



# Journal of Current Chinese Affairs

China aktuell

---

Tan, Danielle (2012),  
“Small Is Beautiful”: Lessons from Laos for the Study of Chinese Overseas, in:  
*Journal of Current Chinese Affairs*, 41, 2, 61-94.  
ISSN: 1868-4874 (online), ISSN: 1868-1026 (print)

The online version of this introduction and the other articles can be found at:  
<[www.CurrentChineseAffairs.org](http://www.CurrentChineseAffairs.org)>

---

Published by

GIGA German Institute of Global and Area Studies, Institute of Asian Studies  
in cooperation with the National Institute of Chinese Studies, White Rose East Asia  
Centre at the Universities of Leeds and Sheffield and Hamburg University Press.

The *Journal of Current Chinese Affairs* is an Open Access publication.  
It may be read, copied and distributed free of charge according to the conditions of the  
Creative Commons Attribution-No Derivative Works 3.0 License.

To subscribe to the print edition: <[ias@giga-hamburg.de](mailto:ias@giga-hamburg.de)>  
For an e-mail alert please register at: <[www.CurrentChineseAffairs.org](http://www.CurrentChineseAffairs.org)>

The *Journal of Current Chinese Affairs* is part of the GIGA Journal Family which includes:  
Africa Spectrum ● Journal of Current Chinese Affairs ● Journal of Current Southeast  
Asian Affairs ● Journal of Politics in Latin America ● <[www.giga-journal-family.org](http://www.giga-journal-family.org)>



# “Small Is Beautiful”: Lessons from Laos for the Study of Chinese Overseas

Danielle TAN

**Abstract:** During the colonial period, Laos welcomed the smallest overseas Chinese communities in Southeast Asia, communities that almost disappeared after the communist forces seized power in Laos in 1975. Yet, this landlocked country shares a long history with China and even experienced a Golden Age thanks to the thriving caravan trade between Yunnan and mainland Southeast Asia. The Greater Mekong Subregion initiative, a development programme launched by the Asian Development Bank, has revitalized these historical trade routes, causing thousands of Chinese migrants to pour onto the new roads of Laos, channelled through the North–South Economic Corridor linking Kunming to Bangkok. Depicted as “an army of ants” that plunders the natural resources of this poor country, these Chinese migrants are also the main drivers of development. The paper seeks to examine the specificity of China’s engagement in Laos. I suggest that this small and forgotten country can provide insightful lessons to better understand the current changes taking place in Chinese migration worldwide.

■ Manuscript received 3 November 2011; accepted 22 May 2012

**Keywords:** Laos, new Chinese migration, Greater Mekong Subregion

**Dr. Danielle Tan** is currently a postdoctoral research fellow at the Australian National University (ANU) in Canberra, Australia. Her main research interests include comparative politics and the political economy of Southeast Asia with an emphasis on the rise of China in the context of regional integration in the Greater Mekong Subregion. In December 2011, she completed her Ph.D. in Political Science at Sciences Po/ CERI (Centre for International Studies and Research) in Paris, France. Her dissertation was entitled *From Communism to Neoliberalism: The Part Played by Chinese Networks in the Transformation of the State in Laos*.

E-mail: <danielle.tan@anu.edu.au>

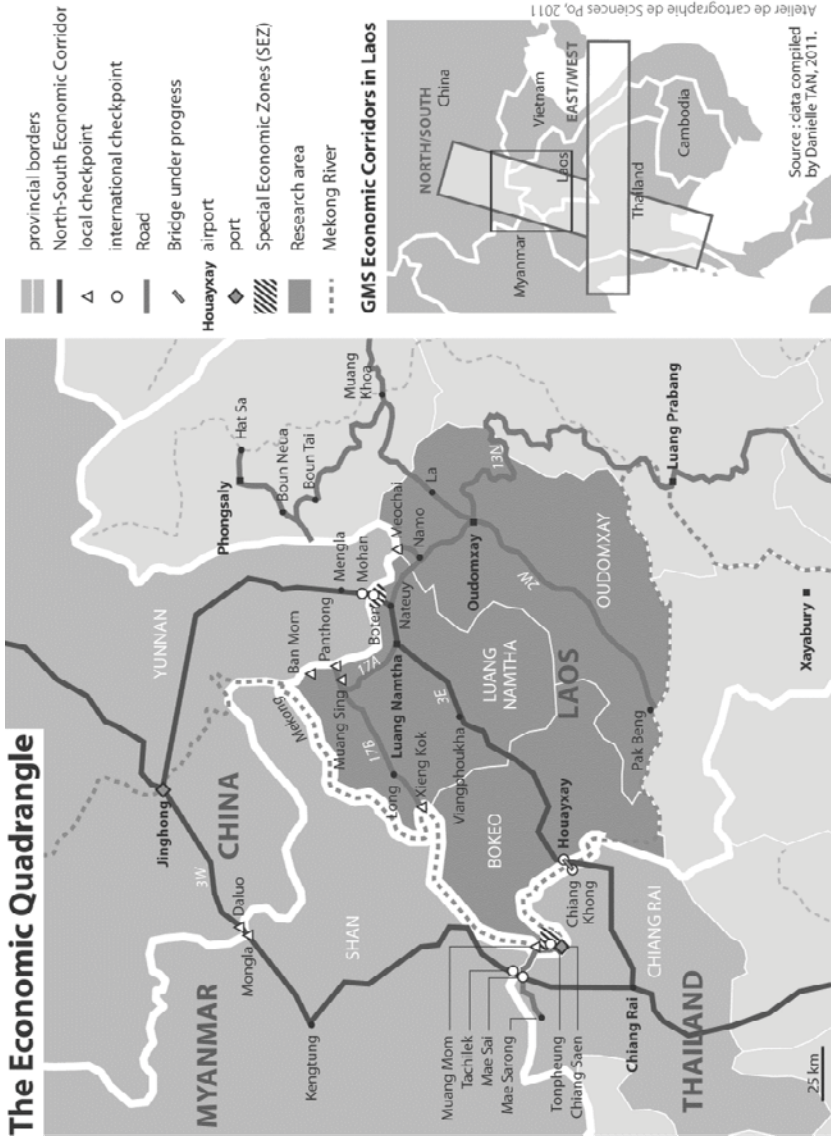
## Introduction

Laos was once unique in Southeast Asia for its remarkably small overseas Chinese communities. Most of them fled the country when the communist forces seized power in 1975. While the case of Laos is often understudied in the field of overseas Chinese studies (Liu 2006), this country also experienced an overland Chinese migration in pre-colonial times, thanks to the thriving caravan trade between Yunnan and mainland Southeast Asia. The new era of regional economic integration, which began with the Greater Mekong Subregion (GMS) initiative in 1992, has resumed this overland migration into Laos through the construction of the North–South Economic Corridor (NSEC).

Supported by the Asian Development Bank (ADB), the GMS programme seeks to foster economic cooperation by easing cross-border movement of goods and people, but the process was delayed by the 1997 Asian financial crisis. As a result, the ADB began to promote a new, integrated development approach, based on the economic corridor concept as a crucial junction for trade, tourism and investment. Accordingly, an economic corridor is a line of communication between at least two nodes (cities, metropolitan areas) and may involve different modes of transport (road, railway, inland waterway) and an interconnection of power grids and telecommunications. The economic corridor approach aims to enhance the flows of goods, workers, technology, and possibly economic information. In short, the NSEC is basically a highway that links Kunming to Bangkok crossing through the northern provinces of Laos. It was inaugurated on 31 March 2008 during the third GMS Summit held in Vientiane and was expected to boost the Economic Quadrangle, a growth triangle initiated by Thailand to strengthen economic cooperation with China's Yunnan Province, Laos and Myanmar (see Figure 1).

This regional integration process also means dramatic socio-economic changes in the remote and impoverished Upland Laos (Lyttleton, Cohen, and Rattanavong 2004). The NSEC has contributed to accelerate Chinese migration and investment, which have been profoundly transforming the socio-economic landscape of northern Laos, in both urban and rural areas. In search of a better life and new economic opportunities in a country rich in natural resources, but one that is underdeveloped and underpopulated, the Chinese newcomers are depicted as an “army of ants” threatening Lao cultural identity and plundering the wealth of the

Figure 1: The Economic Quadrangle



Source: Tan 2011: 24.

country with the blessing and complicity of highly corrupted officials. But at the same time, Chinese investment is driving a fast economic growth that Laos would have never been able to experience without its new partners.

Drawing on fieldwork carried out between 2007 and 2009, mainly in Vientiane and in the three northern Lao provinces connected to the NSEC (Luang Namtha, Bokeo and Oudomxay), this paper seeks to examine the specific patterns of Chinese migration in Laos in comparison with its Southeast Asian neighbours, as well as the impact of China's engagement in one of the world's last remaining communist regimes. I suggest that the analysis of this small and forgotten country can provide insights to better understand the current changes taking place in Chinese migration worldwide. On the one hand, this case study shows that even in Southeast Asia – the traditional overseas Chinese terrain *par excellence* – old descriptions of overseas Chinese are no longer sufficient to explain Chinese ethnicity in the region. On the other hand, the peripheral case of Laos, which shares many similarities with African countries struggling with the “resource curse”, emphasizes the need to go beyond the recurrent analysis of weak states dominated by China's overwhelming economic power. This paper tries to demonstrate how the Lao communist regime relies on the Chinese players to reinforce state power in the margins of its territory.

