen thousand [USD]. But they [she points to another house that looks similar to her own] received eighteen thousand [USD]. And that house just there [she points to yet another home of similar appearance] they received forty-eight thousand [USD]. – Noy.

Noy believed the amount that she had received was grossly insufficient and was negotiating with the provincial government to receive a more adequate payment. Some families had benefitted substantially from the resettlement process, and Noy was frustrated that her family had, in her opinion, been mistreated. However, rather than taking an formal legal taking she too was seeking to draw on personal networks as a means to better her situation:

He is not a lawyer, he is a man who knows the right people in the government. This is the only way to get more [compensation]. Like that man [she again points to the house whose owner was awarded US$48 000] he works for the government and that is why he was given a lot.

Continuing on, Noy explained that if she wanted to register a formal complaint with the government she would need the support of the Village Nai Baan (village head). However, the Nai Baan was a party member who had been well compensated for his home and, as a result, he was not supporting villager disputes. Furthermore, Noy also informs me that she did not receive any compensation for renovations inside her home as those handling the resettlement had declared that they were undertaken after residents had been notified they would be relocated; an assertion that Noy flatly denied. As with all residents, Noy was also not receiving any compensation for income lost during the relocation process or for lost assets such as vegetable crops. Reports of insufficient financial compensation and acts of extortion can also be seen in the circumstances of Mr. Kham and Mr. Keo. Neighbours that were both
in their early thirty’s, both Mr. Kham and Mr. Keo had been living at That Kao village since they were children. While the sensitivities surrounding the research context prevented me from probing too deeply into their personal histories, it was clear on speaking with these men at their brick-and-concrete homes that they were also members of Vientiane’s small middle-class.

One measure implemented to ensure adequate financial compensation payments were provided enabled villagers to request a second valuation on their home. This form of ‘grievance redress’ is in accordance with GoL resettlement guidelines (GoL 2005). Nonetheless, as Mr. Kham’s experiences highlight, rather than facilitating democratic processes this procedure had instead become a form of coercion employed to silence unhappy families through the threat of further losses:

*I have had my home valued twice. The first time they came I was given thirteen thousand [USD]. But my house is worth more than this, so I told them to look again. The next time they only gave me ten thousand, eight-hundred [USD]. I told them that this is not enough, but they said if they come again I might only get $5,000. – Mr. Kham.*

In Mr. Keo’s case, his home was originally valued at US$30,000 - an amount to which he readily agreed. However, after unknown ‘taxes’ were deducted from this quote he too was only awarded US$13,000. Inquiring as to how this could occur Mr. Keo explained that he had signed his compensation agreement before the ‘taxes’ had been applied.

*I asked him [the property evaluator] does he think that I can build my house again for thirteen thousand [USD] and he tell me that no, I cannot. So I ask him ‘why do you want to make me a poor man then?’ and he cannot answer me! – Mr. Keo*

Beyond initial compensation payments, graft and extortion also continued to occur in the resettlement site, where residents were required to pay over five million kip to be collected to electricity and have wells drilled, as no piped water
had been installed at the time of relocation. Such bribery is an everyday feature of service provision in Laos; however, it is not factored into compensation payments. As a lawyer who provides voluntary legal aid to displaced residents explains:

*People are treated unjustly in Laos every hour of every day. More [legal] protection is needed.*

A second common concern amongst displaced residents was the peripheral location of the resettlement site. At more than 20km from the city centre, the chosen location at Ban Nong Thong in Xaithany district appeared to be a dumping ground for displaced villagers from all over the city, including former residents of the national stadium development site and those who were moved for urban beautification behind That Luang Stupa. These residents had been relocated two years prior to those from the VNW site and it was reported in the Vientiane Times that schools, parks, and public transport would be provided to the area (Phouthonesy 2010e). However, at the time of the VNW resettlement, these services had still not been provided. With no public transport and poor quality dirt roads being the only access way to the resettlement site, the journey to the city-centre took approximately 30 minutes by private vehicle. For the numerous families who sold vegetables at the early morning markets in Vientiane, transporting themselves and their produce would be costly, especially given the government’s stipulation that residents must live at the resettlement site for three years in order to be awarded the necessary land title document to sell and move elsewhere.

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78 Plumbing to the resettlement site had not been provided when villagers were first relocated. Although the provincial government assured the displaced community that plumbing would eventually be provided many families chose to pay for temporary wells in order to proceed with the building of their new homes (for which a water source was required).
While the marginalization of the former VNW residents to the city’s periphery represents a challenge for the displaced, for the GoL, it has served two important governance objectives. Firstly, the removal of the VNW community from the city centre was necessary for the provision of more space to create an aesthetically modernized cityscape. Farming communities such as the VNW residents are not compatible with the aesthetic governmentality of ‘world-class’
city-making and, consequently, their existence must be hidden from foreign tourists and businesses. Secondly, relocating these residents to uncultivable land on the urban periphery has also provided a proximate wage-labour force for industrial production. According to the Urban Master Development Plan, the relocation site is located within a district that has ‘been recognized as a sub-center area’ for future urban development (JICA 2011: 31) and that, since 2009, has also been home to the Lao-VITA special economic trade park. A joint venture between Nam Wei Development Co Ltd from Taiwan and the Lao government Ministry of Planning and Investment, reports are that the 110-hectare project will include a hotel, hospital and 147 factories producing goods for export (Vongsay 2009). With residents from forced displacements all over Vientiane being located to the surrounding area of the trade zone, I would argue that the GoL is employing the sorts of top-down, technocratic management of space and the national population that James Scott has extensively discussed in his seminal 1998 text, ‘Seeing like a state’. As Scott notes;

> Officials of the modern state are, of necessity, at least one step-and often several steps-removed from the society they are charged with governing. They assess the life of their society by a series of typifications that are always some distance from the full reality these abstractions are meant to capture (1998: 76-77).

These ‘typifications’ to which Scott refers, were also evidenced in the imagery displayed on a large billboard at the resettlement site, which depicted a computer-generated image of the completed new village. In the image houses of the same design are arranged in neat rows with Western-style gardens. For Noy and others, the billboard represented a pictorial display of the deceit she had experienced throughout the resettlement process. Pointing it out to me one day to emphasise her frustrations she asked ‘do you think we can afford to build houses that look like that (?) – of course we cannot!’

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79 The trade park is located beside the resettlement site, at Noonthing Village, km22.
Whether the Lao-VITA trade park will successfully attract much industrial investment remains unclear. It is not anticipated to be in operation until 2014, meaning that even if successful, employment opportunities for resettled villagers will not begin until three years after they were relocated. To date, other industrial SEZs in Laos have seen little economic investment. Furthermore, there is also a risk that being located so close to a large industrial zone will create uncomfortable living conditions for the community, including the noise and traffic risks from large vehicles and the pollution of the surrounding environment. Regardless of the final outcome, it is clear that the selected relocation site was tied into top-down, abstracted spatial imaginings of the city that have been envisioned by state and private sector aspirations, rather than a consideration for residents existing livelihood practices.

A third common concern of displaced residents, which was related to the resettlement sites peripheral location, was the poor soil quality in the new village. At 20x40 sqm land plots were considerably larger than those allocated for residents of the Luang Prabang airport, but still smaller than plots held by many villagers on Don Chan Island. Furthermore, in the former village site on Don Chan Island, many residents supplemented their incomes by farming the nitrate-rich riverside soils that surrounded their homes. According to one resident, more than 85 per cent of the community was engaged in some form of farming, while almost all families fished the Mekong River, which bordered the front of their village. However, the soil quality at the relocation site had put serious doubts over the future viability of this initiative. As the then director of HELVETAS aforementioned organic farming project states:

*The quality of the soil in the resettlement village is very bad. It will be really difficult for the community because, for the first few years, they will not be able to grow very much at all.*

Arable land is increasingly scarce in Vientiane and urban sprawl is a serious concern that the GoL is having difficulty managing. Yet, at the same time, the approval of UIM’s on all of the city’s remaining wetland sites, and the parallel uprooting of existing communities to unfertile land on the urban fringes, is
directly contributing to these issues. This inability to continue existing livelihoods was a significant concern for displaced residents and, coupled with the loss of their homes and insufficient compensation payments, had led to high levels of emotional distress and, perhaps, even serious effects on health and wellbeing. In the five months that I intermittently spent collecting interview and ethnographic data on the resettlement process interviewed villagers expressed their frustrations with how the resettlement had proceeded. Complaints about the challenges of rebuilding their homes in a distant and arid location were common, as was nostalgic reminiscing about the fertile riverfront land that they had lost. On one occasion while interviewing three residents about their relocation one produced a laminated photograph of his former home for me and exclaimed that ‘this is all that I have left now that my beautiful home has been destroyed’. Similarly, Noy, my closest contact in the village, repeatedly blamed the stress of the resettlement for her father’s death. As she explained:

Before the resettlement my father was a strong and healthy man. [But] When he heard how much we would be compensated he became very stressed. He tried hard to get us more and soon he had a problem with his blood pressure. Then he had a stroke and he died.

Such non-economic ‘costs’ of resettlement and displacement, including the loss of life, are a common, but insufficiently considered, feature of forced resettlements in Laos. Indeed, as Wright notes more broadly, the relationship between development initiatives and emotions is an underappreciated determinant of wellbeing (2012). In Noy’s case, the loss of her family’s home and land was far more than a financial cost, rather it represented a detachment from a place of memories, a place where she could still in some way feel the presence of, and make a connection to, her deceased father. While such variables of resettlement are both difficult to predict and statistically measure, the impact of such resettlement-related emotional stress on resident’s wellbeing should not be ignored (ibid). In the boxed text that follows, I have included a short essay written by Noy that describes her emotional attachment
to her former home at the VNW site and her experience of the resettlement process\textsuperscript{80}.

**My Life at Don Chan Village**

- *Noy*

The recent ASEM 9 conference was held on land that was taken away from local residents. Authorities said this is representative of our region to show the world that you are a part of helping the government.

But this is a land grab, which takes us off our farmland and fishing areas (some fishermen still keep travelling from new relocation to Don Chan for fishing), away from traditional livelihoods and community solidarity. Every time I look at photos taken during past festive occasions, such as Lao New Year, or weekend parties, I wish that I could go back to that time and be with my friendly neighbours.

When I was a young girl, my friends and I went jumping from the iron bridge [at the village]. We usually went after our school classes and sometimes on the weekends. It was a great and memorable time.

Now the bridge has gone. Our houses and vegetable gardens are now gone. Now I miss my good neighbours, friends and my hut under the shady trees with a breeze in my garden. I miss my hoe that I used to help my parents dig in the garden after work. I also miss my handcart, which I used to deliver the produce to the morning market with my mom and brother.

In the afternoon after work and school we used to gather at the beach for playing soccer and others games along the Mekong River. Many people in the village came along to play there and go swimming. This was a place where we used to meet new people and friends.

I liked to invite friends to my village and my house to see my garden. They loved my place, which was full of natural atmosphere. I had a hut next to a well that was close to banana trees. It’s very nice in the afternoon because its shadowed from sunshine. We also often made a party there.

