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Reaching across the Mekong: Local Socioeconomic and Gender Effects of Lao-Thai Crossborder Linkages

José Edgardo Gomez, Jr., Nittana Southiseng, John Walsh, and Samuel Sapuay

Abstract: Following trade agreements between ASEAN states, the expansion of cross-border roads and bridges between Laos and Thailand has linked local communities and distant markets in increasingly diverse ways. Although the planned impacts of such integration are expected to be beneficial, effects on the ground vary, as witnessed at a sleepy outpost in Xayabury and a more vibrant crossing in Savannakhet. This paper discusses first the physical setting of such border facilities, and then explores their actual local effects on traders' activities, highlighting changes in gender roles and perceptions of entrepreneurial competition participated in by women in the two research sites.

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Keywords: Laos, Thailand, Greater Mekong Subregion, GMS, frontier trade, female entrepreneurs, gender, regional development

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1 Introduction and Objectives

Long before modern nation-states emerged, brisk trade and social exchange had already been taking place among the countries of the Mekong region. The Lao and Thai peoples, who share cultural traits, have used the Mekong River as a source of sustenance, and as a means of transport to access upstream and downstream settlements on both sides of the river. In the recent past, different geopolitical alignments resulted in the strict closure of the Lao border from 1976 to 1988, which did not stop substantial informal and clandestine trading activity, until the relaxing of relations between Laos and Thailand as manifested by the official border opening in 1996 (Kusakabe 2004). Nowadays, in the context of expanding road and bridge networks across the Greater Mekong Subregion (GMS), both countries have enhanced long-standing ties by building infrastructure to cross the Mekong River, which forms the natural border between them. Such physical integration is not only encouraged, but has also been actively funded since the 1990s by multilateral agencies like the Asian Development Bank (ADB), which views the cross-border spans and highways as necessary investments upon which a robust regional economy can take root. On the ground however, the intended effects can impact in any number of ways on local communities – at times beneficial, at times harmful, often catalyzing changes that range from minor adjustment to major disruption in the routines of men and women. The complementary use of a gendered approach to the issue recognizes that knowledge from research – largely spatial and economic in this case, is socially, and therefore ideologically constructed, so that exploration of the possibilities presented by borders remains an ambiguous activity that opens itself to interpretation through the lens of feminine geography (Domosh 1991).

This paper intends to zoom in and look at the actual changes that have happened when simple border crossing installations were built to open up formerly remote areas, or to facilitate historical habits of trade and communal interaction. It first asks how the basic physical facilities tend to be engineered along the border, especially against the context of different state policy environments. Secondly, the study then inquires about the impacts of a particular site, the 2nd Lao-Thai Friendship Bridge, where no bridge existed before. More specifically, the study probes deeper into (1) opportunities and benefits that male and female entrepreneurs have gained from the opening of the border bridge, (2) it explores challenges presented by such border facilities, and (3) makes some recommendations as to how trade in the local area can become more inclusive and efficient.

2 Review of Related Literature

2.1 Infrastructure Development and Borders

It has become conventional to assume that infrastructure development will not only improve the lives of people in communities directly but will also provide various positive externalities. This makes infrastructural development an appropriate activity for funding bodies such as the Asian Development Bank (ADB) and for state agencies. It also has the benefit that it provides a quantifiable and easily quantified measure of process for such organizations. The negative externalities of infrastructure development (e.g. facilitating human trafficking as well as trade and contributing to pollution and global climate change) are not so strongly stressed and the impact on local communities little reported. As Trankell (1999) observed, transportation development acts to spread capitalism and form market relations to areas in which this had not yet been experienced. Roads enable larger vehicles to obtain access to previously remote areas for resource extraction and people to travel further for wage labour or to reach markets to buy and sell goods. These changes might be planned by a state government with specific developmental goals (cf. the case of Myanmar as reported by Preecharushh 2009) but it is nevertheless true that an enabling technology such as infrastructure assists unplanned as well as planned outcomes. The results, at local community level, tend to demonstrate the impact of Schumpeterian creative destruction. This has also been witnessed in several parts of the Mekong Region where Chinese investment has intensified and deepened the degree of capitalist activities in spaces not wholly governed by state agencies (Walsh 2011).