## The Reawakening of Chinese Communities in Laos

Over the last decade, the socio-economic landscape of northern Laos has been deeply reshaped by the arrival of Chinese migrants in search of business opportunities. In fact, this new migration flow has resuscitated an overseas Chinese community that used to be small in comparison with other Southeast Asian countries due to a terrain unfavourable for the development of commerce.

By the end of the colonial period in 1947, overseas Chinese numbered 2.5 million in Thailand, 1.9 million in Dutch India, 300,000 in Burma, and 850,000 in French Indochina, but barely 32,500 Chinese were registered in Laos in 1955 (Purcell 1965: 2; Halpern 1961: Table 3). That Laos is landlocked is not the only reason for the small size of the Chinese communities. As a matter of fact, the French also encouraged Vietnamese migration, about which they had high hopes. Indeed, accord-

ing to the racial criteria established by the French colonial policy, the Vietnamese produced better officials than the Lao, and more docile and less expensive workers than the Chinese (Robequain 1948: 86).

Laos had the particularity – along with Thailand and Burma – of harbouring two types of Chinese communities (Halpern 1961; Rossetti 1997). In the North, the early overland migration was characterized by caravan drivers, dealers, traffickers and a few shopkeepers from neighbouring Yunnan Province called Chin Haw or just Haw. We need to go back to the Thai chronicles of the thirteenth century to trace the origins of the name Chin Haw, which in Tai languages designated the overland Chinese coming to Thailand (“Panthay” in Burmese). This name was widespread in the sixteenth century to describe the Yunnan’s Muslim muleteers and traders plying the mountains of the Upper Mekong (Forbes and Henley 1997; Hill 1998). For the Chinese, the Haw are known as Hui (回族, *huizu*, Chinese Muslim). They were long thought of as hill tribes or Muslim, but beginning in the twentieth century, the term Haw became ambiguous because it subsequently incorporated the large number of Yunnan’s Han and non-Muslim Chinese immigrants who fled into the Golden Triangle after the defeat of the Kuomintang (KMT) (Guomindang) in 1949. Anyway, these overland Chinese reject this name. In Laos, the Han Yunnanese who had settled for five or six generations in the North, mainly concentrated in the province of Phongsaly, consider themselves both ethnic Chinese and Lao.

In contrast, larger waves of overseas Chinese (华侨, *huaqiao*) from Guangdong, Fujian, and Hainan settled in the main cities of central and southern Laos during colonial times. Originally arriving as coolies to develop the European empires, the overseas Chinese in Laos and throughout Southeast Asia rapidly came to dominate the main economic sectors due to their networking abilities (Purcell 1965; Pan 1999). In fact, those who ended up in Laos had failed to prosper in Thailand, Vietnam and Cambodia.

Although the *huaqiao* were very few in number, they nevertheless managed to control the Lao economy through a marriage-based integration process. The more affluent businessmen adopted a strategy of matrimonial alliances, trading their economic capital for symbolic capital – that is to say, the prestige (*kiei*) inherent in the traditional system of patronage and monopolized by powerful Lao families (*phu ngay*). Similar to the outcomes in Thailand and Cambodia, these inter-ethnic marriages did not succeed in assimilating the Chinese into Lao culture, but rather

led to the emergence of a “creolized” community, a term coined by William Skinner (1996).

The 1960s saw the arrival of a massive number of troops from the Chinese People’s Liberation Army (PLA), who came to set up a vast road construction project in northern Laos. However, the cooling Sino-Lao diplomatic relations at the end of the 1970s resulted in the withdrawal of 5,000 Chinese military workers (Walker 1999: 59) as well as of the few remnants of community life left in Luang Prabang, Oudomxay and Xiengkhuang. Laos aligned itself with Vietnam during the Sino-Vietnamese War (17 February to 16 March 1979), which was triggered by the Vietnamese invasion of Cambodia in January. Considered a “fifth column”, the remaining community had to put its Chinese identity aside.

In central and southern Laos, the political changes of 1975 led to a mass exodus of most of the Chinese community, which dropped from 100,000 people – the figure given by the Association of Overseas Chinese in Vientiane, whereas most official sources recorded 40,000 people – to approximately 10,000 in the early 1990s (Rossetti 1997). Being targeted by the new communist regime for their social position and their political allegiance to Taiwan more than for their ethnic origin, the Chinese communities in Laos – such as those in Vietnam and Cambodia – sought refuge mainly in the West, particularly in the United States, France and Australia.

The end of the Cold War led to a new regional order that endorsed the return of China’s influence in Southeast Asia (Evans, Hutton, and Eng 2000). Determined to regain its “rightful place” in a region that China considers its traditional sphere of influence (Stuart-Fox 2003), the Chinese government devised a “charm offensive” (Kurlantzick 2007) by nurturing close economic partnerships (aid, investment, creation of a free trade area between ASEAN and China) and promoting the idea that China will not be a threat to other nations. Moreover, China’s attitude toward its diaspora and migration in general has changed radically. The Chinese government has become aware of the tremendous potentiality of this human capital to implement a “soft power” strategy (Nye 1990) in order to regain its status as a great power.

As a result, Southeast Asian countries have started seeing their Chinese communities as an asset again, while the latter have been rediscovering their Chinese roots. The visit of Premier Li Peng to Vientiane in 1990 marked a turning point in China–Laos relations. Immediately, being Chinese was no longer problematic; Chinese schools and shops began to

reopen gradually, but the Laotian Chinese community had already been reduced to a mere shadow of its former self. Thus, the reawakening of a Chinese community in Laos did not come from the *huaqiao*, unlike in Indonesia or in Cambodia (Tan 2006), where they managed to regain their traditional economic role. In those two countries, the ethnic Chinese became powerful intermediaries for Chinese investors from mainland China, Hong Kong and Taiwan by taking advantage of strong connections with their ancestral homeland in China and with the Chinese diaspora networks in order to attract investment. By contrast, the revival of a Chinese community in Laos actually came from the new immigrants (新移民, *xin yimin*) who started pouring into northern Laos in the late 1990s on a scale the country had never experienced before. The vast majority of these Chinese newcomers have settled in the North and in Vientiane (see also Evans 2008).

Present-day northern Laos harbours a sizable and complex assemblage of Chinese communities with varying tenures of residence. According to official Chinese data, there are 30,000 Chinese residing in Laos, but their number could actually be ten times higher (*The Nation* 2007). According to a GMS Migration Policy Briefing, there are 80,000 Chinese estimated to be working on Chinese-led projects (ADB 2010). Estimating the Chinese population in northern Laos is difficult because official Lao data at the national and provincial levels are divergent. Lao provincial officials recognize that the current administrative system cannot precisely assess their presence because they are very mobile. Those who live at the Chinese border can enter Laos with a ten-day border pass. A border pass, provided at the international and local checkpoints, allows all Chinese citizens to travel within four northern provinces (Oudomxay, Luang Namtha, Bokeo and Phongsaly) for a period of ten days, extendable for another ten days. It is not necessary to be a resident of Yunnan to qualify for this border pass. Each crossing costs a little more than a dollar. Chinese citizens can also extend their stay with a three-month business visa for 25 USD, while the resident card costs 300 USD per year. Moreover, tourist visas can be delivered at the international checkpoint of Boten, where the procedure is rapid. The visa costs 20 USD, and it is valid for 30 days. The newcomers often run their businesses under a Lao name or settle illegally, and a very small number legalize their stay by marrying Lao citizens. Strict control of cross-border migration in northern Laos is simply not possible due to porous borders natu-



rally formed by the mountains and the Mekong River, and because of the difficult access to some areas during the rainy season.

The first Chinese newcomers came in the mid-1990s as workers or technicians in the framework of road construction projects and industrial cooperation between Yunnan and the northern provinces of Laos (Luang Namtha and Oudomxay). At the end of their contracts, some stayed to start their own business. They were quickly joined by a growing number of petty traders from neighbouring Yunnan and more distant provinces, such as Hunan, Sichuan and Zhejiang. They typically engage in miscellaneous trading activities in import–export, transport, hardware and household supplies, motorcycle repair, cell phone shops, restaurants, hotels, or beauty salons, and they occupy more and more space in the local markets.

For most of these new migrants, Laos is not their first destination. The overwhelming majority of the petty traders I met in the markets of northern Laos are from Hunan, but many of them had first migrated to Yunnan, where they engaged in commercial activities (see also Hansen 1999). Because of the fierce competition in China, they resigned themselves to explore other migration options. They moved to northern Laos after they were told that a new road would soon link Kunming to Bangkok and bring economic development to a country where almost everything is still to be done. Before leaving China, some had never heard of Laos or were unable to locate the country on a map.