\textsuperscript{80}It is important to note here that this is not something that I requested from Noy. Rather, she sent me the piece to request that I edit it for her as she ‘wanted to improve her writing skills’ and, I suspect, was perhaps trying to express to me the strong emotional attachment that she had to her family land. She has since agreed to its publication (in the edited form) here.
Everyday after work I used help my mom to water the vegetables. I controlled the pipe. We usually grew Phuk Kard Sorm (Chinese Vegetable) because it can be harvested many times a year. We also planted broccolis and cabbages. In the dry season we planted marigold and eggplants.

My garden was surrounded by coconut trees that were planted by my dad. I still remember the day he was planting, I was there too. He said to me ‘they will be giving coconuts once you become a big girl and you can invite friends to harvest them’. At that time I was about 6 years old. After 5 years some of them were ready to harvest, but I couldn’t climb up, so I asked my neighbour to help me and we shared them together. A few years later, I learned how to climb and every month I would get coconuts and take them into my handcart to delivery to roadside café. I could earn money from them. It wasn’t much, but I was very happy that I could earn money by myself. My parents gave me responsibility and I could do my own business. Now my dad is not with us and every time I look at the coconut trees I remember where are they from. Unfortunately I couldn’t move them to new location away from the government project.

From now on, I will never plant vegetables on my beloved fertile land. I miss the days we harvested Phuk Kard Sorm. We really enjoyed working in the garden. We didn’t have to buy vegetables. We could work and exercise at the same time. Mostly, we had a farmers’ community and we would talk together after working on the garden.

I miss my old life at Don Chan Island.

8.7: Conclusion

Vientiane is not a global city. In fact, its ability to even become a key regional node within the GMS remains questionable. As Martin Stuart-Fox notes, it is a small city, in a small country (2007: xiii) that has not experienced the same scale of growth as many of East Asia’s other urban environments. However, this has not prevented the GoL, new aid donors such as China and South Korea or the private sector from imagining a more grandiose future for the nation's capital. These desires to see Vientiane become a more important regional node are not historically unprecedented. As noted above, the city was a regional hub during the Lan Xang period and then again as recently as the 1950s-60s, when it became ‘a pole of attraction to Lao in [the Thai townships of] Udon and Khon
Kaen’ (Evans 2007: 534). However, the means through which Vientiane is becoming more regionally ‘competitive’ has undergone some important shifts in the post-Keynesian era of nation-state restructuring, with regional FDI becoming increasingly influential over what the city’s urban future will look like. In particular, there has been growing importance placed on the visual characteristics of the city, and its ability to mimic ‘world-class’ environments. Practices of Worlding have been examined by academics working on multiple sites in East, South, and Southeast Asia (Ghertner 2011, Goldman 2011, Ong 2011, Roy 2011). However, little attention has been given to discourses of Worlding in Laos. Both traditional donors and the majority of academic research has remained focused on rural livelihoods or the preservation of heritage sites and natural environments, rather than on the country’s rapidly expanding urban landscapes. Yet, as the previous chapter on Luang Prabang also noted, aspirations to maintain the country’s ‘historic charm’ and ‘natural beauty’ are becoming increasingly accompanied by a push for infrastructure-led modernization. In Vientiane, this striving for modernity has taken a particularly visually oriented form, with the city’s development being directed by principles of aesthetic governmentality. Although undoubtedly a priority of the GoL, much of this change in policy has been led by the growth of regional aid and investment to the city. Given Laos’ status of an aid-dependent least developed country, almost all of its urban redevelopment is funded with either ODA or FDI. Land concessions and tax-free economic zones have been rolled out across the city to encourage investment and numerous partnerships have been formed between the state and private-sector. UIMs, especially from China, have become a prominent feature of the city’s redevelopment and have brought with them new high-modernist landscapes of glass and steel. These ‘world-class’ projects are designed to encourage inflows of foreign investment, and to instil a sense of power and awe. Yet, they are also developments that are detached from nature, and that are often exclisury of local residents (Bach 2011; Bauman 2000). As Vientiane’s landscape becomes increasingly privatized, rising living expenses are making it more and more difficult for existing residents to continue living in the city. Uninhabited ‘state’ land is practically non-existent now, and in too
many cases the government’s policy to ‘turn land into capital’ has been translated into the expropriation of land from local communities. What is concerning about Worlding in Laos is not the government’s aspirations to modernise the city, but the ‘explicitly profit-oriented and commodified nature’ through which urban development is being enacted (Shatkin 2011: 80). This is a model for development that is in many instances exclusory of local residents and their livelihood practices. Accumulation by dispossession and forced resettlement has become a common phenomenon in the city, as has the privatisation of the commons through UIM’s that require the corporate ownership of large areas of the city. As was seen in Luang Prabang, and as Power (2012) has also shown in Angola, the coming together of Chinese aid and private sector investment has played a central role in this process.

This is not to suggest that all processes of worlding are opposed by the impoverished, or to deny that the poor have on occasion successfully opposed urban developments deemed detrimental to their livelihoods and wellbeing. As is evidenced in the frequent failing of UIMs all across Southeast Asia, ‘the state-corporate nexus’ that encourages such urban remodelling ‘is not entirely seamless and omnipotent in its exertions’ (Shatkin 2011: 86). Indeed, it must be noted that urban beautification is not only desired by many impoverished Asian urbanites, but that, when done correctly, it can also offer benefits to impoverished residents too, including improved public infrastructures such as water and electricity (Ghertner 2011). As Roy insightfully argues, many ‘subordinated social groups’ simultaneously ‘oppose and take up the vision of the world-class city’ in their aspirations for the future (Roy 2011: 312). In other words, the desire to see urban centres become more ‘modern’ and more ‘beautiful’ is one that can be, non-unanimously, found across cities full socio-economic spectrum.

Where the worlding aspirations of the state, private sector and the impoverished most often diverge, however, is in respect to their perceptions around who should be entitled access to new imaginary cityscapes. In Harvey’s words, contestation remains strong regarding both which citizens should be given a ‘right to the city’, and how such ‘rights’ should be negotiated (2008). As the spatial form of Vientiane has been rebuilt in accordance with imaginings of
the ‘world-class’ city, modern infrastructures and ‘gigantic forms’ such as airports, shopping malls, office buildings and hotels have been used to expel the ‘visually unpleasant’ urban underclasses and middle-class farming communities to the periphery (Banerjee-Guha 2010: 4; 14). Thus while the growth of Chinese aid and investment into Vientiane may see the realisation of the city’s urban master plan goal to become ‘a regional hub in the GMS’ and the ‘centre of the nation’, it is far less likely to produce what is arguably the most important aspiration of the plan, namely, to ensure a ‘comfortably liveable and beloved hometown’ (JICA 2011: 3-5).
9
Gambling on the Future: New Enclaves of Chinese Urbanism

9.1: Introduction
There is nowhere in Laos where Chinese aid and investment has been a more powerful force for socio-cultural and economic change than within the country's north. In a part of the country where capitalist market economies and state governance has been relatively weak, economic flows from China are now bringing new infrastructure upgrades, new industries, and new social practices. Chinese merchants and traders have established stores selling a variety of consumer goods, while larger investors have built hotels and guesthouses, motorcycle dealerships and countless agribusiness plantations. Although still a region that is dominated by agricultural production, Chinese investment has also played a central role in the emergence of new urban environments. In Chapter’s 7 and 8 it was shown that Chinese aid and private-sector interests have drawn on existing discourses of heritage tourism and ‘world-class’ beautification as a means to reconfigure urban landscapes in accordance with high-modernist development ideologies. In this chapter I again focus on the coming together of Chinese aid and investment as a force for urban change, however, rather than examining the transformation of existing built environments, I instead address the emergence of two entirely new urban forms.

As the neoliberal ideologies of IFI’s such as the ADB have come together with growing Chinese investment in Laos - and also the aspirations of the GoL to promote private-sector growth - a number of Special Economic Zones (SEZs) have begun to emerge across the country. Following the extraordinary wealth
that has been generated by casinos within cities such as Macau and Singapore, both private-sector investors and national governments across East Asia have promoted gambling enclaves as a means to fast-track economic growth. However, not all casinos have lived up to expectations.

In northern Laos, the two casino towns of Tongpeun and Golden Boten City have been built with Chinese FDI, to almost exclusively target Chinese tourists. Capitalising on transnational transport infrastructures built with Chinese aid funding, these new built environments are a powerful display of the production of technocratic modernization through the coming together of state and private sector investment. Targeted at export-oriented growth, rapid urbanisation and intra-regional tourism, the casino towns are representative of a fundamentally different approach to development to that which has been pursued by many Western aid donors, who have generally focused on issues such as food security, health and hygiene, minority rights and the celebration of ethno-cultural diversity.

In this chapter I explore both the ideological genealogies and the place-specific histories that have seen the emergence of the northern SEZs. As the following pages will show, the casino towns are rapidly transforming the socio-economic and cultural landscapes of the northern uplands. While they have brought some new employment opportunities to the region, they have also seen a swelling of illegal Chinese migration and a growth in morally questionable practices such as drug use, prostitution, and the sale of endangered wildlife. As was shown in respect to Chinese state modernization efforts in Luang Prabang and Vientiane, what appears to be occurring in the more private sector led SEZs is the pursuit of a development model that prioritises the interests of national economic growth, the Lao state, and the private sector over the livelihoods and wellbeing of local communities.

9.2: The Northern Uplands: State Periphery or Regional Crossroads

The northern uplands region is spread across the five provinces of Luang Prabang, Oudomxai, Houaphan, Luang Namtha, and Bokeo. This is a scenic region that Lonely Planet describes as a landscape of ‘majestic curves’ and ‘steep green folds’ that ‘hinders modernity’ and ‘preserves mystique’ (2010:
It is one of the most densely forested landscapes in Southeast Asia and is home to a wealth of natural resources. Popular with eco-tourists and backpackers who seek adventure or ‘off the beaten track’ experiences, its mountainous landscape has allowed for the perseverance of ‘vast’ unexplored territory, great biodiversity and a culturally rich variety of ethnic minority communities (ibid). As Scott notes, ‘in the space of a hundred kilometers in the hills one can find more cultural variation—in language, dress, settlement pattern, ethnic identification, economic activity, and religious practices—than one would ever find in the lowland river valleys’ (2009: 16).

**Figure 12:** Spread of Ethno-Linguistic families in Laos: General Area of Discussion Marked with Red Border.

In this chapter my focus is only on the two northern provinces of Luang Namtha and Bokeo. These are the two most ethnically diverse provinces in Laos, where a sparsely populated and mountainous landscape has ensured that ‘metropolitan projects do not reach so far or deep as to change everything according to their plans’ (Tsing 2005: 196). Indeed, the ethnic Lao are a minority in both provinces, with more than 90 per cent of the 76 villages that are located along the NSEC being ethnic minorities (ADB 2010a: 11; Evans 2000: 162). Traditionally living in small, close-knit, villages that are scattered across the mountains, these nomadic ‘hilltribe’ communities transgress national boundaries and have, until recently, lived relatively autonomously. A part of James Scott’s ‘Zomia’ region, the uplands has for a long time been home to peoples who ‘have not yet been fully incorporated’ into the Lao nation-state, and who avoided ‘the process of valley homogenization throughout Southeast Asia’ (Scott 2009: ix, 253). Northern Laos is also a highly impoverished part of the country, with some of the lowest development indicators in Southeast Asia (Doussante et al. 2011). According to the ADB, ethnic minorities account for the majority of the country’s impoverished, with 43 per cent of the total uplands population being classified as ‘poor’ (compared to just 28 per cent in the lowlands) (ADB 2008f: 58). For the most part, upland communities experience higher rates of infant and maternal mortality, lower access to health and education services, and lower literacy rates (ibid: 59). These high rates of impoverishment, coupled with weak state regulation, have led parts of the uplands to become spaces of lawlessness, vice economies and illegal activities such as trafficking, poaching of endangered species and drug production (UNODC 2009: 9).