This is particularly true in the case of borders, which are arbitrary geographical divisions which have the effect of creating market arbitrage opportunities. Easing a border crossing makes it more possible for people to take advantage of these arbitrage opportunities, although it is far from certain that it is local people who will benefit from these opportunities. The Mekong Region embodies these features to a noticeable degree, since end of the Cold War and antagonistic territoriality such as occurred along the Sino-Vietnamese border from 1979 to 1989, has been replaced by more lenient state regulations. This has permitted border-dwellers to take advantage of change (Turner 2010). Even within and between communist or socialist states such as Laos and Vietnam, where authorities attempt to define the roles and responsibilities of women, there has been a notable edification of the female as agent of heroic resistance during cross-border conflict, as healer of society in time of war, and as a more multi-tasked, complex worker, in modern times (Ardrey et al. 2006). The opening of borders is part of

larger currents of globalization that create market hierarchies and reconstruct localities and gender designations rather than destroy them outright. Borders thus have meaning-setting functions, and are laden with significance for inhabitants on both sides, as was shown by Kusakabe (2004), in her study of cotton weaving and sticky rice box production along the Lao-Thai border, wherein women assumed new gender roles, particularly when there were no historical precedents that enforced traditional divisions of labour. As infrastructure development spreads market relations, therefore, it changes not only working patterns and economic opportunities but also gender relations, as the gendered divisions of labour are also affected.

2.2 Regional Context, ASEAN Border Relations, and Lao-Thai Interaction

Regional planners are often quick to cite the multiplier effects of infrastructure, which connects producers to consumers and allows markets to interact physically by exchanging goods, services, and labour. More specifically, efficient infrastructure services lower transaction costs, raise value added, and increase potential profitability while increasing and expanding linkages to global supply chains and distribution networks for producers, and a country that is more deeply involved in global production networks will likely benefit more from trade-related infrastructure investment than one that is not (Brooks 2008). Given the popularity of bilateral Free Trade Agreements (FTA) among member states of the Association of Southeast Asian Nations (ASEAN) since their rapid recovery from the financial crisis of the late 1990s, there are now more means and reasons to promote such linkage (Sen and Srivastava 2009). On the other hand, such connectivity may fragment markets into long chains of suppliers and intermediate manufacturers, making it difficult to trace origin and accountability for goods that find their way to end users (Yeung 2001). In Southeast Asia however, such networking remains consistent with, and is simply the latest manifestation of the various commitments and forms of cooperation that have made the ASEAN region unique in its achievements as a community of peer-states undominated by any great power.

The Greater Mekong Subregion (GMS), home to over 300 million people, could benefit from completion of interstate road networks that neighbouring states have agreed upon, as advised and supported by the ADB, which since 1992 has acted as a secretariat until such time that the GMS regional cooperation partners can form a durable, united regional organization. The East-West Corridor, from the Andaman Sea to the South China Sea was first defined in 1998, and later the more prominent North-South

Corridor which links the dynamic markets of Thailand and southern China, on the route from Nam Can in Vietnam to Kunming in China. The key to long-term success lies partly in developing a consciousness of opportunities and problems beyond the patchwork of national basins (Hensengerth 2009). This is also consistent with internal plans and policies of the Lao PDR, specifically the 6th Five-Year National Socio-Economic Development Plan, and the National Growth and Poverty Eradication Strategy, which both recognize the necessity of physical linkages for development.

Although there are many expected economic benefits, real concerns persist about the drug trade, communicable diseases, trafficking in women and children, and criminal gang activity that cannot be downplayed. Thailand, for instance, has had recent tensions with Malaysia regarding the treatment of Muslim Thai citizens – who often have Malay ethnicity, in the border regions of the two countries (Hourdequin 2008). Another cause for concern is the possible selective resistance to migration, and more generally to people crossing borders in search of work, especially by countries that perceive the need to protect their local populations (Sally 2009). In order to address such issues, institutions need to be established for regulation and communication of what some writers have called Natural Economic Territories in the Asia-Pacific Region – areas of intense trade and technology flows (Jordan and Khanna 1995). Developing such institutions to manage open borders and extract the mutual gains from economic integration is a process that should accompany the construction and expansion (Wiemer 2009).