While Chinese migrants in the 1990s were mostly males (Rossetti 1997), I observed during my fieldwork that the pattern of migration has changed to include more women. Most of the newcomers I met run their business with their families so they can go back to China regularly without having to stop their activities. The families often seize the opportunity to raise more than one child in Laos. When they have school-age children, they prefer to leave them with the grandparents so they can receive a Chinese education. I encountered many women, single and married, who ran their own businesses, leaving their families behind. In some cases, migration can be an avenue of empowerment for women. Living mostly alongside their Chinese peers, these migrants have achieved limited integration in Lao society. Regardless of how long they have been in Laos or plan to be there, they see their stay as temporary and strictly for the purpose of economic advancement.

Given that this circular and chain migration is still recent, the newcomers have not yet organized themselves into associations, unlike the

overseas Chinese during the colonial period. Indeed, the Chinese in French Indochina used to form *congrégations* (幫, *bang*) in accordance with their dialect and/ or province of origin. This system of indirect rule over Chinese communities provided mutual aid assistance, mediated internal disputes, and assisted the government in implementing laws and collecting taxes. Today, once the new pioneers have established a foothold, they contact their home communities to recruit labour and business partners. Therefore, analysing transnational networks is crucial to understanding the specificity of migrant settlement and community-building in Laos.

Although the number of Chinese migrants in Laos has soared, their proportion still remains low in comparison with Thailand, Vietnam and Burma, which have also been experiencing important overland migration. These countries share with China larger volumes of trade, and their more substantial ethnic Chinese communities have facilitated the return of the diaspora and attracted a greater number of *xin yimin*.

Table 1: China and Ethnic Chinese in Mainland Southeast Asia

Countries	Chinese Population in 1947 <sup>1</sup>	Ethnic Chinese Population in 2005 <sup>3</sup>	Origins of Ethnic Chinese	New Chinese Migration	Bilateral Trade with China and China's Direct Investment in 2010 <sup>10</sup>
Thailand	2.5 million	7 million	<ul style="list-style-type: none"> <li>•Majority Teochiu (Chaozhou)</li> <li>•Haw (Yunnan's Chinese Muslim and non-Muslim) in the North</li> </ul>	<ul style="list-style-type: none"> <li>•From Yunnan and other parts of China</li> <li>•No reliable estimates</li> <li>•Only 13,906 Chinese citizens registered as of July 2008<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>•52.95 billion USD (27.4% up from 2008)</li> <li>•1.08 billion USD</li> </ul>
Myanmar	300,000	1.1 million	<ul style="list-style-type: none"> <li>•Lower Burma: majority Hokkien and Cantonese</li> <li>•Upper Burma, mainly in Shan and Kachin States: Panthay (equivalent of</li> </ul>	<ul style="list-style-type: none"> <li>•From Yunnan and other parts of China</li> <li>•No reliable estimates</li> <li>•Mandalay: 30–40% Chinese<sup>6</sup></li> <li>•40,000 workers<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>•4.44 billion USD (68.8% up from 2008) (not including smuggling)</li> <li>•1.95 billion USD</li> </ul>

			Haw and Kokang Chinese (descendants of Ming loyalists who fled in the 17th century)		
Vietnam	French Indochina: 850,000	1.2 million	•Return of the Hoa (Sino-Vietnamese) 280,000 people fled to China in 1979 <sup>4</sup>	•From Yunnan and other parts of China •No reliable estimates •35,000 workers registered as of July 2009 <sup>8</sup>	•30.09 billion USD (54.6% up from 2008) •990 million USD
Cambodia		343,855	Majority Teochiu	•From mainland China, Taiwan, Hong Kong, Chinese diaspora •No reliable estimates •25,000 workers <sup>7</sup>	•1.44 billion USD (27.4% up from 2008) •1.13 billion USD
Laos	Laos: 32,500 (1955 <sup>2</sup> )	185,765	•Majority Teochiu •Haw in the North	•From Yunnan and other parts of China •Official Chinese data: 30,000 residents •Unofficial estimates: 300,000–400,000 residents <sup>9</sup> •80,000 workers <sup>7</sup>	•1.05 billion USD (150% up from 2008) •850 million USD

Sources: <sup>1</sup> Purcell 1965: 2.  
<sup>2</sup> Annuaire statistique du Laos et Annuaire statistique de l'Indochine 1911-1955 (Halpern 1961: table 2).  
<sup>3</sup> Overseas Compatriot Affairs Commission, R.O.C. Taiwan.  
<sup>4</sup> Evans, Hutton, and Eng 2000: 271.  
<sup>5</sup> Ministry of Labour, Thailand (Walsh 2009).  
<sup>6</sup> Tournier and Le Bail 2010.  
<sup>7</sup> ADB 2010.  
<sup>8</sup> Wong 2009.  
<sup>9</sup> Tan 2011.  
<sup>10</sup> Ministry of Commerce, China (*Xinhua* 2011).

## The Role of Chinese Networks in Increasing the Pace of Change in Northern Laos

Things are changing rapidly in Laos. In just a decade, Chinese networks have radically transformed the political economy of northern Laos (Khonthapane, Insisiangmay, and Nolintha 2006; GMS Studies Center 2009). The North–South Economic Corridor has particularly contributed to accelerating Chinese migration and investment. While Chinese investors and petty traders are the main drivers of change, they are also the main winners. They are on the verge of dominating the local economy by weaving networks between important trade nodes, such as agribusiness, transport and tourism sectors. Commercial connections appear to have been growing with China, and at times, even replacing previous Thai connections. Since the early 2000s, northern Laos has been undergoing a dramatic transition from semi-subsistence farming based on shifting cultivation to market-oriented agriculture. Road improvement and regional market forces, fuelled by skyrocketing Chinese investment, have driven this shift. Indeed, the majority of foreign direct investment (FDI) to northern Laos comes from mainland China and Hong Kong (96 per cent, 87 per cent, and 76 per cent, respectively, in Luang Namtha, Oudomxay and Bokeo Provinces).

Table 2: Chinese Investment in Luang Namtha, Oudomxay and Bokeo Provinces (in USD)

	Luang Namtha (1993–2008)	Oudomxay (1992–2009)	Bokeo (1995–2010)	Total
Total Registered Investments	36,125,772	108,826,766	81,787,584	226,740,122
Domestic Investments	5,307,592	23,133,040	13,925,284	42,365,916
Registered FDI	30,818,180	85,693,726	67,862,300	184,374,206
Other FDI	1,236,250	11,062,922	16,305,000	28,604,172
Chinese FDI	29,581,930	74,630,804	51,557,300	155,770,034
% Chinese FDI/Total FDI	96	87	76	85

Source: Departments of Planning and Investment in Luang Namtha, Oudomxay, and Bokeo Provinces (2009–2010). Compilation and computation by the author.

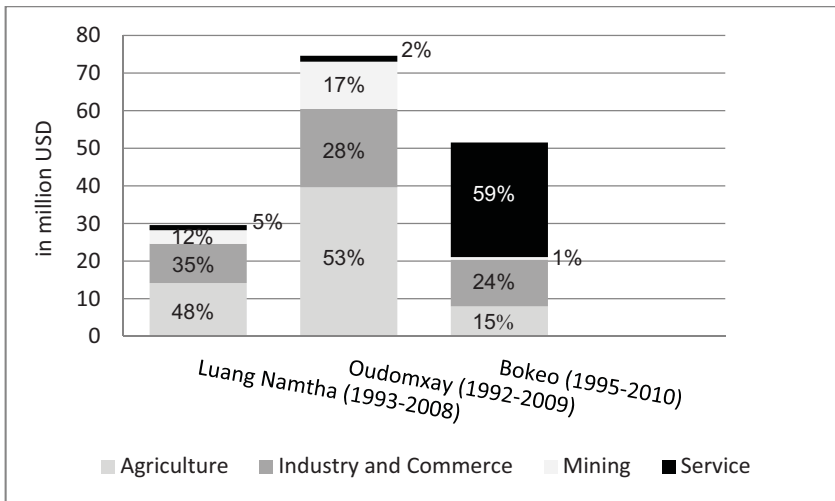
The main Chinese investors are state-owned enterprises and large private companies. While the former invest heavily in developing agriculture, industry, hydropower plants and mining (Rutherford, Lazarus, and Kelley 2008), the latter have chosen the tourism sector, and particularly the lucrative sector of casinos. Chinese investment is mainly concentrated on agriculture (48 per cent in Luang Namtha and 53 per cent in Oudomxay), except in Bokeo (only 15 per cent), where tourism megaprojects, such as the Dokgniewkham Casino in the Golden Triangle Special Economic Zone (SEZ), absorb the majority of Chinese investment in the province. The industry and commerce sectors (rubber- and tobacco-processing factories, warehouses, motorbike assembly factories, etc.) and, to a lesser extent, mining are also targeted by Chinese investors. However, these data collected in the provincial Departments of Planning and Investments should be treated with caution because several megaprojects, such as Golden Boten City and the dams, are not registered at the provincial level. Anyhow, these megaprojects have increased the pace of development and radically reshaped the uplands of northern Laos into large-scale rubber plantations and huge gambling enclaves.