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81 Luang Namtha is home to 39 of the country’s 49 ethnic groups, including the Hmong, Akha, Mien, Samtao, Thai Daeng, Thai Lü, Thai Neua, Thai Khao, Thai Kalom, Khamu, Lamet, Lao Loum, Shan and Yunnanese (Burke & Vaisutis 2010: 194-95).
82 According to Scott ‘Zomia is a new name for virtually all the lands at altitudes above roughly three hundred meters all the way from the Central Highlands of Vietnam to northeastern India and traversing five Southeast Asian nations (Vietnam, Cambodia, Laos, Thailand, and Burma) and four provinces of China (Yunnan, Guizhou, Guangxi, and parts of Sichuan). It is an expanse of 2.5 million square kilometers containing about one hundred million minority peoples of truly bewildering ethnic and linguistic variety. Geographically, it is also known as the Southeast Asian mainland massif’ (Scott 2009: ix). For more on Zomia see Scott, J 2009, ‘The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia, Yale University Press, New Haven.
**Figure 13:** Poor Districts of Laos. General Area of Discussion Marked with Red Border.

However, while northern Laos is in many respects a remote and weakly regulated part of the country, it is not isolated. Like all of the country’s provinces, both Luang Namtha and Bokeo have international borders, with the
former bordering China and Myanmar and the latter only being separated from Thailand and Myanmar by the Mekong River. Located on both the geographic and socio-economic periphery of Laos, the two provinces are more accessible from China and Thailand than they are from Vientiane, making them important transit routes for GMS trade. They are liminal spaces where communal ties, cultural practices and economic markets transgress national boundaries.

Yet, at the same time, this is not to suggest that the region is, or is becoming, ‘borderless’. National boundaries continue to remain important sites of regulation, markers of state power and a means of organizing social space and cultural identity (Dürrschmidt & Taylor 2007: 36, 38-39). Rather, it is simply to note that these provinces are ‘border zones’, where state regulation is ‘being reconfigured along newly emerging patterns of migration networks and transport corridors’ (ibid), and ‘where the proximity of a place that is different in matters such as currency, laws, citizenship and commodity prices has a profound influence’ (Ishikawa 2010: 1).

In the past two decades of growing GMS regionalism there has been a substantial increase in the scale of movement across national borders. As previously mentioned, the CCP aid-funded NSEC passes through both Luang Namtha and Bokeo and has seen a significant increase in tourism, trade, communications and migratory flows – especially from China. Trucks and tourist buses travel from China to Thailand daily, passing by a growing number of Chinese-owned shops, restaurants, hotels, karaoke bars and factories. Indeed, according to the World Bank, ‘the production and supply of a small number of commercial crops to the Chinese market has become the highest development priority of the provincial authorities’ in Luang Namtha (World Bank 2008: 32). Perhaps the greatest change to the region’s socio-cultural and environmental landscape, however, has come from new casino towns.

9.3: From Zomia to Macau on the Mekong: Casino Towns

There are two large-scale privately owned Chinese-owned casinos in Northern Laos. The first is located on the China-Lao border crossing of the NSEC, at Boten in Luang Namtha province, and the second is situated across the river from Thailand in the Golden Triangle SEZ town of Tongpeun, Bokeo province. In
respect to the former, the ‘Golden Boten City’ casino was opened in 2007 on a 1640 hectare, 50 year land concession that was awarded to Hong-Kong based company *Fokhing* in 2003, for a period extendable up to 90 years (Nyíri 2012; Tan 2015). Operating in a SEZ, the purported aim of Golden Boten City was to ‘develop a warehouse and distribution center ... to build [a] customary duty-free zone for selling electronic products and equipment ... to develop a vacation and convention center and... to build a major travel and shopping center’ (People’s Daily Online 2011). Total investment into the zone was anticipated to reach US$500 million, with funding coming entirely from Chinese firms (Gluckman 2011; Lao National Committee for Special Economic Zone: 2012; Littleton 2011; People’s Daily Online 2011). According to Nyíri, the managing director of the zone reports that US$130 million had already been invested as of mid-2010 (Nyíri 2012: 538).

At its peak Golden Boten City was a booming border town. Its main attraction, the 271 room *Fokhing Group’s* three-star Royal Jinlun Hotel and attached casino used to draw in thousands of Chinese tourists daily (Swe & Chambers 2011: 86-87). Chinese migrants set up shops selling lingerie, pornography, sex toys, mobile phones, and various other commodities, and a number of restaurants, karaoke bars and massage parlours were also opened. However, following reports of torture, murder, prostitution and other acts of illegality the development has since been put indefinitely on hold (Fawthrop 2010; Lyttleton & Nyíri 2011).

Still operating is the Hong Kong-registered ‘Kings Roman Group’ casino, which is located approximately 55 kilometres north of Houay Xai, in the town of Tongpeun. Another investment that is liked to China, the company's investors are believed to come from Hong Kong, Macau and Yunnan (Fawthrop 2010; Tan 2015). Like the Golden Boten City casino, the Kings Roman project is located in a SEZ that is built on a 99-year land concession. Inaugurated in September 2009, the SEZ covers an area of 10,000 hectares and has been funded with a mixture

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83 These developments are shrouded in secrecy and the numerous media reports that have emerged about them have provided varying figures on project specificities. Figures reported here regarding concession size and timeframe, total investments etc. are based on the triangulation of a variety of sources.

84 Following the closure of the casino, the future of the zone now remains uncertain.

85 Houay Xai is the capital of Bokeo Province.
of foreign investment and GoL investment, the latter holding a 20 per cent share in the project (Nyíri 2012; Tan 2015). Expected to include a school, restaurants, hotels, commercial buildings, a hospital, 36-hole golf course, handicraft center, organic medicine production zone, airport and even a motor racing stadium, the project already houses a zoo and a number of small stores selling similar products to that at Boten (Tan 2012: 81; Swe & Chambers 2011: 111). Future plans for the development are grandiose. At least US$86 million has already been invested in the SEZ and from 2009 until 2016 it is expected that investments of more than US$2 billion will see the area transformed into a modern industrial enclave (Swe & Chambers 2011; Tan 2012). For Tan, the Kings Roman Casino suggests that ‘the Lao government has learned several lessons from the shambolic experience of Golden Boten City’, increasing its control over operations, improving security and establishing itself as a shareholder in order to ‘directly recover profits’ (Tan 2015: 22). That being said, the project has not been without its problems and, for now at least, tourists to the zone continue to come almost exclusively for the casino.86

Casino towns have been operating in the borderlands of Southeast Asia for a number of decades now and are primarily targeted at intra-regional tourism. Gambling is illegal in much of East Asia, however, many states have allowed the establishment of casinos in their borderlands that are only open to foreign nationals. These casinos often operate in SEZs or Export Processing Zones (EPZs) where states can ‘bend’ national laws and regulations in order to become better integrated with transnational economies. As Donnan and Wilson note, almost every major crossing between nation-states has ‘some form of economic differential at play’, and ‘some product, service, price or quality that is more in demand on one side of the border than on the other’ (1999: 119). In Asia, one such service has been casinos.

In the wake of the aforementioned growth in intra-Asian tourism, the number of casinos operating in East Asia has expanded. Gambling remains illegal in China, and with the World Tourism Organisation estimating that China will have 100 million outbound travellers by 2020 (Kui 2009), much of the region’s casinos

86 Although the casino is closer to Thailand than China and does see a number of visitors from Thailand, the majority of tourists continue to be Chinese.
have been targeted at Chinese tourists. At Asia's premiere gambling enclave of Macau, for example, around 70 per cent of gamblers are from mainland China. Macau's 35 casinos include the largest establishment in the world (the Macau Venetian), and in 2013 the island's casinos earned almost seven times the annual income of Las Vegas (Collinson 2011; Platt 2014). Singapore also now has a number of casinos that primarily target wealthy Chinese tourists, while Japan is also reportedly considering legalizing casinos as a means to stimulate its low-growth economy (Japan Today 2014).

In addition to the large establishments in Macau and Singapore, there are a number of smaller casinos that have emerged in the border regions of Cambodia, Myanmar, Vietnam and, of course, Laos. According to the ADB, for example, Cambodia's borders now have 'seven casinos of international repute, employing approximately 100–200 people each' (2008: 46), while Casino City lists twenty-six casinos operating in the small, least developed, country (2014). In Myanmar, Forbes reports that there was once up to one hundred casinos operating, although most have since been closed following the CCP's closure of the border to non-local citizens in 2003 and again in 2009 after reports of kidnapping and torture of indebted Chinese gamblers (Casino City Times 2003; Gluckman 2011; Nyiri 2012; Parker 2006). While a number of casinos continue to operate in Myanmar, ongoing state pressures on Chinese citizens to avoid these establishments has made them far less lucrative than they once were (Swe & Chambers 2011: 62). As a result, it appears the casino owners have moved their business activities to Laos.

There are now a number of small casinos and gaming centres within Laos. In Vientiane province is the Dansavanh Nam Ngum casino and a smaller slot-machine gaming centre on the Thai-Lao friendship bridge. There is also a small casino at the Lao-Vietnam border on the East-West Economic Corridor and in December 2008 a large casino was opened in the southern province of Savannakhet by investors from Macau.87 Situated just across the border from Thailand and located in yet another SEZ, the 'SavanVegas' casino is reportedly one of the country's five largest employers. Finally, in the north of the country

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87 The development is a joint venture between Sanum Investments Ltd., the GoL (who has a twenty per cent ownership stake), and two Lao companies who each own ten per cent of the project.
are the two aforementioned Golden Boten City and Kings Roman casinos, both of which are believed to be linked to Myanmar’s casinos. According to various media articles and academic papers a leading investor in the Golden Boten City casino is a Mr. Huang Minxuan, who Nyíri describes as ‘a Hong Kong resident originally from southern Fujian Province who formerly operated a gambling hall in [Myanmar’s] Mong La’ (Nyíri 2012: 536). Also believed to be a major investor is U Sai Lin, an individual that also owns casinos in Myanmar and who Tan has described as ‘one of the Golden Triangle’s most notorious drug lords’ (Tan 2015: 23-24). Both investors are also rumoured to be key players in the Kings Roman casino, where the chairman is a Chinese-born Macau resident named Mr. Zhao Wei, who has also ran former gambling halls in Myanmar (Nyíri 2012: Tan 2015).

Located in the Thai-government initiated ‘Golden Quadrangle’ tourism zone, and along the ADB formulated NSEC, the northern casinos seek to take advantage of growing intra-regional trade and tourism, most prominently from China. As previously noted, these establishments operate in border zones in order to target foreign tourists who cannot legally gamble in their home countries, and in SEZs because it is also illegal to gamble within Laos. Vice economies are an important aspect of these tourist networks, with sex, drugs, and protected wildlife all available for purchase. Both casinos are built in, or nearby to (depending on one’s classification) the Golden Triangle; a landscape with a history of lawlessness, and a regional hotspot for the sale of endangered wildlife, illegal weapons and timber, the production of narcotics, human trafficking, money laundering and the sale of illegal weapons (Marshall 2012).