According to Maneepong (2006), Thailand's decentralization policy for promoting border town development has been driven by two main issues: (1) regional disparities within Thailand and (2) the international context of the Southeast Asian sub-regional co-operation programs. Under the first basis, relocation of labour-intensive industries is assumed to attract investors to border regions to stimulate growth, and will also provide cheap labour to local enterprises that might otherwise be dependent on daily or seasonal migrant workers from less-wealthy states like Myanmar and Laos, for instance. Secondly, Thailand stands to gain from the coincidence of its geographically-central location and its leading economy in Southeast Asia, if it were connected to adjacent markets and populations.

From the Lao perspective, the border is not only arbitrary but considered by many Lao people to be an unjust division of the nation and its people. After the Thai destruction of Vientiane in 1827, the surviving residents were forcibly relocated to cities such as Khon Kaen and Chiang Mai. The whole of the Isaan region, in fact, is thickly populated by Lao people and in the Lao imagination is part of a larger Lao nation. However, the Pathet Lao

government views the border somewhat differently, recognizing it as the front line between Communist and capitalist systems. Indeed, conflict between the two countries has resulted in the border being closed for extended periods. Government officials have no desire to see their natural resources exploited by Thais or anyone else without proper remuneration.

Lao PDR adopted an open-door economic policy in 1986, joined ASEAN in 1997, and recently hosted the 3rd GMS summit in 2008 (Nouansavanh 2010). Bilateral tensions from the past have subsided, following the implementation of a new business-oriented policy under Thai Prime Minister Chatchai Choonhavan in the late 1980s. The Thai policy of the “Lao marketplace” was reciprocated by Laos’ Prime Minister Kaysone Phomvihane who paid a visit to Thailand in 1989. Although Chatchai successfully opened up the Lao economy for Thai investors, various political issues continued to decelerate the strengthening of bilateral friendship, for instance, the persistent issue of Lao refugees and armed anti-government groups crossing into Thailand for temporary refuge or outright permanent migration (Chachavalpongpun 2009).

Building highways and bridges across inhospitable border areas however, is sometimes a difficult task, not to mention a costly one. Weather exacerbates the challenges to road building, with problems ranging from monsoon rains waterlogging the substrate to sandstorms burying paths to heavy snowfall blocking roads and causing avalanches (Lewis 1996). Given these sometimes onerous environmental conditions that discourage road building, it should be noted that UN member states in Asia have agreed upon certain minimum road standards, pursuant to subsequent agreements that built upon the initial conception of the Asian Highway Project in 1959 (UNESCAP undated) and this, therefore, adds to the challenge of engineering quality related to the site.

2.3 Local Effects and Gender Disparities

After the roads have been laid and the border gates opened, the effects of trade and other activities may change the lives of local people significantly. In a study of one such case between the Lao PDR and Thailand, Kusakabe (2004) noted how gender divisions of labour changed, as more women became more involved in profitable activities related to cotton-weaving and sticky-rice box production. From the Thai point of view the 1,810 kilometre border offers some 36 crossing points into Lao PDR, where there are men and women willing to work for lower wages and who may become victims of illegal human trafficking (Paitoonpong 2007). More localized economic activity arising from employment includes consumption of a basket of goods, of which food is the dominant product, taking up to 75 per cent of house-

hold expenditure, for instance in one study of the Lao-Chinese border (Khontaphane et al. 2006). Similar high percentages for food and other basic expenses tend to be the norm for poor households in many developing countries.