Although agriculture remains the principal economic sector in northern Laos, the importance of hydropower and mining revenues is increasing, following the same pathway occurring at the national level. Hydropower and mining development have been identified as the highest-priority sectors by the government, given their potential to stimulate economic growth and lead to greater revenues. It is worth recalling that Laos loudly proclaimed its ambitions to become the “battery of South-east Asia”. According to the Department of Energy Promotion and Development, in December 2011, 14 hydropower plants were operational, 10 were under construction, 26 were already planned, and 33 projects were at the feasibility study stage (MEM 2011).

At the national level, in 2007 China ranked as Laos’ top foreign investor for the first time, surpassing Thailand and Vietnam. However, in the tug-of-war over Laos, Vietnam has not yet had its last word. Over the period from 2000 to 2010, Chinese firms invested in 397 projects worth about 2.71 billion USD, making China the second-largest foreign investor after Vietnam (2.77 billion USD), while Thailand has moved down to third place (2.6 billion USD). Chinese investment covers hydro-power plant development, mining, shopping centres, banking, restaurants, hotels, rubber plantations and telecommunications. Bilateral trade and investment between Laos and China will most likely see a big surge

if the 7 billion USD Laos–China railway project is eventually implemented. Indeed, Laos and China agreed that the construction of the high-speed train linking Boten to Vientiane would begin in April 2011 to mark the 50<sup>th</sup> anniversary of Laos–China diplomatic relations and that the project would be completed within four years. However, at the last minute, the inauguration ceremony was postponed indefinitely because of the corruption scandal that led to the removal of China’s Minister of Railways Liu Zhijun in February 2011. To put an end to rumours about the cancellation of the railway, the Lao government has confirmed that the project is still on the agenda (*Vientiane Times* 2011). Once the construction has been completed, China will be fully connected to Southeast Asia, from Beijing to Singapore. These Herculean works are rather symbolic because the Chinese are on track to achieve the *mise en valeur* of Laos that the French dreamed of during their colonial rule but failed to implement (Stuart-Fox 1995).

Figure 2: Chinese Investment by Sector in Luang Namtha, Oudomxay and Bokeo Provinces (in USD)



Source: Departments of Planning and Investment in Luang Namtha, Oudomxay, and Bokeo Provinces (2009-2010). Compilation and computation by the author.

Because Chinese bus companies have effectively connected the nearby cities of Yunnan (Kunming, Jinghong and Mengla) with the main cities

of northern Laos, Chinese traders have settled throughout northern Laos, in all provincial and district capitals, to supply cheap Chinese goods to the urban and rural populations of the region. They are currently supplanting Lao traders and transporters, and especially Lao women, who up until ten years ago dominated long-distance trade in northern Laos (Walker 1999).

Their long-term settlement has transformed Lao urban centres. Numerous Chinese-owned shops (selling cell phones, large electrical items, car and tractor engines, televisions and home furniture, or barber-shops, beauty salons, etc.) are usually to be found around the market or along the main streets, creating a new kind of Chinese neighbourhood. After 6 p.m., when Lao shops close, Chinese shops remain open, and the Chinese language is commonly heard in the streets. These shops are easily recognizable thanks to the red and yellow Chinese characters and lanterns posted on the shop fronts. Most of these small and medium-sized traders are registered under Lao names. Only the large companies are registered under Chinese names. In fact, formal and informal sectors are intertwined. For example, in Luang Namtha, the beauty shop is officially registered but the owner is also engaged in informal activities such as importing agricultural products, while the main business of the town's motorcycle dealer is a banana plantation.

Besides these shops, a growing number of hotels/ guesthouses and restaurants have been set up, becoming key stops for Chinese traders, workers and tourists. Actually, they represent crucial nodes of the regional business networks because they play multiple roles, acting as information centres, gambling houses (to play mah-jong), bus ticket offices, small warehouses, intermediaries between traders and private buses, meeting rooms for Chinese companies, etc. In fact, restaurants and guesthouses have been set up wherever Chinese buses stop over. Chinese traders are often involved in many activities such as running shops in another city – even as far away as Vientiane – engaging in the transportation business, running clinics or taking part in rubber production. Due to capital constraints, they tend to have only smallholdings, but many now also serve as subcontractors and supervisors for large Chinese investors (Shi 2008). Even though these restaurants/ guesthouses mainly have Chinese customers, more and more Lao people and foreign tourists have started visiting. As a result, Chinese markets, shops, restaurants and guesthouses have become the most visible markers of urbanization in

producing a new form of urban centrality that Lao cities were previously lacking.

The rapid influx of Chinese investment in Laos would not have been possible without the working of transnational business networks built by the newcomers as well as the go-between roles of certain ethnic minority groups belonging to the Chinese cultural sphere, such as the Haw, the Hmong or the Akha. Since most Chinese traders cannot speak Lao, they hire Haw personnel as translators, middlemen or business partners to overcome the language barrier and deal with Lao clients and officials. Thanks to their dual culture – they can speak both Lao and Yunnan’s dialect – they have managed to take advantage of the dynamism of Chinese traders, as evidenced by the new markets in Oudomxay, Muang Sing and Luang Namtha built by Haw entrepreneurs (see Figure 3). They gather Lao and Chinese traders, each occupying a specific area in the market building. Most of the sellers at the fresh food market are Lao, mainly Haw, with a few Chinese sellers from border districts. Nevertheless, Chinese traders rule the food market and have strong connections with the Chinese restaurants in town because most of the vegetables are locally grown and imported by them. Lao farmers do not produce vegetables and fruit anymore because Chinese products are cheaper.

In practice, the passenger-traders usually bring in goods at a negotiated reduced duty rather than completely avoiding taxation. They sometimes purchase NTFPs (non-timber forest products) like wild mushrooms and bamboo, seasonal agricultural produce, and other protected wildlife species that are highly valued by the Chinese to manufacture traditional drugs. The goods are smuggled and/ or passed through official channels in exchange for “tea money”. These passenger-traders hire small Lao or Chinese trucks, or are transported by daily Chinese public and private buses, which come from Kunming, Jinghong or Mengla and stop in the main cities of northern Laos. To import more goods, Chinese traders mainly use Lao registered companies to clear the documents. Frequently, an ethnic Chinese (usually Haw because of the common language) serves as a middleman between the Chinese traders in China and Laos, the Lao registered company, and the customs.

Despite informal and illegal practices, the entrepreneurial dynamism of Chinese merchants has played a key role in the development of agribusiness (corn, sugarcane, rubber, cassava, watermelon, NTFPs, etc.) in the border provinces with China. Bearing lower costs than Lao registered



companies, Chinese traders are able to offer a global service (providing fertilizers and seeds, collecting and transporting agricultural products, dealing with customs, etc.) and better prices to Lao farmers. They often act as intermediaries or representatives for companies or factories in China (Diana 2009).

Figure 3: Chinese Market in Luang Namtha



Source: © Danielle Tan, March 2008.

Other ethnic groups, such as the Tai Lue, the Hmong and the Akha, have also served as important transnational links, especially in the “rubber boom” economy (Shi 2008). When the borders reopened in the 1990s, the foundations for a new economic cooperation with China were

already laid thanks to infrastructure set up by the PLA 20 years before. First, small waves of Lao Akha and Hmong refugees from the Second Indochina War were repatriated from the border villages of Xishuangbanna to the Mom cluster in the Sing District and Ban Hat Ngyao in the Namtha District (Luang Namtha Province). Under the influence of their Chinese *pi-nong* (relatives), who have bettered their standards of living by planting rubber, they were the first to plant rubber in the mid-1990s. Because they used to work on the state farms in Xishuangbanna, they act as a model and an essential source of knowledge for other villages. Though this community is limited in size, it serves as a crucial transnational link in the smallholder rubber value chain.

According to the Ministry of Agriculture and Forestry, the total area of rubber in Laos (foreign investors and smallholders) reached 140,000 hectares by the end of 2008, with estimates of 250,000 hectares by 2010, including 166,500 hectares in the North. Other figures from the Ministry of Planning and Investment have placed the total area of rubber in Laos at 400,000 hectares as of 2010. However, without systematic, national-level concession inventory data, it is possible to provide neither accurate information on the total area of land concessions that have been granted to investors nor details on their attributes. Based on deals signed, the German Technical Cooperation Agency (GTZ) estimates that 2 to 3 million hectares are currently covered under land concession agreements (including both active and not yet implemented projects), covering 10 to 15 per cent of the total area of Laos (Schönweger and Üllenberg 2009).