88 Obtaining credible biographical information on Mr. Huang Minxuan is difficult. According to a 2005 article by The Economist, he served as a Red Guard during Mao’s cultural revolution and later migrated to Myanmar, where he established casinos and became involved in illegal drug syndicates.

89 The Golden Quadrangle is a tourism-driven growth triangle that is designed to strengthen economic cooperation with China’s Yunnan Province, Laos and Myanmar (Tan 2012: 62). As Walker notes, ‘the main idea underlying the Quadrangle is that opportunities for economic growth and development will arise if the border regions of adjoining countries are permitted and encouraged to exploit co-operatively their complementarities’ (Walker 2000: 124).

90 As part of the broader ‘Golden Triangle’ region that also incorporates southern Yunnan, northeast Myanmar and northern Thailand, the uplands are the leading source of opium production in Southeast Asia. Myanmar is the second-largest opium producer in the world after Afghanistan and communities across the region are also increasingly engaging in the production of methamphetamines. That being said, it must be noted that Laos’ opium production has decreased so much that it no longer produces for the international market (UNODC 2009: 9).
As formerly stated, a key investor in these projects is believed to be U Sai Lin, an individual that reportedly commands a militia of ‘between 2,000 and 3,000 soldiers’ in Myanmar and who has been accused of orchestrating attacks on Chinese cargo vessels near the Kings Roman casino in 2008 and 2011 (Marshall 2012; McCartan 2009; Parker 2006; Tan 2012).

Of course, the casinos should not be interpreted solely as the product of illegal or immoral economies. Rather, they are also representative of the aspirations of the GoL, ADB, the Chinese state, and private investors to modernize northern Laos and transform it into a new frontier for economic growth. One of the key means through which this dream for modernization is being pursued is through the implementation of SEZs.

![Figure 14: Golden Boten City, Luang Namtha Province. Photograph by Kearrin Sims](image)

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9.4: Zones of Exception or Extraterritorial Enclaves?

The establishment of SEZs as a mean to stimulate economic growth has been a common development strategy across the developing world. These ‘zones of exception’ (Ong 2008) or enclave spaces (Sidaway 2007), aim to attract foreign investment as a means to promote industrialization, technology transfers, employment opportunities and economic growth (Klein 2000: 157). By providing foreign investment with incentives such as tax breaks, land concessions and exemptions from national trade restrictions, SEZs are a mechanism to better ‘plug-in’ to global economic flows without reforming entire national economies (Ong 2005: 94). They are a means to implement neoliberal market economies within an enclosed, bordered, space.

According to Klein, the idea that such zones would stimulate economic growth in the developing world ‘first gained currency in 1964’, and became a popular development model at the beginning of the 1980s (2000: 155). Since then, the use of SEZs, Export Processing Zones (EPZs) and other Free Trade Zones (FTZs) has grown rapidly, with at least 850 Processing Zones operating worldwide (Klein 2000: 156). In Asia, the number of SEZs has risen from around 95 in 1997 to about 135 in 2007 (ADB 2008g: 1). There are 52 economic zones in the Philippines alone (Klein 2000: 156) and by 2015 it is expected that there will be
more than 60 SEZs in the Mekong region (ADB 2008g). Such zones have been a particularly important feature of China’s economic growth from the 1980s onwards, with Bräutigam & Xiaoyang suggesting that ‘mainland China is the world’s foremost success story in using SEZs to build up industrial capacity’ (2011: 30).

China’s first SEZ was formed in 1980, at Shenzhen, in close proximity to Hong Kong. Over the past thirty years Shenzhen’s economic output, and its population, has grown rapidly. Still one of the largest and most successful SEZs in China, Shenzhen’s average annual economic growth rate from 1980-2005 was 27 per cent (Guo & Feng 2007: 5). A city that has been built on some of the most liberal economic policies in the PRC, Shenzhen is often put forward as an example for how SEZs (and neoliberal reforms more broadly) can lead to rapid economic growth (ibid: 8). Elsewhere in China, a number of other SEZs and EPZs have also served to rapidly draw the country into the global economy by promoting infrastructure development, technological transfers, and industrialization (Eng 2000: 74).

As China has become an increasingly prominent investor across the developing world, a common feature of its investment flows has been the implementation of SEZs. As Nyíri notes, the Chinese state and private firms have witnessed the financial opportunities that SEZs can provide and have ‘now taken on a leading role in promoting modernization through zones of exception’ (Nyíri 2009: 6). To provide just a few examples, there are currently Chinese SEZs operating in Cambodia, Myanmar, Laos, Zambia, Uganda, Egypt, Nigeria, Ethiopia and Mauritius (Bräutigam & Xiaoyang 2011; Nyíri & Lyttleton 2011).

In accordance with this theses suggestion that the objectives and activities of Chinese aid and investment are often deeply inter-related, Mohan suggests that Chinese initiated SEZs in the developing world have generally been structured around bilateral deals between the CCP, recipient governments and Chinese transnational firms that ‘set up these relatively self-contained projects’ (Mohan 2013: 1262). While Laos’ SEZs have more been a partnership between the GoL and private investors, it must be noted that their existence is linked to Chinese-aid funded NSEC and that the establishment of free trade zones in border regions and tourism concessions that are controlled and operated by
contractors is a stated objective of the aforementioned Northern Plan (Lyttleton & Nyíri 2011: 12-13). As Nyíri states, ‘although this model seems to fit with the neoliberal approach to the global economy, the Chinese state in fact plays a major economic and political role in the establishment and operation of these zones... in the Chinese discourse, concessions are seen as “model units” that, by disseminating their advanced practices... will pull up the rest of the country they are inserted in’ (Nyíri 2009: 6, 10). Indeed, in respect to the Golden Triangle SEZ the master plan for the zone was executed by the same (Chinese) planning behind China’s Shenzhen SEZ (Nyíri 2012: 541).

In addition to China’s interests in promoting SEZs, the implementation of such zones has also become an important development strategy of the GoL. To date, there have been ten SEZs approved for operation in Laos, including the two northern casino sites, five in the capital of Vientiane, two in Khammouane province and one in Savannakhet. Laos’ first two SEZs were formulated in 2003, one of which was the Golden Boten City project (ADB 2008g). Creating such zones is now considered an integral part of the GoL’s strategy to promote FDI, to move beyond aid dependency, and to overcome LDC status by 2020.92 They are also a central feature of the government’s attempts to become more regionally and globally integrated, and have been an integral component of the expansion of Chinese interests in Laos.

Given the scale of Chinese investment, migration and tourism taking place in the northern SEZs, one of the most common ways in which these zones have been depicted within popular media sources is as sites of a Chinese ‘invasion’. Numerous articles quote local residents as stating that ‘it’s no more Lao... that’s China’, or ‘it’s basically a Chinese town’ and present a narrative of neo-colonial expansionism (Fawthrop 2010; Woodman 2011). Such interpretations are not entirely unwarranted. At the Golden Boten City SEZ, for example, the project used to run on Beijing time and receive its electricity from China. The casino zone was policed by its own ‘Special Region’ security forces, imported its beer

92 The GoL has now established a new government body to coordinate and manage the implementation of SEZs, known as the Lao National Committee for Special Economic Zones (NCSEZ), and has sought technical assistance on zone implementation from the ADB. The NCSEZ has since identified five types of economic zones to be introduced in Laos, including: Manufacturing SEZs, Tourism-based SEZs, Border Trade FTZs, Agro-based processing SEZs, and SEZs along the railway route.
from China and offered little employment opportunities for local Lao or ethnic minority communities who do not speak Mandarin. Chinese Yuan was the only accepted currency within the casino and its restaurant served only Chinese food. Now the casino is closed and the city is largely abandoned, the remaining stores that are open are all run by Chinese, who generally speak only the most basic Lao.

![Chinese entertainment venue at Golden Boten City](image)

**Figure 16:** Chinese entertainment venue at Golden Boten City. Photograph by Kearrin Sims

This increased presence of Chinese citizens and businesses in Laos can also be seen at the Kings Roman casino in Tongpeun. While located around 200 kilometres from the Chinese border crossing, VIP Chinese gamblers to the site are frequently shuttled across the border from Thailand, generally travelling from Chiang Rai airport in private limousines that are provided by the casino and entering Laos on special ‘SEZ’ 10-day border passes. On my first visit to the casino I could not find a single staff member at the reception desk who could speak Lao or who could recognise the Lao currency that I presented them.93 The

93 On subsequent visits to the casino I did find Lao staff working on the gaming tables who informed me that the casino staff was predominantly a mixture of Chinese, Burmese and Lao
cuisine at the casino restaurant was exclusively Chinese and at the numerous surrounding massage parlours and restaurants I was unable to find one shop-owner who spoke Lao. Telephone networks in both zones initially came from China, and the police vehicles at Tongpeun are marked with Chinese characters.94

Interpretations of Laos’ northern SEZs as sites of Chinese expansionism have also featured within academic literature, most notably by Lyttleton & Nyíri (2011). Drawing on a historical analysis of China’s own SEZs and foreign concessions in port cities, Lyttleton and Nyíri frame the casino towns as sites of Chinese extraterritoriality, which reproduces China’s own experiences with Western extraterritoriality under colonial rule (ibid: 10).95 Here the authors suggest that Chinese concessionaries have been granted extraterritorial treatment by the Lao state. To provide just one example of the sort of extraterritorial practices that are operating in these zones, they draw attention to the way in which ‘legal jurisdiction’ and ‘de facto security is maintained by Chinese forces’, including the transportation of Chinese murder victims back across the Lao border before examination by the Lao police (ibid: 11). As with popular media sources, Lyttleton and Nyíri also reinforce their argument by providing quotations from local residents who consider the zones to have become a part of China:

*When we ask a local Lao driver whether Golden Boten was China or Laos, he says in fluent Chinese: ‘Sure it’s China! China rented it.’*  
(Lyttleton & Nyíri 2011: 7-8).

Importantly, for Lyttleton and Nyíri, the northern SEZs ‘do not follow a neoliberal model, to the extent that they prominently feature state subsidies

94 The Chinese state has since blocked mobile reception to discourage gambling at these establishments.

95 Although the authors do not provide us with a definition of the term extraterritoriality in their work it appears they are referring to the applicability or exercise of a sovereign’s laws outside its territory, more than immunity from the jurisdiction of a nation, granted to foreign diplomatic officials, etc.
and reflect a strategic logic that is quite different from the simple pursuit of profit’ (2011: 12-13). Such conceptualisations of Golden Boten City as a site of Chinese economic expansionism are also adopted by Swe and Chambers, who describe the SEZ as ‘pure and simple—a Chinese town’, where ‘approximately 95 per cent of its inhabitants are from China’ (Swe and Chambers 2011: 86). Yet, while it is undeniable that these zones have seen a growth in Chinese migration and investment, I suggest that these projects are better understood as the product of diverse, intersecting, aspirations for development, that involve a multiplicity of actors and that are central to the GoL’s own development strategies for northern Laos.