Opening borders inevitably has cultural effects and meanings for people on both sides. There are for instance mixed sentiments about whether or not Laos should fall more strongly under the Thai sphere of influence, given its separation from the latter in the 1890s under French mandate, when Laos was squeezed between Siam and Annam. There are some in Thailand who may regard Lao culture as their idealized past, yet “untainted” by modernization (Cribb and Narangoa 2004). Lao people themselves, as mentioned above, consider the Isaan region of Thailand to be properly part of their homeland, of which the Mekong is a central marker rather than a border, which is after all the more common disposition.

However, a caveat to the policy makers is the observation that magnitude of impact of public capital declines as the geographical scale gets smaller, due to more pronounced spillover effects (Berechman et al. 2006). That is, economic development is more easily related to such road investment on a regional macro-scale platform than can be traced when one goes into road construction effects on urban dynamics. Paradoxically though, it is cross-border infrastructure planned at a regional scale that may enable villagers at the micro-scale to make immediate gains through trade whose effects can be measured within a local radius. However, other research has indicated that such infrastructure developments can result in the benefits of enhanced trade being diverted to outside interests (e.g. Southiseng and Walsh 2011).

As a land-locked state, Lao’s trade is almost entirely border trade in nature, principally through the borders with Thailand, China, and Vietnam. The value of trade with these countries has accounted for about 90 per cent of Lao PDR’s total international trade. Whereas, trade value between Laos and Thailand was about 70 per cent of total with neighbouring countries; there were 80 per cent imports, while export growth rate was 13.4 per cent annually. Laos mostly imports manufactured goods such as fuels, textiles, iron and steel, motor vehicles and parts, chemical products, machineries, and construction materials. Raw materials or semi-raw materials such as logs, wood, mineral ores, coals, agricultural, and forest products are exported to Thailand (Santivong 2006).

In the study of Southiseng and Walsh (2008), it was found that in Vientiane Municipality and Savannakhet Province in Laos, most entrepreneurs were small and medium enterprises (SMEs) operators who were likely to form family-based businesses that commonly sought to achieve day-to-day

operating objectives, and rarely planned ahead in business operations. Findings in this study were consistent with what was found by Santivong (2006): that products imported from Thailand, China, and Vietnam have found their way to every part of Laos. In addition, Southiseng and Walsh (2008) also established that the business environment among the entrepreneurs in Vientiane Municipality was more intensified than in Savannakhet. However, the entrepreneurs in both areas declared that they had confronted

- challenges of many substitute products/ services available at the market,
- high rate of new entrants,
- few customers with high bargaining power, inadequate finance for business operation and expansion,
- lack of business administration and managerial skills and limited experience,
- lack of connections and lack of follow-up or update of rules and regulations regarding competition and promotion in SMEs,
- incapacity to access credit; unfair or inequitably distributed support from relevant authorities,
- no application of modern technology and limited business or service management, among others.

Not many entrepreneurs utilized modern technology such as the Internet, or computers in their work because most of these businessmen and women (1) did not have the proper education to utilize computer and informatics; (2) lacked marketing and e-commerce knowledge; (3) thought it was costly to invest in computer equipments, website design and maintenance; (4) realized that there was a limited market inside the country (5) realized that there were limited supporting institutions; and finally (6) found a limited “Logistic Chain of Supply” linking to the world market. Even though competitive circumstances were intensified, the traders could not compete with low prices, good quality and wide distribution networks of new competitors, and the government of Laos also does not yet have precise competition policies. As more intense competition spreads throughout the market, that is, more advanced capitalist activities drive out the less advanced.

3 Scope and Methodology

Both secondary and primary data were used in this study. To explore the typical physical layout of a remote border facility, data from a site inspection was conducted of the Kenethao facility in Xayabury Province of Laos. Later, to investigate effects of more comprehensive border improvements on local people, more in-depth personal interviews of 36 entrepreneurs were con-

ducted in Kaysone Phomviharn City (also known as Savannakhet), Savannakhet Province, to explore differences between the past use of boat and ferry in order to trade, as opposed to the use of the new bridge. Two sites were selected for research so as to make comparisons and to test hypotheses developed in one location in the other location.