In the case of rubber production, Luang Namtha began receiving an influx of Chinese investment from Yunnan in 2003/ 2004. Chinese rubber companies seized the opportunity to acquire cheap land with a low-risk investment. They started to register formally because they were favoured by the opium replacement policy that eases labour restrictions and provides financial incentives as well as a special fund of 250 million CNY to assist businessmen through grants and loans. This strategy also reflects the broader Chinese policy of *zou chu qu zhanlue* (走出去战略, literally translated as “to go out” or “going global strategy”) that aims to encourage Chinese investment abroad. Though companies are typically headquartered in Mengla, Jinghong or Kunming, investment can come from as far away as coastal China. These companies have strong governmental ties and usually subcontract with the existing local Chinese communities (mostly Sichuan and Hunan migrants engaged in miscel-

laneous trade and who have been converting to rubber in recent years) and employ Lao Akha or Lue personnel as translators and supervisors.

The Lao central government has granted large land concessions to firms with close ties to the Chinese government. For example, China–Lao Ruifeng Rubber, a group originally specialized in the entertainment industry, obtained a 300,000-hectare concession in Luang Namtha Province in a joint venture with the Lao military, while the Yunnan Rubber Company plans to cover 167,000 hectares. The decision to grant such a large concession to a state-owned company was taken during a visit of Vice Premier Wu Yi to Laos in March 2004 (Shi 2008). In collusion with Lao military higher-ups and officials at both national and local levels, Chinese companies have forced Upland farmers to change their farming practices or abandon their land in the name of China’s opium replacement policy implemented in the Golden Triangle, which was the world’s largest opium-producing area before being eclipsed by Afghanistan in the late 1990s. The same policy has been effected in Myanmar, most notably in Shan State (TNI 2010; Wood 2011). On the other hand, a large number of farmers and Lao urban dwellers have also voluntarily invested in rubber, confident in harvesting certain economic benefits. However, various field studies have shown that profit distribution, which depends on negotiations between villagers, companies and local authorities, has turned to the advantage of Chinese companies (Shi 2008; World Bank 2008; Cohen 2009).

All these megaprojects are likely to accelerate Chinese migration to Laos. The construction of the railway line will need 50,000 workers; hundreds of thousands of hectares of rubber plantations will soon require as many workers. Because of a lack of skilled labour, importing foreign workers, especially from China, will be inevitable, not only in the North but throughout the country. Indeed, large Chinese companies have also extended their exploration southward. For instance, in the aftermath of the 2008/ 2009 financial crisis, China Minmetals acquired the core assets of OZ Minerals Limited, the third-largest mineral and metal company in Australia, which operates gold and copper mines in Sepon. Moreover, the very controversial 4 billion USD bauxite project on the Boloven Plateau, the most fertile land in Laos, was signed in October 2009. In the near future, the trajectory of migrants is expected to follow the geography of Chinese investment. In the Lao Bao Special Economic and Commercial Area along the southern Lao–Vietnamese

border, a new Chinese market is ready to accommodate future Chinese traders, but for the time being, it is still empty.

## China in Laos: Economic Development, Internal Colonialism or Neo-colonialism?

The growing link between Laos and China has alarmed many observers, Lao and foreign (Creak 2011). International NGOs have expressed concerns over the growth development strategy implemented by the seventh National Socio-Economic Development Programme (2011–2015), which relies heavily on FDI. Without specifically mentioning China, they raised the issue of the potentially significant negative impacts of FDI on the environment and socio-economic development, and urged the Lao government to consider slowing the pace and scale of development (INGO 2010). Despite these warnings, the Lao government has no intention of changing its “turning-land-into-capital” strategy, which is based on leasing its land and exploiting its natural resources as the main engine of national development (Dwyer 2007), since this extractive-based development enabled Laos to get through the global economic crisis relatively unscathed.

Are we witnessing the emergence of a “neo-colonialism with Chinese characteristics”, or conversely, a real growth opportunity being presented to Laos by the extraordinary human and financial capacity of China? This question is relevant not only for Laos but also for many African countries that have allowed China to secure access to raw materials (Alden, Large, and Soares de Oliveira 2008; Ma Mung 2009). China’s development model exported to the world is thus seen by many analysts as a threat to the sovereignty of weak states (Lintner 2002, 2008a, 2008b).

Over the past few years, Laos has attracted media attention, much of it fuelled by reporters looking for sensational news (Nivelle 2007; Gray 2008; *Lao Voices* 2008; *The Economist* 2011; *Forbes Asia Magazine* 2011). In their view, this impoverished, landlocked, communist country became a popular way to depict China as taking over mainland Southeast Asia, emphasizing the fear of a “creeping Chinese invasion” in Laos that would siphon the natural resources and jeopardize national sovereignty (Lintner 2007). This claim was backed by the images of huge casino complexes in the north of the country, where Chinese currency and language predominate, conveying the idea that China is colonizing Lao

territory, and that “Vientiane has effectively ceded sovereignty to Beijing” (Crispin 2010).

Indeed, two long-term concessions have been granted to Chinese investors to “foster development” and “eradicate poverty” by building SEZs in Boten, at the China–Laos border, and in Bokeo Province, in the heart of the Golden Triangle, where the borders of Thailand, Burma and Laos meet. The objective is to attract foreign tourists, specifically Chinese and Thai, since gambling is strictly forbidden in their countries, and to stimulate a development dynamic by providing tax advantages. These cities should have become the most internationally modernized in Laos. Instead, they have turned into Chinese enclaves in Lao territory that benefit from a regime of extra-territoriality, ironically recalling the concessions imposed on China in the mid-nineteenth century by the colonial powers (Nyíri 2009).

The objective of the first phase of Golden Boten City, worth 103 million USD, was to build a large tourist complex, a shopping centre and a regional hub for transit goods. In 2002, high-ranking Lao officials granted Fu-Khing Industries Hong Kong Corporation a 30-year concession, renewable twice. The concession of 1,640 hectares was officially inaugurated in November 2004. In fact, in late 2006, instead of luxury resorts, a public housing-like casino sprung up in the middle of the rain-forest, surrounded by shops and warehouses, mostly unoccupied (see Figure 4). A few thousand Chinese traders, dealers and prostitutes have settled in this casino city, and only a handful of Lao. In 2009/ 2010, construction accelerated. Brand new buildings and hotels appeared, while other projects were under construction. The currency used was Chinese yuan, all the products consumed locally were imported from China, everything was written in Chinese, and even the time zone was set according to China. Pornographic items, still banned in Laos, could be found in Boten, as well as cabaret shows performed by *kathoey* (male-to-female transgender persons) from Thailand (see Figure 6). Most of the gamblers were professional Chinese gamblers. They were equipped with headsets for receiving instructions from their bosses based in China, who could follow the game on the Internet. In fact, the casino currently lies abandoned. Golden Boten City’s gambling activities seriously started to upset Chinese authorities after several Chinese television stations reported in January 2011 on how hundreds of gamblers were lured, tortured and sometimes murdered if their families did not pay their debts. In December 2010, officials from Hubei Province had already conducted negotia-

tions to rescue some “hostages” (*Mquu* 2010-2011). Eventually, under pressure from Beijing, the Lao government decided to close the casino in April 2011. Since then, traders and prostitutes have been deserting Golden Boten City to join the new casino located in the Tonpheung District (Figure 5) (Nyíri 2011).

Figure 4: Golden Boten City



Source: © Danielle Tan, March 2008.

While the project began in 2008, the SEZs of the Golden Triangle were inaugurated just a year later, on 9 September 2009. The Lao government, which owns 20 per cent of the project, hopes to attract 1 million tourists along with more than 300 companies. Hong Kong-registered Kings Roman Group, also known as Dokngiewkham Company – meaning “golden kapok” in Lao, named after the kapok trees that carpet the area with flame-red flowers – was granted a 99-year concession covering an area of 10,000 hectares, with 3,000 hectares designated as a duty-free SEZ. The rest has been set aside for eco-tourism. The first phase of the project cost 86 million USD. The company plans to invest 2.24 billion USD

between 2010 and 2017 to build an industrial park and eco-tourism facilities, and to create a truly modern city. The green light has been given to build an international airport in the Tonpheung District, which will be the second-largest airport in Laos after Wattay International Airport in Vientiane (*Vientiane Times* 2012). The city renamed Kapok will accommodate more than 200,000 Chinese workers and their families (RFA 2011). Working conditions are such that, like in Boten, it is likely that only a small number of Lao will work in the SEZs of the Golden Triangle. Many Lao I met said things like, “Over there, it’s not Laos anymore. That’s China.” However, it seems that the Lao government has learned the lessons of Golden Boten City, whose development was chaotic and unsatisfactory. By owning shares in the new project, the Lao government maintains better control of operations and will directly recover profits if the operation is successful.

Figure 5: Kings Roman Casino in Tonpheung District



Source: © Danielle Tan, June 2012.