Rather than interpreting the northern SEZs as acts of Chinese extraterritoriality, I perceive these developments as expanding geographies of global neoliberalism that have been facilitated by both China and the GoL’s desire to promote regional trade flows in mainland Southeast Asia. As noted above, SEZs are built on ideologies of neoliberalism and attempts by the global periphery to develop ‘hubs’ of industrial production that will facilitate global or regional connectivity. They are spaces where neoliberalism can operate at its most ‘efficient’, and a governance mechanism that enables authoritarian states to provide economic freedoms to foreign investors while maintaining tight social and political controls over their national population. As Tan has also argued, they are ‘part of a set of neo-liberal technologies of governing’ that have been ‘devised by the Lao state to better engage and compete in the global economy’ and a powerful example of the overlap between legal activities and illegal practices ‘on which the Lao state has based its poverty alleviation policy’ (Tan 2012: 84; Tan 2015: 23).

This is not to deny that Chinese ODA and FDI into northern Laos has played a central role in the socio-economic transformation of the region. Rather, it is simply to acknowledge that this investment has allowed the GoL to increase its efforts to ‘integrate and monetize the people, lands, and resources of the periphery’, rather than seeing it cede power to a foreign state (Scott 2009: 4-5). Speaking on Chinese rubber concessions in Luang Namtha, for example, Dwyer notes that northern Laos has not experienced an ‘unregulated expansion of China’, rather the deployment of these investments has been ‘carefully
orchestrated’ by provincial Lao authorities in a manner that best suits their own interests (Dwyer 2011a). This is also true for the SEZs, where the GoL has used graduated sovereignty and variegated citizenship as a means to deploy ‘distance-demolishing technologies’ such as all-weather roads, telephone lines, electricity, airports, and so on, that have facilitated its long held attempts to increase its governance controls over upland communities (Scott 2009: xii, 4-5).

The differentiation between extraterritoriality and the appropriation of foreign capital by the GoL to encourage a form of ‘internal colonialism’ over minority communities is particularly evident in reports suggesting that it was the Chinese state that requested Golden Boten City to be closed. According articles by Forbes and Tan, the closure of the Boten casino was a result of programs aired on Chinese television that reported the physical abuse of patrons who had experienced gambling debts at the casino, and the subsequent issuing of a warning by the Chinese state not to gamble in Laos (Gluckman 2011; Tan 2012, 2015). While it has not yet restricted Chinese visas to Laos - as it did to Myanmar’s casinos in the past - the Chinese government also cut phone services to the Lao SEZs and, according to a Chinese NGO worker living in Laos that was interviewed for this research, cancelled border passes as a means to halt Chinese citizens visiting the casino. Indeed, it appears that if the Chinese state has acted in an extraterritorial manner in the casino towns it has been in an attempt to stifle, rather than facilitate, their development.

Whether or not one considers the casino towns as representative of Chinese extraterritoriality, it is clear that they have facilitated the rapid expansion of Chinese investment, tourism and migration into northern Laos. Beyond the casinos, growing regionalism along improved transit networks such as Route 3 and the softening of state border controls has led to an influx of Chinese companies, many of who are in search of cheap agricultural land to take advantage of Chinese government subsidies for overseas agricultural plantations. Provinces such as Luang Namtha, Bokeo, Phongsaly and Oudomxai

96 A further important distinction between SEZs in China and those in Laos is that ‘in China’s own zones, government agencies were also responsible for their development’, while in Laos these projects have been ‘designed and established by Chinese enterprises spontaneously according to their assessment of business feasibility’ (Bräutigam & Xiaoyang 2011: 50).
are becoming ‘dominate[d]’ by the Chinese, many of whom ‘run their businesses under a Lao name or settle illegally’ (Tan 2012: 67-8).

In Luang Namtha, for example, a large Chinese market selling consumer goods sits in close proximity to several Chinese mobile phone and motorbike dealerships, a large Chinese hotel, and a school called the ‘Laos-China Friend Primary School’, which was built with Chinese ODA funding. The majority of Chinese rubber plantations discussed in Chapter 6 are also in northern Laos, where they grow alongside cassava, pineapples, bananas, tobacco, sugarcane and other crops that are all destined for export to China and Thailand (Syvongxay 2010b; 2011). Similarly, in Bokeo’s capital of Houay Xai, large groups of Chinese dressed in the uniforms of package tours can be seen wandering past hotels whose signs display Chinese script. China has become the leading source of FDI into the city (Swe & Chambers 2011: 78), and it has even been suggested by Pholsena and Banomyong (2006), that an inability to speak Mandarin is now becoming a cause of marginalization and exclusion for many local residents. As recognised by Lyttleton and Nyíri, ‘even without direct economic or social links’ between Chinese aid and private investment, the presence of the former has created ‘an atmosphere of encouragement for Chinese investment which, propagated via the Chinese-language media, [has] facilitate the latter’ (Lyttleton and Nyíri 2011: 13).

9.5: Hypermodern Futures of Privatized Accumulation

The SEZs and casino cities of northern Laos are the physical materialisation of neoliberal discourses and China’s high-modernist Chinese and GoL state development ideology in the urban form. They are built on the dreams of FDI as a means for creating rapid modernization and socio-economic development. The buildings at Boten are some of the largest in Laos, and the architectural design is more modernist than many buildings in the capital of Vientiane. As Nyíri insightfully notes, discourses of modernity within these zones are driven by two powerful and conflicting discourses. Firstly, there is a desire to reproduce the imagery (and associated power) of the Chinese state and, secondly, there is an aspiration to overcome the economic and social constraints on freedoms that are imposed by states (Nyíri 2009). What is occurring in these
SEZs is the coming together of two conflicting, yet somewhat analogous, high-modernist development discourses that seek to transform the northern uplands from a remote agrarian landscape into a regional hub of urban industrialisation. However, for now at least, these projects attempts to bring forth a new era of development have fallen short of investor and GoL aspirations.

Beginning with Golden Boten City, the casino has now been closed for almost five years following reports of murder, torture and other acts of illegality. Buildings within the SEZ are now largely deserted and, on multiple visits to the site in 2011, I witnessed cows, chickens and dogs wandering freely about the overgrown landscape. Many buildings remain unfinished and few tourists visit the now abandoned site. Described by Nyíri as ‘a sprawl of throwaway construction already showing its age just two years after opening’ (2008), and by Gluckman as a ‘grand scheme’ that ‘went spectacularly wrong’ (2011), Golden Boten City never amounted to anything more than a transitory enclave of vice economies for Chinese tourists.

While not all SEZs and new urban developments have been linked to the crime and violence that occurred at Boten, the failure of such projects is not uncommon. In neighbouring Cambodia, for example, Shatkin (2011) and Paling (2012) have both discussed the proliferation of failed urban megaprojects in the capital of Phnom Penh. As Shatkin notes, outside of China ‘even the most successful projects have not attained their developer’s ambitious objectives’, and for every urban megaproject that does succeed, ‘there are several more which have scarcely moved beyond the concept stage’ (2011: 78). Similarly, at Cambodia’s casino towns estimated annual earnings of US$12.5 million have seen little improvements in the livelihoods and wellbeing of local residents (Lintner 2003), while, in Myanmar, the now decaying buildings and closed casinos near the Chinese border are yet another reminder of ‘the fleeting footprints left by fleeing speculative capital’ (Lyttleton & Nyíri 2011: 9).

According to Naomi Klein, this temporality of FDI flows into SEZs is one of the ‘many cruel ironies’ of these enclave spaces of ‘economic tourists’, whose search for quick profits often leads to the greater impoverishment of nearby residents (2000: 158).
Figure 17: Signs of urban decay at the now largely-abandoned Golden Boten City. Photographs by Kearrin Sims

Figure 18: Signs of urban decay at the now largely-abandoned Golden Boten City. Photographs by Kearrin Sims

Figure 19: Abandoned transport vehicles rust on the roadside at Golden Boten City. Photographs by Kearrin Sims
At Tongpeun, the Golden Triangle SEZ may eventually be more successful than Boten. Completion of a Houay Xai - Thailand road bridge is expected to boost traffic flows to the province and, if completed, the China-Singapore high-speed rail project will also likely increase tourist flows to the site. However, these new transit corridors do not provide any guarantee of future success. As the casinos in Myanmar have shown, when new cities are built almost exclusively to target tourists from a single country (China), a reduction in tourist flows from that destination can quickly render these sites redundant. As I observed on multiple visits to the casino, it already appears that a large sum of the gambling undertaken at the casino is done by visitors that do not even enter Laos, instead relying on paid surrogates who wear headsets and gamble on their behalf.

Furthermore, the forced displacement of local residents, the presence of drug-trafficking networks and the undermining of the traditional livelihoods has the potential to create conflicts within the region that would reduce the site’s appeal for many foreign investors. These issues are further compounded by a number of governance constraints faced by the GoL’s National Committee for Special Economic Zones (NCSEZ), including ‘the lack of a national strategic road map’, ‘an unclear institutional framework’, ‘a weak legal framework’, ‘insufficient technically-qualified officials’ and ‘the absence of information dissemination and SEZ promotion targeting potential investors and beneficiaries’ (ADB 2008g: 2). In fact, according to Miss Malaykham Sayakone, acting Director of the International Relations and Cooperation Division for the Lao National Committee for SEZ Secretariat Office the socially-destructive impact of the casino towns has already led the GoL to suspend the development of tourism SEZs, and to prevent the construction of any further casinos:

*Lack of experience in managing SEZs has been a big problem for us. Tourism SEZs have been suspended at this time until they can be reformed. No more casinos will be built in future SEZs at this stage... As you may know, both the Luang Namtha and Bokeo casinos were built before the SEZ office was formed in 2010.*
Unfortunately however, the prevention of new casino sites has come too late for residents living nearby to the existing projects in the country’s north. To begin with, the casino towns are representative of yet another example of longstanding practices within Southeast Asia whereby states forcibly acquire land for private-sector development. Built to accommodate foreign tourists rather than local communities, the SEZs are sites that privilege FDI over localised populations, and that have seen a decoupling of new urban environments from national development (Sidaway 2007). Local communities have been forcibly displaced from their land at both Golden Boten City and the Golden Triangle SEZ, and in both instances villagers have complained that they have not been adequately compensated (Gluckman 2011). Loss of land, deforestation, and the pollution of natural environments has undermined the ability of upland communities to cope with ‘multiple environmental and economic uncertainties’ through diversified livelihood practices, and has forced them into precarious forms of labour such as prostitution (Sengdara 2010). This has also led to emergence of new health risks. The spread of HIV and communicable diseases is a growing concern in the SEZs, as is drug use, alcoholism and the threat of human trafficking (Marshall 2012; McCartan 2009; Woodman 2011). Violent acts of forced imprisonment, physical beatings and murder are also said to take places in these ‘zones of exception’, and this has produced a state of fear amongst proximate communities (Gluckman 2011). While the casinos have offered some new employment opportunities, jobs offered to local residents have generally been the lowest paid and most difficult. At Tongpeun, for example, of the ‘more than 3,600 people’ that are reportedly employed in the zone, only five hundred are from Laos (Pongkhao 2010).