The respondents were diverse in occupation and involved in retail, wholesale and services, and were selected according to snowballing techniques, given the researchers' experience in selecting diverse samples and time constraints. Respondents were also selected with a view to identifying maximum diversity in what is a somewhat homogeneous population. It is believed that this approach, in combination with the use of secondary data and extensive ethnographic observation, has enabled the researchers to establish trust with the interviewees so that they would not hesitate to share detailed experiences and figures. The process of data collection took place from the end of March to the end of April 2010. A content analysis method – a tool for measuring the semantic content of communication – was chosen to analyze the obtained data in compliance with anonymity protection and academic purposes.

4 Findings

Findings are described initially in two sections, which relate to the two research sites. The analysis and conclusions drawn from the findings are synthesized and presented in subsequently sections.

4.1 Kenethao Border Facility: Some Key Physical Elements

The Lao border at Kenethao is defined by a two-lane asphalt-concrete road with a gateway and inspection facilities, followed by a bridge at Nam Hueang to cross this tributary of the Mekong. This bridge has been operational since October 2004, and measures about 110 meters, starting from the Lao Road Number 4, inclusive of anchoring structures on both banks of the river. The area of the road and bridge was chosen by the authors as a typical small facility consisting of at least 37 hectares of partially built-up area that is remote from the higher levels of border activity near Vientiane, yet has been considered important enough to be funded by a construction grant from the Thai government amounting to about 44 million THB (approximately 1.47 million USD), in the year preceding its opening. This border complex is open to both pedestrians and vehicular traffic, though the researchers observed a predominance of trucks plying the route, rather than people from

the nearby village to the northeast. The physical conditions that characterize terrain along the Lao-Thai border tend to be typical of lowland tropics throughout the year: the Mekong River cuts a channel ranging from 2 to 20 meters deep along mud-lined and grassy banks, and the area is made up of agricultural lands and forested hills. Water levels were measured at elevations of up to 250 meters above mean sea level, with banks rising up to 30 meters above this. Maximum temperatures in Xayabury Province hover around 30 degrees Centigrade during the dry summer, and come down to 20 degrees Centigrade during the recent cooler months of December and January, this pattern being typical of the country. Road and bridge construction in this area is gradually implementing the network that will cross the Lao PDR in all directions, allowing faster trade between the interior and exterior, as well as transient traffic between Thailand and Vietnam or Cambodia.

4.2 Snapshot of the Border Facility in Use

The border gate was observed to open for traffic at 8 a.m. and close at 6 p.m. daily. Since such a facility incorporates branches of government offices, the traders can save the time to travel onwards to urban centres and can obtain the necessary documents straight from the Customs Office. The import tax is calculated by carefully counting the quantity of goods item by item and not through rough estimation. The value of the goods is based on the official prices as set by the receiving government. The rates of exchange used are also the regularly updated official rates. Also, it is important to note that, despite the effectiveness of the GMS cross-border agreements between countries like Laos and Thailand, the truck traffic is still constrained in Laos to operate within the border facilities, where goods from foreign carriers are offloaded and reloaded onto local carriers for transshipment. At the same time, there is still no shared, reliable database on the traffic passing through the border. What is more commendable, however, is the fact that there is only this one-stop facility, which speeds up the flow of trade on the border, in accordance with GMS agreements.

The rapid improvement in socioeconomic conditions and living standards in Thailand is one of the main catalysts of stepped-up border commerce and regional cooperation. At the present time, goods flowing into Thailand from Laos consist of maize and other staples which are processed and shipped farther southwest for eventual consumption or onward shipping in Bangkok. It has been noted in one of the field reports of the researchers that up to 100 trucks of corn harvest can be queued for processing during the summer season. It can be deduced that seasonal countermovement into Laos consists of local entrepreneurs and middlemen from the Thai side, who proceed onward to urban centres to peddle their goods or to

purchase raw materials in bulk. Most of those observed were men, especially the truckers, with few women moving about unaccompanied in this rural border area. Rather than view this observation as proof of gender-exclusionary practice, one may see it rather as a precursor of a more open trading environment, which develops if the border facility is enhanced to serve greater demands over time, as will be illustrated by the next example. As Trankell (1999 [1991]) observed two decades ago, the type of large machinery involved in trucking is believed to be the domain of men, while women were able to handle smaller machines such as motor cycles.