These two megaprojects illustrate the overlap between legal activities (development of tourism, SEZs) and illegal practices (gambling, prostitution, drug money laundering, etc.), on which the Lao state has based its poverty alleviation policy. While newspapers in the region have begun to describe the Dokngiewkham casino as a gigantic machine for laundering drug money, the project's director, Zhao Wei, rejects these accusations, stating that the company came to the Golden Triangle to build an economic alternative to the narcotics trade. As far as Lao authorities are concerned, they claim that they control the situation and that they have no information about Zhao Wei.

Figure 6: Kathoey Cabaret Show Prospectus



Source: Prospectus collected by the author, June 2009.

According to Shan and Thai journalists, Lin Mingxian (林明贤) is the main investor in Golden Boten City and is also among the investors in Tonpheung (Lintner and Black 2009). Better known as U Sai Lin, he is one of the most famous drug lords in the Golden Triangle. He still commands a militia of between 2,000 and 3,000 foot soldiers known as the National Democratic Alliance Army (NDAA) in Shan State Special Region No. 4. Born in Yunnan, Lin Mingxian used to be a member of



the Red Guards and was sent during the Cultural Revolution to fight alongside the Burmese Communist Party. When most of these volunteers were recalled to China in the late 1970s, Lin Mingxian decided to stay. He allegedly thrived on smuggling timber into China and opium into Thailand, before declaring his zone “opium-free” in 1997 in exchange for financial support from China’s opium substitution policy. Concurrently, in Mongla, his fief at the Sino-Burmese border, he began investing – using drug money as capital – in the construction of gambling houses. He reportedly came to invest in Boten after the closure of his casinos by Chinese authorities who wanted to stop the haemorrhage of capital diverted by corrupted officials.

Though it is difficult to get reliable primary sources, the attacks against Chinese cargo ships in the Golden Triangle last October 2011 showed that the narcotics trade is far from extinct, and that local authorities are somehow involved in these illegal activities. The Dokngiewkham casino is suspected of being a transit point for drug smuggling into Thailand, while the Shan rebel Naw Kham’s militia has been taxing both Chinese cargo ships along the Mekong River and the trafficking in heroin and methamphetamine run by the UWSA (United Wa State Army), which crosses its territory overland (*Reuters* 2012).

Though many see these SEZs as Chinese colonies or extraterritorial entities that threaten Lao national sovereignty and territorial integrity (Dwyer 2011), I prefer to consider them “sites of exception”, in the sense proposed by Aihwa Ong (2006) – that is, specific areas where the state develops exceptional forms of power at the frontier between formal and informal, legal and illegal, and where it experiments with other forms of sovereignty that she calls “graduated sovereignty” (see also the discussion by Walker 2009). From this perspective, the SEZs of Golden Boten City and the Golden Triangle can be understood as part of a set of neoliberal “technologies of governing” (Foucault 2004) devised by the Lao state to better engage and compete in the global economy. This specific technology of governing involves a differential state treatment of segments of the population and territory in relation to market calculations, as well as some aspects of state power and authority being taken up by foreign corporations located in the SEZs.

From a Foucauldian governmentality perspective – a major shift in thinking about political rule, from a sovereign notion of power to an “art of government” that includes a wide range of control techniques – I agree with Aihwa Ong’s alternative view of neoliberalism, where it is not

seen as an economic doctrine that seeks to limit the scope of government but rather as an extraordinarily malleable technology of governing that is taken up in different ways by different regimes, be they authoritarian, democratic or communist.

In the case of Laos, in my doctoral dissertation I further demonstrate how Chinese transnational networks have provided a new set of “technologies of governing” that enable the Lao post-socialist state to reassert its domination of its own territory and population. Actually, whether they are shady investors, or state-owned or private companies, or even petty traders, they are the keystones of Laos’ “internal colonialism” strategy because they represent an unexpected chance to achieve the *mise en valeur* of the territory. Indeed, Laos remains one of the last Southeast Asian countries that has yet to experience “the last enclosure”, the modernizing project carried out by central states to

integrate and monetize the people, lands, and resources of the periphery so that they become, to use the French term, *rentable* – auditable contributors to the gross national product and to foreign exchange, as James C. Scott described it in his last book, *The Art of Not Being Governed* (2009: 4).

As a result, I argue that Chinese investment does not bring about a territorial expansion of Chinese state sovereignty, but that it in fact reinforces the expansion of lowland state (Lao) control in the uplands. Concretely, Chinese businessmen have very nearly regained the status of tax farmers that they possessed under colonial rule. Converted to a neoliberal ideology, the drug lords have become transnational Chinese entrepreneurs, and luxurious casino-resorts have been erected as spearheads of the Lao national policy of alleviating rural poverty. As far as I am concerned, informal and illicit activities in the Economic Quadrangle/ Golden Triangle are not leading to the decline of the Lao state, but on the contrary, to its consolidation. The formation of a “legal-illegal state” through the use of illicit practices is a historical process that has been observed on all continents. Contrary to popular assumptions, the Lao government is far from being a helpless spectator and a victim of these “Chinese enclaves”. In a nutshell, Chinese networks play a crucial role in the new architecture of power by forming regimes of wealth accumulation, regulation and control, essential for the survival and the redeployment of the Lao state in the context of globalization. By producing rent and new opportunities of redistribution among influential personalities, they contribute to the viability of the state. This alliance of networks thus constitutes a strategy

of the Lao state to impede the emergence of a counter-elite and manage internal conflicts, especially between provinces and the central government, and within the party. In this way, Chinese investment and migration help to render the highlands “legible” (Scott 2009), governable and profitable for the lowland state while minimizing the risk of new regional centres of power emerging.

As suggested by Béatrice Hibou (2004), in the current context of the “privatization of the state”, the call for foreign investment should not be interpreted in terms of (re)colonization, but as renewed strategies of extraversion, a notion developed by the French Africanist scholar Jean-François Bayart (2009). His notion of extraversion – to describe the manner in which African elites have sought to mobilize resources derived from their unequal relationship with the external environment – provides a theoretical framework that goes beyond the persistent image of the weak Lao state, unable to resist China’s rising power. The concept of extraversion is all the more relevant in that the whole history of Laos is structured around the search for protection from the external environment. Furthermore, strategies of extraversion are profoundly rooted in the structure of the traditional “patron–client” relations and “galactic polity” (Tambiah 1976) in Tai societies. The current dependence of Laos on its external environment, especially relative to China, constitutes a deliberate strategy to strengthen the process of political centralization and economic accumulation, and to put regional powers in competition with one another in order to avoid being drawn into the orbit of just one of them (China, Vietnam, Thailand).

The most emblematic example confirming that the central government retains control of events and arrangements is the Beung That Luang project, a 1,640-hectare concession granted to Chinese companies to develop a new modern city, in exchange for a loan of 100 million USD to build the stadium that hosted the Southeast Asian Games in December 2009. The concession also shelters the That Luang Buddhist Temple – the symbol of Lao nationalism. Rumours about the creation of a Chinatown that would accommodate 50,000 Chinese migrants began to circulate, and the growing popular discontent forced Deputy Prime Minister Somsavat Lengsavat, an ethnic Chinese, to publicly deny that claim in February 2008. At other times, this popular discontent would have never been considered if some members of the communist party who own land in the That Luang marsh had not been irritated at having been kept out of the project (Stuart-Fox 2009). Against all odds, the Lao gov-

ernment announced in early July 2010 the cancellation of the concession, supposedly because the Chinese companies refused to pay compensation for expropriated properties. This sudden *volte-face* suggests that the national leaders have seriously taken into account the risks of internal conflicts within the party caused by this project.

## Conclusion

Overseas Chinese studies have paid little attention to countries such as Laos, some of whose Chinese migrants have come overland. Wang Gungwu recalls that Nanyang (Southeast Asian) Chinese refer to those who reached the territories of Southeast Asia through the Southern China Sea. That is why he excluded in his account those who entered Burma, Siam and Indochina by land roads (Wang 1959). However, it appears that the current overland Chinese migrants are writing a new page in Southeast Asia's overseas Chinese history. The clear distinction between new and traditional migration, in terms of political and social behaviour, identity, and trajectories, obliges overseas Chinese studies to renew its old descriptions in order to understand the change in Chinese ethnicity in Southeast Asia. New research interests have emerged alongside the changes brought about by the increasing influx of new migrants from the PRC into established Chinese communities in Southeast Asia. There is still very little research on the interconnections between the ethnic Chinese communities of Southeast Asia, the newcomers from mainland China, and the transnational Chinese networks formed by the diaspora. While studies in vogue in the 1990s focused their attention on the cultural values of the "bamboo networks" and the "spirit of Chinese capitalism" to explain the Asian economic "miracle", further research needs to be undertaken to challenge cultural explanations at the foundations of a so-called "Chinese model".