Furthermore, although gambling is illegal in Laos, at Tongpeun such legislation has been weakly enforced. Local residents frequently gamble at the casino and many have experienced serious losses. I have witnessed both impoverished looking Lao farmers in the casino clutching a small handful of 100 Thai Baht notes and a wealthier Lao man exchange six bundles of 20 1000 Thai Baht notes (approx. US$ 4000) for casino chips. There are no public awareness campaigns about the risks of gambling, support programs for gambling addiction, or limits
to how much people can spend. Indeed, according to two local residents who frequently visited the casino, the venue offers loans to patrons who no longer have the money to continue gambling. As one of these informants states:

Together my friend and I have lost more than US$100,000. I used to have three cars but I was forced to sell two of them. I have also sold my house and US$25,000 of rubber trees. If you lose all your money you can give them [the casino] your car keys and then they will give you [up to] 300,000 Thai baht (US$9330). But you will have to pay back 330,000.

This man, a father of six, was once a wealthy farmer of teak, corn, rice and rubber. Born into a family that became wealthy farming opium during, and after, the Second Indochina War, he had been one of the wealthiest men in his village. However, over the past 12 months he has lost the majority of his family's assets. He also informs me that another friend of his committed suicide as a result of gambling losses, and that he has heard stories of people being beaten and imprisoned until their family members could repay their debt. Furthermore, even for those who do not gamble at the casinos, their presence remains a threat to human security and wellbeing. Instances of violent conflict between local residents and Chinese laborers have occurred, and many locals have not adopted the same faith in FDI-driven modernization that the GoL and Chinese FDI is promoting (Lyttleton & Nyiri 2011: 6). As one long-term resident of Bokeo province states:

The casinos are no good. People can win some money there but mostly they lose everything. I am worried that these people will steal from us so that they can go there [to the casino] again.

Indeed casino development has raised a number of concerns for residents of Bokeo province; who have voiced suspicion about these projects and their investors, and have expressed concern that they will bring social problems to their communities. As two further anonymous resident's of Houay Xai state:
A friend of mine went to the casino with his pregnant wife and while she was gambling she dropped some of her money on the floor. She bent down to pick up her money and when she looked below the table she saw that all the people gambling at the Casino had chains around their ankles... because she was pregnant she could see these [magical] chains that other people couldn’t... the Chinese believe in spirits you know.

I think that some of the Chinese people gambling are there to trick Lao people. Chinese people have so much money and they win a lot. But I think some of these people don’t really win – maybe they work for the casino and give the money back.

In 2006 Rigg noted that ‘what is occurring now in many upland areas of Laos is a twofold livelihood squeeze, from... the declining productivity of the environment... and by government policies’ that have reduced ethnic minority communities ability to undertake their traditional livelihood practices (2006: 130). Both remain pertinent concerns, however, since then, new challenges have also emerged. To Rigg’s dual forces of impoverishment can also be added the impacts of the Chinese state and, as he later adds, of private investment interests. As Chinese businesses continue to buy up local land, displace subsistence farmers, and build new entertainment complexes that are, for the most part, exclusory of local people, a growing anti-Chinese sentiment is becoming apparent (Kulantzick 2007: 105; Swe & Chambers 2011). New forms of casino tourism have little interest in Lao (or other ethnic minority) culture, and SEZs have seen the privatization of entire urban landscapes. through processes of ‘primitive accumulation’ that are ‘occurring at the expense of both rural communities and the environment’ (Tan 2015: 25). These new urban developments have often resulted in ‘the greatest social costs of transformation’ being ‘borne by already socio-spatially marginal individuals and groups’ (2004: 117). At the SEZs this has resulted in local residents merely exchanging
‘agricultural poverty for poverty and insecurity in Boten’s [and Tongpeun’s] less than salubrious service sector’ (Bunnell 2004: 117; Swe & Chambers 2011: 88).

9.6: Conclusion

There is no single way to interpret and understand the northern casinos towns. Rather, they are the product of a variety of historical and contemporary forces that include, but are not limited to; the growth in neoliberal ideologies within Asia; China’s growing importance as a regional donor and its implementation of SEZs across the developing world; the GoL’s attempts to replicate other East Asian countries development models of export-led industrialisation; a rise in intra-regional tourism flows within East Asia; the ADB’s visions of an economically integrated GMS; the flexible socio-cultural dynamics of nation-state borderlands; region-wide legislation outlawing gambling in East Asia; and northern Laos’ history of vice economies. What these ‘zones of exception’ represent, is a profound reconfiguration of the northern uplands, and an example of how China and Laos are adapting new strategies to account for, and to encourage, increased regional integration. They signify both the remapping of nation-state geographies in accordance with transnational capitalism and attempts by the GoL to maintain an active role in the manipulation of FDI flows to suit its own political agenda. Finally, they are a central component of attempts by Chinese investors to create new economic markets and new urban environments in northern Laos. Operating out of SEZs, the casino towns are a mixture of neoliberal development ideologies that promote deregulation and the privatization of public assets and the Chinese state’s high-modernist faith in technocratic modernization as a means for poverty alleviation.

One central aspect of the casino SEZs that I have drawn attention to in this chapter, is their significance as yet another example of the coming together of the Chinese and Lao state, and private actors, to bring forth modernization and economic growth. While SEZs have been employed as mechanisms for growth across Asia, within Laos they have been specifically linked to Chinese aid and investment. As Nyiri has also noted, what has taken place in Laos’ northern SEZs is a form of ‘post-national sovereignty’ whereby both the CCP and the GoL ‘possess aspects of sovereign control over the territories’, yet ‘much of the
sovereignty is vested in a private corporation’ (Nyíri 2012: 535). As is reflected by both 'the Hong Kong registration of the original investment company and the Taiwanese nationality of the former general manager' these zones are not a simple extension of the Chinese state, rather they are a meshing of state and private interests that draw heavily on both Chinese aid and investment (Nyíri 2012).

For some, the casinos have provided new employment and business opportunities, access to previously unattainable monetary incomes and a means to escape from physically demanding agricultural labour. For many others, they have brought new diseases and other health threats, forced displacement and land appropriations, the destruction of natural habitats and food sources, and exposure to gambling addiction, alcoholism and drug use (Swe & Chambers 2011). In short, they have brought new forms of exclusion, marginalization and disadvantage and have concentrated economic investment ‘in secured enclaves, often with little or no economic benefit to the wider society’ (Ferguson 2005: 378). As Inda notes, the graduated sovereignty of SEZs has resulted in ‘different sectors of the population’ being ‘subjected to different technologies of regulation’ that have endowed individuals ‘with very different kinds of rights, caring, and protection’ (2005: 13). Or, as Ong more bluntly puts it, SEZs have seen elites ‘showered with every economic, social, and political benefit, while others are abandoned and deprived of sustenance to survive’ (Ong, in Inda 2005: 93-94). Built on a partnership basis between the GoL and the private sector, whereby the former provides large-scale land concessions and the latter capital investment, the casinos are constitutive of a broader logic of privatisation that has resulted in widespread forced displacements, accumulation by dispossession and unsustainable resource extraction.

This is not to suggest that Laos’ northern SEZs are without their potential benefits. It is possible that they will one day fulfil the GoL’s aspirations and become sites of skills transmission, new healthcare and education facilities and dynamic drivers of national economic growth (Lyttleton & Nyíri 2011: 16). Indeed, they may even eventually become more infrastructurally modern and economically prosperous than Vientiane. In Myanmar the casino town of Mong La is (or at least once was) ‘developmentally superior’ to the country’s capital,
Naypyidaw (Parker 2006). As Bräutigam and Tang have noted in their examination of Chinese SEZs in Africa, these zones can offer important opportunities for development through ‘advantages in attracting enterprises with sophisticated technologies... and gradually building up domestic R&D capacities by attracting foreign investment’ (Bräutigam and Tang 2014: 3). Similarly, casino-led urbanism has proven to have the potential to bring socio-economic development. In the case of Macau, the world's richest gambling platform ‘with revenues of $45 billion in 2013 alone’, casinos have fuelled the world’s highest economic growth rate, the 4th highest GDP per capita and the second-highest life expectancy rate (CIA 2015: Simpson 2015). It has (CIA 2015c).

However, Laos’ casinos are not the same as those in Macau and its SEZs have not yet proven to bring the forms of technological advancements and R&D outlined by Bräutigam and Tang. For now, it seems these developments are more exclusory of, rather than beneficial to, local residents. As Swe and Chambers note in respect to Golden Boten City, ‘the main beneficiaries’ of the project are currently ‘limited to the Lao state or state-backed Lao, Chinese (Yunnanese), Thai, and Myanmar businesspersons...’ (2011: 88). Indeed, there are few investments that provide a more telling example of how Laos’ increasingly neoliberal development agenda benefits a select few at the cost of many. Drawn in by the bright lights and visible wealth inside and out the casinos, many people enter the casinos with dreams of future wealth, yet end up experiencing greater poverty as the larger investor (the casino) grows richer at their expense. What appears to be occurring in the uplands of northern Laos is the reconfiguration of periphery lands to suit the interests of national economic growth, the Lao state, and private Chinese investors with little concern for how rapid socio-economic changes and rapid urbanization may impact on the livelihoods and wellbeing of local communities.
10

Conclusion: A New Future for Development?

10.1: Introduction

During the past 60 years of academic theorising on ‘development’ a multitude of different conceptual, theoretical and methodological viewpoints have emerged. However, this thesis has argued that such intellectual debates have had a rather limited impact within the professional sector. Across diverse social and cultural contexts prevailing discourses and practices of development continue to be shaped by technocratic, apolitical and ahistorical metanarratives that privilege Western-led scientific modernization as the foremost means for achieving universal improvements in human welfare. Indeed, as Chapter 3 noted, such high-modernist conceptualisations of development have only increased in influence following the expansion of neoliberal development ideologies from the 1980s onwards. This hegemony of high-modernist thinking within the development sector is an epistemic rationality that many scholars, and especially post-development thinkers, still seek to move beyond. Critical theorists continue to assert that economic growth ‘is not automatically or necessarily inclusive’ of the impoverished, that prosperity has been accompanied by serious ecological deterioration, that in-built structural inequalities within the global economic system are reinforcing unequal hierarchies of development, and that development continues to privilege the modernization of space over people’s wellbeing (Banks & Hulme 2014: 186). Within the post-development paradigm, one of the more frequent critiques made against development is that it is informed by Eurocentric discourses, which have served as ‘one of the most powerful mechanisms for insuring domination over the Third World’ (Escobar 2000: 384).
However, this privileging of ‘the West’ over ‘the rest’ is now beginning to change. Following strong economic growth across East Asia and an accompanying increase in new trade partnerships, multilateral institutions and aid flows, the global development sector is now being reconfigured in a historically unprecedented way. Countries such as China, Hong Kong, Singapore and South Korea represent new, non-Western, ‘success stories’ for development, and discourses of modernity and progress in Asia now frequently ‘refer to each other as much as to the West’ (Ong & Nonini 1997: 16). One of the central questions that I have sought to explore in this thesis is what this shift, and what China’s expanding influence within the global development sector, has meant for development within Southeast Asia - and especially Laos.