4.3 Traditional Gender Roles and Routine Trade

Before exploring more closely how cross-border infrastructure has impacted on the lives of locals, it is important to recall the rural context that existed before such development took place. In a typical Lao riverside agricultural village, the people are engaged in the cultivation of crops such as rice, corn, and sugarcane. In addition, diverse tropical fruits, starchy roots, and beans are also grown. Vegetables such as lettuce, herbs, spinach, water mimosa (*Neptunia* species), morning glory (various species from family *Convolvulaceae*), pumpkin, etc. are also grown, which supplement the catches from fishing activity along the Mekong, where snake-head fish (*Channidae*), catfish, carp, and others can be caught. Men generally find clerical office work, or are employed as labourers in construction areas, and as drivers. Women in comparison tend to be housewives, or small traders of local agricultural products in the village market. Agricultural products are traded, along with some industrial products exchanged, between rural and urban centres, and across the Mekong.

These common gender roles were observed by the researchers around the time that the infrastructure was being constructed. For reasons of inconvenience of mobility infrastructure, insufficient transport and limited force of women, it was also observed that many young women in Savannakhet Province are being commonly encouraged to prepare themselves for housework activities and are therefore involved in home-based trading. They also sell foodstuffs at the local market, rather than obtain opportunities to study or occupy other jobs outside home. Women's comparative freedom to act in Lao markets compared to other countries has long been noted (Trankell 1999). As the bridge infrastructure was constructed in Savannakhet-Mukdahan borders, it is hoped the convenience of the bridge would contribute some changes in gender prospects in Savannakhet Province.

4.4 Savannakhet: The Bridge That Changed Trade: Locals Speak about Border Experiences

While the bridge at Kenethao is somewhat far removed from the main trade routes, the 2nd Lao-Thai Friendship Bridge in Savannakhet Province represents a sharp contrast, as it provides convenient access to trade across the country roughly at the midpoint between Vientiane and the southern reach of Lao PDR. Opened to the public in 2007, the 2nd Lao-Thai Friendship Bridge was generally intended to help reduce transport costs and provide convenient land transport access, not only in the Greater Mekong Subregion, but also the entire region of Asia. It is 1,600-meters long, 12 meters wide and has two traffic lanes. The total cost was about 2.5 billion THB (70 million USD) and was funded largely by a Japanese loan (Soumala 2008). In Savannakhet Province in Laos, since the provision of the 2nd Lao-Thai Friendship Bridge for public services, it has become the most favourable trade road for economic exchange between Savannakhet in Laos and Mukdahan in Thailand. This bridge has helped free Laos from its land-locked confines and promoted trade, tourism, agricultural and industrial development and employment generation. It is expected, therefore, that this will mean that the local Savannakhet people will be more closely bound into international capitalism, at some scale. Hereunder are the empirical evidences experienced by the 36 local entrepreneurs of using the bridge for the cross-border trade in Savannakhet Province in Laos.

Out of 36 entrepreneurs who were interviewed during April 2010, 25 (69.4 per cent) respondents were female entrepreneurs and the remainder (30.6 per cent) were male. All of the respondents were married and aged more than 21 years old. In this study, 86.1 per cent of the respondents were Lao, most of them female, while the others were Vietnamese. The men in the sample appeared to have better education with some 17 per cent having undergraduate or graduate degrees, compared to just 7 per cent of women. 35 respondents said that their products were chiefly imported from Thailand, while 14 declared that the available products or raw materials imported from Thailand accounted for 41-60 per cent of the total, 11 reported 81-100 per cent, 9 reported 21-40 per cent, and one other 20 per cent or less. Apart from Thailand, China, Vietnam and local market (Savannakhet Province and Vientiane Municipality) were other sources of products. Of the 36 respondents, 27 respondents said that they have crossed the river both by boat or bridge, 6 refused to use the bridge and the remaining 3 used the bridge exclusively. 61.1 per cent have crossed the river for their business trading more than two times a month, 22.2 per cent more than two times a week, 8.3 per cent once a week or less and 8.3 per cent once a month or less. The respondents acknowledged that they were able to cross the Mekong River