At the same time, the knowledge gathered by this field of study is crucial to situate the current global wave of Chinese migration in a historical perspective. This academic challenge would encourage overseas Chinese studies to break away from their inclination to develop an independent identity. Most importantly, the abundance of valuable material can be looked at from a comparative perspective with regards to new Chinese migration in Africa, South America or Eastern Europe. Considered China's natural backyard, Southeast Asia is a crucial observation site to describe the complexity and the heterogeneity of mobilities and identi-

ties in the so-called “Chinese century”. In Southeast Asia more than elsewhere, the term “Chinese” is to be used with caution as it encompasses multifaceted realities and different actors and trajectories.

Though Chinese communities in Laos are insignificant in comparison to those of its Southeast Asian neighbours, this country nevertheless brings insightful lessons to understand the contemporary patterns of Chinese migration. The case of Laos shows that this small and understudied country is all the more interesting in that, although it belongs to the traditional overseas Chinese terrain, it pinpoints areas for further research for those who are interested in Chinese globalization, especially in Africa. Indeed, Laos shares many similarities with African countries – among other things, new Chinese communities, the “resource curse” issue, the status of weak state, and state-to-state political arrangements. In this paper I have tried to demonstrate how Chinese investment and migration may be strengthening rather than, as is commonly thought, weakening the Lao state’s grip on its borderlands. The peripheral case of Laos highlights the possibility of analysing China’s rise from a perspective other than that of neo-colonialism. The conceptual discussion of how capital and entrepreneurial practices from China fit into structures of state patronage, extraversion, and space-making in Laos can be directly relevant for research in Africa. Finally, Chinese migration studies, through the prism of transnational networks, challenge the recurrent discourse on “the retreat of the state” in the neoliberal era. It seems that the issue is not so much whether the emergence of Chinese transnational networks is undermining the state, but rather how the latter is being reshaped by them. Regarded as a weak state *par excellence*, Laos is an interesting case study through which to explore this hypothesis. From that perspective, the Lao state appears not to be a victim of globalization and of China in particular. On the contrary, the Lao case study reveals how deeply Chinese networks intersect and interact with local communities and political authorities, playing a key role in the production of a “neoliberal governmentality” that allows the Lao state to reaffirm its hegemony over society. Moreover, what emerges from that case study is that Chinese transnational networks are not homogeneous nor are they acting as a single bloc to maximize China’s national interests. Understanding the diversity and the structures of Chinese transnational networks and communities will tell us more about the changes in international migration and the world order than we could gain by trying to glean this

knowledge using the concepts of Chinese diaspora or Chinese capitalism, which have nourished the fear of the “yellow peril”.

## References

- Alden, Chris, Daniel Large, and Ricardo Soares de Oliveira (eds.) (2008), *China Returns to Africa. A Rising Power and a Continent Embrace*, London: Hurst Publishers Ltd.
- ADB (2010), *GMS Migration Policy Briefing, Forecasting Migration Flows: The Relationships among Economic Development, Demographic Change and Migration in the Greater Mekong Subregion*, Manila: ADB.
- Bayart, Jean-François (2009), *The State in Africa: The Politics of the Belly*, London: Polity Press.
- Cohen, Paul T. (2009), The Post-Opium Scenario and Rubber in Northern Laos: Alternative Western and Chinese Models of Development, in: *International Journal of Drug Policy*, 20, 5, 424-430.
- Creak, Simon (2011), Celebrations and Development Debates, in: *Southeast Asian Affairs 2011*, 107-128.
- Crispin, Shawn W. (2010), The Limits of Chinese Expansionism, in: *Asia Times*, 23 December, online: <[http://atimes.com/atimes/Southeast\\_Asia/LL23Ae01.html](http://atimes.com/atimes/Southeast_Asia/LL23Ae01.html)> (21 January 2011).
- Diana, Antonella (2009), *Roses & Rifles. Experiments of Governing on the China-Laos Frontier*, PhD Dissertation, Department of Anthropology, Canberra: Australian National University.
- Dwyer, Mike (2011), The Internal Frontier: Chinese Extraterritoriality in Northern Laos?, in: *New Mandala*, 11 February, online: <<http://asia.pacific.anu.edu.au/newmandala/2011/02/11/the-internal-frontier-chinese-extraterritoriality-in-northern-laos/>> (15 February 2011).
- Dwyer, Mike (2007), *Turning Land into Capital. A Review of Recent Research on Land Concessions for Investments in Lao PDR, Part 1 & 2*, Vientiane: Working Group on Land Issues.
- Evans, Grant (2008), The Southward Drift of the Chinese, in: *The 17<sup>th</sup> Biennial Conference of the Asian Studies Association of Australia*, Melbourne, 1-3 July.
- Evans, Grant, Christopher Hutton, and Kuah Khun Eng (eds.) (2000), *Where China Meets Southeast Asia. Social and Cultural Changes in the Border Regions*, Bangkok: White Lotus.
- Forbes, Andrew, and David Henley (1997), *The Han: Traders of the Golden Triangle*, New Zealand: New Zealandfilm House.

- Forbes Asia Magazine* (2011), Bungle In The Jungle, 8 August, online: <[www.forbes.com/global/2011/0808/companies-laos-china-economy-gambling-gangsters-bungle-jungle.html](http://www.forbes.com/global/2011/0808/companies-laos-china-economy-gambling-gangsters-bungle-jungle.html)> (15 August 2011).
- Foucault, Michel (2004), *Sécurité, Territoire, Population: Cours au Collège de France (1977-1978) (Security, Territory, Population, Public Lectures at the Collège de France 1977-1978)*, Paris: Gallimard.
- GMS Studies Center (2009), *A Study on China-Laos Economic Relations, Final Report*, Kunming: Yunnan University.
- Gray, Dennis D. (2008), Laos Fear China's Footprint, in: *Associated Press*, 6 April.
- Hansen, Mette Halskov (1999), The Call for Mao or Money? Han Chinese Settlers on China's South-Western Border, in: *The China Quarterly*, 158, 394-413.
- Halpern, Joel M. (1961), *The Role of the Chinese in Lao Society*, Santa Monica: The Rand Corporation.
- Hibou, Béatrice (ed.) (2004), *Privatising the State*, London, Hurst and New York: Columbia University Press.
- Hill, Ann Maxwell (1998), *Merchants and Migrants: Ethnicity and Trade among the Yunnanese Chinese in Southeast Asia*, New Haven, CT: Yale Southeast Asia Studies.
- INGO Network in Lao PDR (2010), Submission for the 7<sup>th</sup> National Socio-Economic Development Plan (2011-2015) on the "Most Appropriate Ways to Achieve Robust Growth with Inclusiveness and Equity in the Lao Context", April, Vientiane.
- Khonthapane, Sirivanh, Sathabandith Insisiangmay, and Vanthana Nolintha (2006), *Impact of Border Trade Trade at the Lao-Chinese Border in Local Livelihood. Lao-Chinese Border Trade in Luang Namtha and Oudomxay Provinces*, Technical Background Paper for the Third National Human Development Report, Lao PDR 2006, Vientiane: UNDP.
- Kurlantzick, Joshua (2007), *Charm Offensive: How China's Soft Power Is Transforming the World*, Yale: Yale University Press.
- Lao Voices* (2008), Laos on Sale for China?, 7 May, online: <<http://laovoices.com/2008/05/07/laos-on-sale-for-china>> (28 May 2008).
- Lintner, Bertil (2008a), Laos at the Crossroads, in: *Southeast Asian Affairs*, 171-83.
- Lintner, Bertil (2008b), China Ascendent – Part 1: Checkbook Diplomacy Raises China's Standing with Laos and Cambodia, in: *YaleGlobal*

- Online*, 25 April, online: <<http://yaleglobal.yale.edu/content/china-ascendant—part-i>> (30 April 2008).
- Lintner, Bertil (2007), China's Third Wave, Part 1. A New Breed of Migrants Fans Out, in: *Asia Times*, 17 April, online: <[www.atimes.com/atimes/China/ID17Ad03.html](http://www.atimes.com/atimes/China/ID17Ad03.html)> (18 May 2007).
- Lintner, Bertil (2002), Illegal Aliens Smuggling to and through Southeast Asia's Golden Triangle, in: Pál Nyíri and Igor Saveliiev (eds.), *Globalizing Chinese Migration Trends in Europe and Asia*, Aldershot: Ashgate, 108-119.
- Lintner, Bertil, and Michael Black (2009), *Merchants of Madness. The Methamphetamine Explosion in the Golden Triangle*, Bangkok: Silkworm Books.
- Liu, Hong (ed.) (2006), *The Chinese Overseas*, Abingdon: Routledge Library of Modern China.
- Lyttleton, Chris, Paul T. Cohen, and Houmphanh Rattanavong (2004), *Watermelons, Bars and Trucks. Dangerous Intersections in Northwest Laos*, Vientiane: Rockefeller Foundation, Lao Institute for Cultural Research.
- Ma Mung, Emmanuel (ed.) (2009), Dossier: Nouvelles Migrations Chinoises en Afrique et en Amérique Latine (*Dossier: New Chinese Migrations in Africa and Latin America*), in: *Revue Européennes des Migrations Internationales*, 25, 1.
- MEM see Ministry of Energy and Mining
- Ministry of Energy and Mining (2011), *All Planned and Current Projects* (downloadable table format), Department of Energy Promotion and Development, online: <[www.poweringprogress.org/download/Electric\\_Power\\_Plants\\_in\\_Laos\\_December\\_2011.pdf](http://www.poweringprogress.org/download/Electric_Power_Plants_in_Laos_December_2011.pdf)> (20 January 2012).
- Mqvu* (2010-2011), Exporting China's Development to the World, online: <<http://mqvu.wordpress.com/>> (11 October 2011).
- Nivelle, Pascale (2007), Laos Vegas, in: *Libération*, 17 April.
- Nye, Joseph (1990), *Bound to Lead: The Changing Nature of American Power*, New York: Basic Books.
- Nyíri, Pál (2011), *Through Casinos to the Future: Special Economic Zones in the Burma-Laos Borderlands*, paper presented at the Annual AAS-ICAS Conference, Honolulu, 31 March–3 April.
- Nyíri, Pál (2009), Extraterritoriality. Foreign Concessions: The Past and Future of Form of Shared Sovereignty, in: *EspaceTemps.net*, online:



- <<http://espacestemps.net/document7952.html>> (23 November 2009).
- Ong, Aihwa (2006), *Neoliberalism as Exception. Mutation in Citizenship and Sovereignty*, Durham and London: Duke University Press.
- Pan, Lynn (ed.) (1999), *The Encyclopedia of the Chinese Overseas*, Cambridge, MA: Harvard University Press.
- Purcell, Victor (1965), *The Chinese in Southeast Asia*, London: Oxford University Press.
- Radio Free Asia (2011), *China Raises Stakes in Laos*, 12 January.
- Reuters (2012), Golden Triangle Mystery: Who Killed 13 Chinese Sailors?, 27 January, online <[http://today.msnbc.msn.com/id/46164812/ns/today-today\\_news/t/golden-triangle-mystery-who-killed-chinese-sailors/#.T1aoWs1bZnI](http://today.msnbc.msn.com/id/46164812/ns/today-today_news/t/golden-triangle-mystery-who-killed-chinese-sailors/#.T1aoWs1bZnI)> (15 February 2012).
- RFA see Radio Free Asia
- Robequain, Charles (1948), *L'Indochine française (French Indochina)*, Paris: A. Colin.
- Rossetti, Florence (1997), The Chinese in Laos. Rebirth of the Laotian Chinese Community as Peace Returns to Indochina, in: *Chinese Perspectives*, 13, September-October, online: <[www.cefc.com.hk/pccpa.php?aid=1438](http://www.cefc.com.hk/pccpa.php?aid=1438)> (21 November 2006).
- Rutherford, Jeff, Kate Lazarus, and Shawn Kelley (2008), *Rethinking Investments in Natural Resources: China's Emerging Role in the Mekong, Cambodia, Denmark, Canada*: Heinrich Böll Stiftung, WWF, International Institute for Sustainable Development.
- Schönweger, Oliver, and Alfons Üllenberg (2009), *Foreign Direct Investment (FDI) in Land in the Lao PDR*, Eschborn: GTZ.
- Scott, James C. (2009), *The Art of Not Being Governed. An Anarchist History of Upland Southeast Asia*, Yale: Yale University Press.
- Shi, Weiyi (2008), *Rubber Boom in Luang Namtha. A Transnational Perspective*, Vientiane: GTZ.
- Skinner, William (1996), Creolized Chinese Societies in Southeast Asia, in: Anthony Reid (ed.), *Sojourners and Settlers, Histories of the Southeast Asia and the Chinese*, Honolulu: University of Hawai'i Press, 50-93.
- Stuart-Fox, Martin (2009), The Chinese Connection, in: Daljit Singh (ed.), *Southeast Asian Affairs*, 141-169.
- Stuart-Fox, Martin (2003), *A Short History of China and Southeast Asia: Tribute, Trade and Influence*, St. Leonard, NSW: Allen & Unwin.
- Stuart-Fox, Martin (1995), The French in Laos, 1887-1945, in: *Modern Asian Studies*, 29, 1, 111-139.

- Tambiah, Stanley J. (1976), *World Conqueror and World Renouncer. A Study of Buddhism and Polity in Thailand against a Historical Background*, Cambridge: Cambridge University Press.
- Tan, Danielle (2011), *Du Communisme Neolibéralisme: The Rôle des Réseaux Chinois Dans la Transformation de l'État au Laos (From Communism to Neoliberalism: The Part Played by Chinese Networks in the Transformation of the State in Laos)*, PhD dissertation in Political Science, Paris: Sciences Po.
- Tan, Danielle (2006), *La Diaspora Chinoise du Cambodge. Histoire d'une Identité Recomposée (The History of Cambodia's Chinese Diaspora. Rebuilding a Scattered Identity)*, Master's dissertation in Comparative Politics, Paris: Sciences Po.
- The Economist* (2011), Busted Flush. How a Sino-Lao Special Economic Zone Hit the Skids, 26 May, online: <[www.economist.com/node/18744577](http://www.economist.com/node/18744577)> (15 June 2011).
- The Nation* (2007), Chinese Investors Invade Laos, 8 October, online: <[www.nationmultimedia.com/home/2007/10/08/regional/-Chinese-investors-invade-Laos-30051701.html](http://www.nationmultimedia.com/home/2007/10/08/regional/-Chinese-investors-invade-Laos-30051701.html)> (10 October 2007).
- TNI see Transnational Institute
- Tournier, Abel, and Hélène Le Bail (2010), From Kunming to Mandalay: The New “Burma Road”, in: *Asie.Visions*, 25, online: <[www.ifri.org/downloads/av25lebailtourniereng3.pdf](http://www.ifri.org/downloads/av25lebailtourniereng3.pdf)> (20 September 2010).
- Transnational Institute (2010), Alternative Development or Business as Usual? China's Opium Substitution Policy in Burma and Laos, in: *Drug Policy Briefing*, 33, online: <[www.tni.org/briefing/alternative-development-or-business-usual](http://www.tni.org/briefing/alternative-development-or-business-usual)> (16 December 2010).
- Vientiane Times* (2012), Int'l Airport Approved for Golden Triangle SEZ, 18 January.
- Vientiane Times* (2011), Laos-China Railway on Track, Despite Rumours, 20 May.
- Walker, Andrew (1999), *The Legend of the Golden Boat. Regulation, Trade and Traders in the Borderlands of Laos, Thailand, China and Burma*, Richmond: Curzon Press.
- Walker, Andrew (2009), Conclusion: Are the Mekong Frontiers Sites of Exceptions?, in: Martin Gainsborough (ed.), *On the Borders of State Power. Frontiers in the GMS*, Routledge Studies in the Modern History of Asia, New York: Routledge, 373-397.

- Walsh, John (2009), The Rising Importance of Chinese Labour in the Greater Mekong Sub-Region, in: *The Asia-Pacific Journal*, 12, online: <[www.japanfocus.org/-John-Walsh/3088](http://www.japanfocus.org/-John-Walsh/3088)> (16 March 2009).
- Wang, Gungwu (1959), *A Short History of the Nanyang Chinese*, Singapore: Eastern University Press.
- Wong, Edward (2009), China's Export of Labor Faces Scorn, in: *New York Times*, 20 December, online: <[www.nytimes.com/2009/12/21/world/asia/21china.html?pagewanted=all](http://www.nytimes.com/2009/12/21/world/asia/21china.html?pagewanted=all)> (21 December 2009).
- Wood, Kevin (2011), Studies, Ceasefire Capitalism: Military-private Partnerships, Resource Concessions and, Military-state Building in the Burma-China Borderlands, in: *The Journal of Peasant*, 38, 4, October, 747-770.
- World Bank (2008), *Lao People's Democratic Republic: Policy, Market, and Agriculture Transition in the Northern Uplands*, Washington, DC: The World Bank.
- Xinhua* (2011), Report: China's Participation in Greater Mekong Subregion Cooperation, 17 December, online: <[www.china.org.cn/china/2011-12/17/content\\_24180691\\_2.htm](http://www.china.org.cn/china/2011-12/17/content_24180691_2.htm)> (25 April 2012).

# Contents

## Introduction

- Karsten GIESE  
Global Flows with Chinese Characteristics 3

## Research Articles

- Artem RABOGOSHVILI  
Chinese Migration to Russia as Revealed by Narratives in  
Chinese Cyberspace 9
- LIU Hong  
Transnational Chinese Sphere in Singapore: Dynamics,  
Transformations and Characteristics 37
- **Danielle TAN**  
**“Small Is Beautiful”: Lessons from Laos for the Study of  
Chinese Overseas 61**
- Gordon MATHEWS and YANG Yang  
How Africans Pursue Low-End Globalization in Hong Kong  
and Mainland China 95
- Simona Alba GRANO and TU Ping-Lan  
Development vs. Environment in Taipei 121

- Contributors 155