As has now been widely recognised, China is currently implementing a series of institutional apparatuses, diplomatic partnerships, trade agreements, bilateral aid contributions and technology transfers that have seen the enlargement of its own development narratives. Commonly referred to as the ‘Beijing consensus’, China’s political-economic model for development draws on Confucian value-systems that privilege hierarchy over democracy and the continuation of a middle kingdom mentality that perceives China as being surrounded by ‘less advanced’ nations in need of China’s guidance and assistance (Nyíri 2009; Stuart-Fox 2003: 9). This is an ideological framework that promotes economic liberalism and greater integration into the global economy through infrastructure and industrial development, but which also places significant emphasis on the role of the state in guiding national development trajectories and that values ‘non-interference’ from foreign powers in ‘domestic’ affairs.

The emergence of China as a part of the international aid architecture and its outpouring of investment flows in an era of global capitalism represents a major historical shift in the geopolitics of development. As Woods has noted, by providing finance to aid-receiving countries, ‘emerging donors are introducing competitive pressures into the existing system…. [that are] weakening the bargaining position of western donors’ (Woods 2008: 1206). The implications of this shift have generated much academic debate (Mawdsley 2015; Mohan 2013; Power et al. 2012; Sato et al. 2011; Six 2009; Tan-Mullins et al. 2010). Here, common themes include the CCP and Chinese firms thirst for natural
resources (Mohan 2013), the influence of ‘new donors’ on international ideologies of development (Tan-Mullins et al. 2010), the CCPs lack of transparency in regard to aid funding (Guttal 2008) and its willingness to provide aid (and trade) to authoritarian and politically corrupt states (Eisenman et al. 2007). Conversely, China has also been commended for funding projects that Western donors have been slow to approve, for bringing investment to countries on the global periphery, for its lack of ‘conditionalities’ for aid loans and its lower construction costs compared to traditional donors. As previously noted, Woods argues that China’s growing involvement in the aid sector is ‘exposing standards and processes that are out of date and ineffectual’ (Woods 2008: 1206), while Moyo considers the CCPs strong focus on trade, investment and infrastructure as a ‘win–win’ alternative for Africa (Moyo, 2009: 120, 122).

Yet, while the Beijing consensus may offer a number of strategic, political and cultural alternatives to neoliberalism, this thesis has sought to argue that, rather than producing new discursive frameworks for development, China’s ‘rise’ appears to have primarily seen the further entrenchment of high-modernist metanarratives. As noted throughout this thesis, Chinese aid has primarily been allocated in a top-down, technocratic manner that has shown little consideration for participatory or people-centered approaches, and that has been linked to profit-making and land concessions for Chinese firms.97 This is a framework for development that seeks to subject all aspects of life to ‘the rationality espoused by development economists’, and which has placed restrictions on public debates that may lead to the production of alternative ways of thinking about ‘development’ (Escobar 2000: 388). Nowhere is this more evident than in China’s lack of support for, or even suppression of, civil society and non-governmental organisations. As noted earlier in this thesis, for example, despite being one of the leading aid providers to Laos, there is not one Chinese NGO working in the country. By stifling the non-governmental sector, the ‘transformative potential’ of China’s aid flows has instead largely produced the further normalization of ‘existing systems, markets and power distributions’

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97 By people-centered approaches I refer to human development, rights based approaches, human security and other development strategies that place people’s livelihood and wellbeing at the centre of their policy objectives.
(Banks & Hulme 2014: 192). As Banks & Hulme have recently noted, ‘while the new diversity in actors and alliances brings new opportunities for development, we see the majority placing the responsibility for development in the hands of the state and market’ (Banks & Hulme 2014: 181). Consequently, rather than moving away from high-modernist discourses of development, China’s development model has simply brought with it new reference points against which modernity can be measured. In fact, in many ways China’s approach to development is even more technocratic, apolitical, and ahistorical than contemporary ‘Western’ discourses. Described by Jacques as a form of ‘hyper-modernity’, prevailing discourses of development within China have taken a particularly growth-obsessed form that leaves little time for reflection on what may have been lost in its frequent, and often violent, ruptures from the past (2009: 108). This is a ‘business as usual approach’ that continues to favour modernization theory’s economically-determined, developmentalist, hierarchical categorisation of nation-states, and that supports the belief that low-income countries must ‘catch-up’ to the West and, to a lesser extent, also to China (Banks & Hulme 2014: 193). As Nyíri has argued, while ‘the idea of the continual improvability of the human condition’ has ‘fallen out of fashion in the West’, in China ‘both official and popular faith in progress is one of the most enduring legacies of the twentieth century’ (Nyíri 2012: 557).

It is important to note here, however, that despite their many similarities, this approach to development should not be conflated with 1950s modernization theory. Rather it is a broader philosophical framework that associates progress with economic growth, infrastructure development and technological innovation. As Ferguson reiterates, such modernist metanarratives depart from modernization theory, which is ‘a discredited theory that... we have long since “moved beyond”’. Rather, these metanarratives represent a more longstanding belief in rational thought and scientific progress that, ‘we are very far from having ‘left behind’” (1999: 16). In this thesis I have sought to consider in detail what the rise of Chinese ODA and FDI has meant for Laos.
10.2: From Colonial Backwater to Regional Crossroads

While once the invisible country of Southeast Asia, Laos is now becoming increasingly important to East Asia’s growing regional integration. It is a key thoroughfare for Greater Mekong Subregion trade networks, a peripheral resource provider to both Northeast and Southeast Asia, and the most significant country for ongoing debates around Mekong River hydropower. As Chapter 5 noted, the past decade has seen a strong growth in intra-regional trade, aid and investment into Laos and it appears likely that China will soon become the country’s most influential foreign power. Consequently, developing a better understanding of how China’s aid program operates, what ideological frameworks drive its approach to development and how its aid and investment flows are impacting on the wellbeing of the impoverished will be crucial for successful future poverty alleviation. In the following pages I outline three of the most important shifts that this thesis has identified as resulting from growing Chinese influence in Laos.

First, is the infrastructure and growth-oriented nature of Chinese aid and investment, which in Laos has primarily been directed towards road corridors, mining, agribusiness, hydropower and the modernization of urban centres. This is a top down approach to development and poverty alleviation that is aimed at fast-tracking economic growth through the centralisation of state and private sector resources into key regional hubs but which has also seen an intensification of spatial inequalities and the further marginalisation of the rural poor. Undoubtedly, Chinese investment into transnational connectivity and urban development may eventually provide Laos with more prominent nodes for regional trade and investment, allowing it to become more than just a ‘crossroads’ for the trade relations of its more industrious neighbours.

However, it must be noted that the assumed causal relationship between greater regional integration and reduced poverty rates remains tenuous, relying more on neoliberal ideology and economically determined development indicators than a detailed assessment of people’s livelihoods and wellbeing. This is particularly so given that, to date, instead of generating new industries and employment opportunities for the poor, transnational infrastructures in Laos
have primarily increased the speed at which regional trade flows can pass through the country.\textsuperscript{98}

Furthermore, as chapters 7-9 made clear, rapid infrastructural modernization and urbanization has also resulted in the marginalisation of existing residents from ‘highly-connected’ built environments. The Luang Prabang airport, diplomatic villas and luxury hotel projects in Vientiane and the casinos of northern Laos are very different kinds of places, and have seen Chinese aid and investment come together in divergent ways. However, in all cases narratives of development, progress and modernization have resulted in new forms of marginalisation and disadvantage. As each of these sites are reconfigured in accordance with dreams of increased regionalisation and economic prosperity they are also becoming sites to be inhabited by ‘the connected’ – by those who are already moving along such continually emerging spaces of transnational flows. Consequently, much of what we are seeing through Chinese investment in Laos is not a focus on the generation of new capital for the poor, but on the redistribution of existing capital and resources towards the wealthy.

A second important shift that has occurred following greater Chinese aid and investment into Laos is the increasing privatisation of development. As a number of commentators have noted, China’s aid program does not provide a clear distinction between ‘aid’ and private interests. Much Chinese aid has been allocated to State-Owned Enterprises or other large firms, and often for the construction of projects that appear far more oriented towards corporate interests than poverty alleviation. Combining aid and private-sector interests in ways that the DAC has not embraced, the CCPs ‘aid’ program has been strongly tied to its geopolitical interests, in particular its ‘going global’ policy (Tay-Mullins et al 2010). Lastly, beyond its aid commitments, growing Chinese investment has also seen a number of projects that would have previously required aid funding now completed by private contractors.

This replacement of ‘aid with trade’ is a process that is widely interpreted within the development sector as a marker of successful socio-economic ‘progress’. Economic growth is considered a prerequisite for development by

\textsuperscript{98} As was noted in Chapter 6, for example, of total trade flows in the GMS, less than 2 per cent involve Laos.
almost every major development institution and is a leading development priority in almost every low-income country. However, it is important to note that the private sector has only a marginal interest in poverty alleviation. The primary objective of business is profit maximisation and many Chinese ‘development’ projects have sought very little engagement with the poor. Indeed, as the examples cited in chapters 6 to 9 make clear, profiteering is often best achieved through the marginalisation of, or even the extraction of wealth and other resources from, the poor. As Mohan has also done, I suggest that both state-driven and private Chinese interests abroad have become an important component of a wider turn in the global economy towards the increasing prevalence of ‘accumulation by dispossession’ as ‘the norm for many in the developing world’ (Mohan 2013: 1259). Here, a minor point that this thesis has sought to stress in regards to dispossession is that the issue of forced displacement in Laos are not exclusively a rural phenomenon and that, while most academic research (and NGO support) has focused on rural settings, Laos’ urban environments are sites of dynamic change and socio-economic inequality that demand further research.

Finally, China’s growing interests in Laos have played an important role in the facilitation of political authoritarianism. In its aid contributions the CCP has promoted freedom of economic flows alongside a non-interference approach to political affairs that it argues ‘centres on the real needs of the recipient countries’ (Tay-Mullins et al: 861). However, as Tan-Mullins et al. note, while China preaches non-interference in domestic politics, its interventions ‘have undoubtedly exacerbated existing political problems in some countries, either by design or by default’ (Tan-Mullins et al. 2010: 876). As the numerous examples of Chinese aid and investment driven displacement described in this thesis attest, this is certainly the case in Laos.

Ranked 140th of 175 countries on Transparency International’s Corruption Perception Index, Laos has become one of the most politically repressive states in East Asia. There is no organized political opposition in the country, freedom of the press or any national NGOs, and very little transparency regarding government activities (Forbes & Cutler 2006; Stuart-Fox 2011). China’s diplomatic silence on human rights abuses represents one of the most
significant points of difference between its relationship with the country and that of traditional Western donors. The Chinese Communist Party (CCP) has provided military support to the GoL, technological assistance to strengthen state surveillance mechanisms and, as noted above, has shown little transparency around its aid contributions. Furthermore, the CCP’s heavy regulation of the press and civil society within China has also allowed Chinese firms to act with little corporate social responsibility, and to treat local residents poorly. Indeed, many have suggested that Chinese investments have strengthened the GoL’s stranglehold on civil society and provided a buffer against Western pressures for democratic reform.

This is not to portray the West as a ‘champion’ of democracy in Laos. As seen in the response of donor nations to the 2012 disappearance of Sombath Somphone, the responses of traditional donors to human rights abuses in Laos have also left much to be desired. Operating in an environment of strong political oppression, many Western NGOs in Laos remain largely silent on human rights abuses and acts of state violence through fear of being expelled from Laos, while the majority of Western bilateral aid donors have continued to increase their aid flows to Laos alongside multiple acts of state violence. Rather, it is simply to suggest that all those working in Laos need to be more outspoken about human rights abuses and political corruption and that, given China’s economic and political influence in the country, it plays a crucial role in addressing these issues.