for trading purpose by their own power, while some paid intermediaries to deliver their products to local destinations; and also some customarily had suppliers to deliver the products to their destination. So, they neither go to Mukdahan themselves nor pay for the intermediaries for their trading. The entrepreneurs were questioned what opportunities and benefits they have gained from the opening of the border bridge; and what challenges have presented by such border facilities.

Out of 36 responses, 91.7 per cent definitely agreed that using the bridge is more convenient. 94.4 per cent strongly accepted that there were many more opportunities to cross the border to Mukdahan. The entrepreneurs were able to cross the bridge by international public bus or by driving their own vehicles. The international public bus makes the 1.6 km crossing of the bridge 12 times per day, from 8:30 a.m.–7:00 p.m.

The bridge is opened for public use from 6:00 a.m.–10:00 p.m. every day. That means the entrepreneurs have more flexibility in terms of time and can, for example, travel to Mukdahan on business after the completion of their daily or weekly routines. According to interviews, the cost of transport by bridge is 4-8 USD (using the international public bus, fee for the bus ticket) and 25-30 USD toll fee for driving a personal car.

One 40-year male entrepreneur with a grocery business said that it was much more convenient to have the bridge open because it meant he was able to go forth and back at almost any time. This helped him keep updated with respect to new products and he could bring them back to the local market in Laos straight away. As a result, customers could find the new products in his shop without having to cross to Mukdahan themselves. Other entrepreneurs said that the bridge made it more convenient and even cheaper because their suppliers could transport the commodities to local destinations without additional charge.

Similarly, 94.4 per cent very strongly agreed that it helped the entrepreneurs transport large amounts of product for each journey. 75 per cent added that it also certainly helped reduce the risks of product delivery. In addition, 66.7 per cent declared that they obtained more opportunities to access new and different many suppliers once across the border. Using the bridge is not cheaper than the boat/ferry route, according to 41.7 per cent of respondents but it is another factor considered to help the customers feel more confident and increase their satisfaction, as observed by 50 per cent of respondents and 52.8 per cent of the respondents respectively.

Nevertheless, 83.3 per cent strongly agreed that the convenience of the bridge made the business environment more competitive. The number of new business entrants in the local area is rapidly increasing, as also noted by 83.3 per cent of respondents. Last but not least, a majority of female entre-

preneurs stated that the bridge was a key factor in making the number of customers increase, although most males believed it was not relevant. The remainder did not agree and argued that, although the number of new customers slightly increased, most of them were already local or suburban customers in the market anyway. One female entrepreneur with a restaurant explained:

Yes, I think the number of new customers has increased after the bridge opened, such as the Thai customers who often visit my restaurant before or after gambling at Savan Vegas [a local casino]. Besides, I often see other tourists also visit my restaurant.

The bridge provides both opportunities and challenges: which one of these do respondents think more significant? 32 respondents answered without hesitancy that the opportunities were more significant, while the remaining four were not sure. The 32 planned to increase the size of their businesses as a result, while the others variously were prepared to wait, to see if they could trust their children or else simply felt too old and tired to change. Among those who hoped to grow, notes of caution were made in that the bridge had only been open for three years and that it was not the main or only factor that had made the local business environment more competitive. On the other hand, people believed it was true that more international customers had been brought by the bridge and that this, together with enhanced efficiency of transit, has contributed to the socio-economic development of local communities. The situation, in other words, is complex and it is not easy to identify single causes for effects observed. In any case, respondents believed that their own businesses would grow as a result. All 32 respondents in this group outlined definite plans to expand their businesses within a comparatively short time frame. In some cases, this involved entering new markets and in others opening new branches in different districts and provinces. Of course, the aspirations of businesspeople do not always end in the envisaged futures.