Similarly, it is important to stress here that it is not the intention of this thesis to present China as the ‘bad guy’ of international development. As Sautman and Hairong note, many of the same criticisms made against Chinese aid, including the use of aid as a means to promote national interests and to access natural resources, can also be made of many other countries (2008: 104). This is reflected, for example, in Mawdsley’s recent research on the UK’s Department for International Development (DFID), which she suggests is returning an economic growth agenda to the centre of its mandate with ‘a growing place for corporations, consultancies and the financial sector in particular’ (Mawdsley

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99 Around 80 per cent of US grants to developing countries including conditions to ensure that they are ‘used to buy goods and services from US firms and NGOs’ and some 90 per cent of Italy’s aid benefiting Italian companies and experts (Sautman & Hairong 2008: 104).
2015: 339). As Tan-Mullins et al. have argued ‘the wider debate on aid effectiveness and conditionalities is to a large extent the result of confrontations between global players seeking to delegitimize the other whilst at the same time asserting the (moral) superiority of their approach’ (Tan-Mullins 2010: 874).

Within Laos, China has provided scholarships to university students, funded the construction of a number of schools, trained medical practitioners and government staff, and built the Luang Prabang provincial hospital. It has brought new employment opportunities to the country, provided funding for infrastructure upgrades deemed as national priorities, and supported projects that traditional donors have not customarily financed, such as sports stadiums and hotels. Private investment from China has also brought economic opportunities to Laos and has led to new employment opportunities, skills training and the availability of widely desired consumer items such as motorbikes and mobile telephones at more affordable prices.

However, it is also clear that China’s growing presence in the country has seen increased livelihood challenges for impoverished, and middle class, citizens of Laos. Whether these challenges are more pronounced in respect to Chinese aid and investment flows than those from the West is an important question – but not one that this thesis has sought to address. Rather, my aim has been to examine the different knowledge systems and ideological frameworks that have given shape to China’s presence in Laos, the similarities and differences between these knowledge systems and those of traditional donors, the development and poverty alleviation implications of China’s growing presence in the country and the ‘gaps’ that exist between its development narratives and the lived experiences of the poor. These concerns have implications beyond Laos.

10.3: China’s Rise and Global Aid: A New Future for Development?

The research findings presented within this thesis suggest that the rise of China as a ‘new’ aid donor has not yet provided us with any fundamental shifts in the conceptualization of development. This, I argue, is largely because new ways of thinking about development are unlikely to manifest from state bureaucracies that seek the maintenance of their own power or private sector interests that
seek to maximize and monopolize profit irrespective of their impact on poverty alleviation. More than two decades ago Ferguson challenged us to rethink ‘development’ not as processes of poverty alleviation but as ‘the expansion and entrenchment of state power’ and one of the key arguments of this thesis is that this conceptualization of development is as equally appropriate for the contributions of new donors as it has been for traditional aid providers (1990: 255).

Consequently, and despite its increasingly outdated critique of development as ‘Eurocentric’, I suggest that aspects of the post-development paradigm continue to provide a useful framework for analysing the global development sector in an ‘Asian’ century. As Mohan notes, ‘rather than seeing China as an exception, we need to attend to the ways in which China’s economic vision has affinities with and connections to other development orthodoxies, particularly with capitalism as a global process’ (Mohan 2013: 1268). That being said, a number of important questions remain in regards to both how post-development critiques may be best applied to non-Western donors, and what impact these critiques are likely to have over future policy directions. To provide just a few examples, greater consideration needs to be given to how the diverse socio-cultural contexts from which ‘new’ aid donors are emerging is likely to reconfigure the post-development paradigm, and how ‘post-development’ thinking can be encouraged and facilitated within ‘new’ donor countries. Furthermore, if, as I have suggested, the post-development paradigm has failed to have a significant impact on the professional development sector within Western nations, serious reflection must be given to the likelihood that additional academic critique will influence the policies of new donors – as well as how greater successes may be achieved within this new policy milieu. Finally, if the rise of Asia does result in the further sidelining of post-development debates within the professional sector than it must be asked what value, if any, such intellectual musings hold for the impoverished?

While I do not affirm to have answers to these questions, a useful starting point for thinking about such matters may be to return to post-development analyses of the knowledge-power relations that operate within development. Escobar, for example, has argued that development constitutes ‘one of the most powerful
mechanisms for insuring domination over the Third World today' (2000: 384). Yet, the diffusion of wealth that has occurred through globalization has, as Sidaway notes, seen the usefulness of such categories for demarcating world regions on the basis of development become increasingly problematic (2011: 49). ‘Developing’ countries have become both aid recipients and aid providers, arguably seeking to use development to employ the same ‘mechanisms of domination’ over other low and middle-income countries for which post-development scholars have condemned the West. This reconfiguration of the geopolitics of aid does not, however, render Escobar’s critique of development invalid. Rather, it instead requires the reconsideration of how the knowledge-power relations of contemporary development discourses are operating in an increasingly complex and diffuse arena of international development.

Indeed, one of the aims of this thesis has been to draw attention to how such critiques can be applied as a tool for better understanding China’s growing aid commitments across Southeast Asia. As Escobar himself notes, ‘it is not Western forms *per se* that one should object to... but rather to the types of rationality linked to them, to the forms of power and knowledge that characterize them and, finally, to the ways in which they assume responsibility for the conditions of life in order to manage and contain them’ (2000: 395). Of particular importance here is the need to continue to challenge the normalization and legitimization of ‘development’ as synonymous with poverty alleviation. As this thesis has shown, development both causes and alleviates poverty. Marginalization, deprivation and the disadvantaging of the poor is not only a product of their exclusion from processes of development, rather it is also often a consequence of their engagement with order building, modernization, and the facilitation of economic growth (Bauman 1998; Rigg 1997). In other words, the rise of new donors necessitates a renewed emphasis on the need to perceive development not as altruistic and all-encompassing progress, but as a discursive tool for legitimising state power and private wealth accumulation, which produces complex and multifaceted power struggles across diverse socio-cultural contexts.

In accordance with such an interpretation of development, the principal analytical finding to emerge from this thesis is that there persists an urgent
need to emphasise how all development interventions are highly politicised activities. This is not a new insight. In fact, James Ferguson perhaps most eloquently explained the political nature of development almost 25 years ago when he stated that ‘by uncompromisingly reducing poverty to a technical problem, and by promising technical solutions to the sufferings of powerless and oppressed people, the hegemonic problematic of “development” is the principal means through which the question of poverty is de-politicized in the world today’ (1990: 256). More recently, Tania Murray Li has also provided an insightful critique of the depoliticising power of development in her analysis of how development institutions ‘render technical’ complex socio-cultural environments in order to implement technocratic reforms (2007). However, both Ferguson and Li’s critiques of development, the former being written at a time before China and other ‘new’ donors had begun to influence the global development sector as they do today, are primarily directed at Western development aid and interventions.

What I suggest in this thesis is that such critiques of development as depoliticising state and corporate power are also of paramount importance to Chinese models for development - which have silenced criticisms of state activities through violence and imprisonment and placed significant restrictions on freedom of the press, free speech and the activities of civil society organisations. Significantly, this need to ‘repoliticise’ development is also where I suggest the most fruitful avenues for further post-development research can be found. In addition to looking for new ways of ‘doing development’, I propose that a valuable undertaking for future post-development critiques will be to conduct socio-culturally informed deconstructions of the politically-charged nature of new donor aid flows. This is an essential subject of inquiry that needs to be maintained and which, I argue, is of equal importance to the ‘moving forward’ of development theorizing as the production of ‘new’, ‘alternative’ approaches for project implementation. As Banks & Hulme recently noted, ‘for ‘development’ to generate successful economic and social outcomes requires a paradigm shift away from ‘development’ as an economic process that extends access to goods and services to otherwise marginalised groups, and towards an economic and social process that also facilitates redistributions of power,
representation and accountability, and more inclusive social, economic and political institutions’ (2014: 189).

In Laos, for example, the country is increasingly being framed as a development success story; undergoing the transition from a low-income economy to a lower-middle income economy and being the 6th most successful country for improved human development over the past 40 years (Times Reporters 2010a; Vaenkeo 2011). Yet this ‘success’ is not coming without its costs. Representations of development from the international donor community and the Lao government are not always in accordance with how its diverse citizenry perceives development. As Rigg notes, ‘from afar it may seem that Laos is following and experiencing a comparatively smooth process of transition with a clear and uninterrupted trajectory[.] ... But by taking a livelihoods perspective it becomes clear that change is more jagged and jarring, with breaks and discontinuities’ (2005: 170). Consequently, one of the aims of this thesis has been to analytically shift the focus of ‘development’ in Laos away from economic indices towards a greater consideration of social justice, rights and equality – and also to show that perceptions of ‘modernity’, ‘progress’ and ‘development’ are in part maintained through the marginalization and abjection of the poor.

This is not a battle that will be easily won. However, an important means through which such a shift can be facilitated is through greater acknowledgment of the perspectives of those that have been cast aside or downtrodden by so-called ‘development’ programs and projects; by those who have encountered development not as a force for socio-economic progress, but as a destructive and destabilising influence on their livelihoods and wellbeing. One of the principal discursive mechanisms through which technocratic modernisation is perpetuated as a taken-for-granted driver of socio-economic progress is by silencing, delegitimizing and downplaying the stories of those who are disadvantaged by development. As N'Dione et al. note, ‘clearly what is true is what the powerful believe or say to be true: the truths of the poor or of those without rank are only beliefs that come up against the knowledge of those who hold the levers of power’ (1997: 375). This is particularly so in non-democratic states such as Laos and China where free speech is heavily constrained and I
suggest that academics play an important role in counterbalancing the narratives of the state and private sector elites.\(^{100}\)

Of course a paradigm shift will not occur within development thinking just by ‘giving voice’ to the poor. As reflected in post-development debates more broadly, greater voice does not always equate to greater influence. Rather, an attempt must also be made to empower the impoverished and marginalised through policy reforms and the actions of civil society. Redirecting development debates and practices towards more people-oriented agendas will be impossible without the expansion of domestic civil society ‘to place checks, balances and demands on state and market forces’ and to push for more equitable and inclusive resource distribution (Banks & Hulme 2014: 193).

Finally, within academia, greater emphasis must be placed on the fluidity and socio-cultural specificities of terms such as ‘poverty’ and ‘development’. In particular, there is a need for greater acknowledgement that the poor are not an ‘undifferentiated mass’ whose livelihoods can be improved through homogenous, empirically detached, development policies and that ‘there is no one question – “what is to be done” – but hundreds’ (Ferguson 1990: 281; Rigg 2005). This is obviously a call for a greater appreciation of scale in assessments of development. But it is also more than this. It is a call for the recognition that development involves different things for different people, and that the interests of one group may conflict and undermine the interests of another. This seemingly simple recognition is of crucial importance to considerations of what ‘China’s’ rise means for the ‘developing world’.

\(^{100}\)This is not to deny that there are severe research constraints regarding ‘sensitive’ research topics in countries such as Laos. However, it is important that academic researchers to find ways to work around such limitations.
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