The respondents also spoke about the problems raised by the bridge. Firstly, they were sure that competition had increased both from local and international competitors. Local competition is increasing as more people realize that it is quite convenient now to become entrepreneurs by using the bridge for its arbitrage opportunities. At the same time, more and more Chinese products and traders are being seen in the Savannakhet markets, apparently, in some cases to the extent that they “dominate” some sectors. The supply side is increasing more rapidly, it was said, than the demand side, since some customers are now willing to travel to Mukdahan themselves rather than rely on entrepreneurs to do the work for them. Another problem relates to the qualities of the local entrepreneurs themselves: some are

apparently unethical in behaviour, some lack marketing ability and specific knowledge in terms of products. The lack of any business association hinders the ability to spread knowledge and to raise the quality standards in the market as a whole. The local Savannakhet people mostly love Thai products but love the cheaper ones in particular, despite others having better quality and being more varied. In general, customers mostly live in rural areas around Savannakhet Province and are mostly part of farming families. In general, they have little knowledge about specific products and find it difficult to tell whether goods have come from Thailand or China: hence, some unethical entrepreneurs have marked-up Chinese-made products and passed them on at a profit to local people as Thai-made products. As a result, trust in local entrepreneurs has declined.

Focusing more closely on the findings in Savannakhet, the authors discovered that either male or female entrepreneurs likely have gained similar benefits and confronted business challenges from the opening of the border bridge. The only obvious evidence was that many females thought that the bridge contributed to an increase number of customers while men did not. Obviously, the fact depicted that most respondents preferred to use the bridge (30 people) compared to the boat (six people). All the respondents noted that the bridge was easier and quicker to use and meant they could transport more goods at the same time. It saved them time with which they could do other things. Third, 88.8 per cent noted the importance of the longer opening times and ability to use their own transport. Other important reasons included the reduced risk (from damage or loss) and cost per item, increased choice in terms of distribution and the possibilities of avoiding border taxes.

The bridge, at the same time, has contributed to intensifying competition in Savannakhet, with more competitors and products, declining trust and higher bargaining power from customers but no more assistance for existing and potential entrepreneurs. For example, there have been little or no new inducements to invest from the local governor and, is common, low levels of education and business skills among entrepreneurs, inadequate capita, high taxes (which add up to 7 per cent on the product sale and charge from the end-users), slow processes of documentation by the local customs and so forth. Respondents perceived the tax rate to be at a high level, even though, by international standards, it is at most unexceptional.

In this case, the bridge provides benefits for consumers and some efficiency improvements in business, especially for those younger entrepreneurs wishing to take advantage of them. It is possible to say that the bridge offers more choices to common people, better transportation, convenience and

flexibility for entrepreneurs, support for the local economic development and expansion, and definitely, consumers benefit from expansion of trade.

The bridge alone is not the key or only factor in causing this intensification in the business environment. Unfair competition exists and has caused many local customers to lose their trust in local entrepreneurs. This reduces buying power at the local market. To solve this problem, entrepreneurs should cooperate with one another and organize an association in order to solve problems regarding illegal imports, smuggling and providing better service to the customers and to ensure fair competition to have standard prices for products and services. It is believed that this will help entrepreneurs recapture trust from local customers.

Regarding the high number of new entrant Chinese entrepreneurs who have been seen in Savannakhet, the local entrepreneurs are encouraged to add value to products made available, rather than just looking to take advantage of arbitrage opportunities. The entrepreneurs might, therefore, be helped to acquire more knowledge in terms of business management, marketing, accounting, IT, Internet applications and other expertise in order to enhance their skills and capabilities. There is clearly a role for government agencies in this respect.

4.5 Laos: Further Findings from Both Sites

While the capital Vientiane is beginning to show signs of economic development as its broad, Haussmannesque avenues connect with multi-lane highways connecting it to important regional nodes, away from the city those highways narrow down to two lanes with hard shoulders just sufficient for trucks and buses to cross. Nevertheless, the continuing efforts to build all-weather road and bridge surfaces – sometimes co-funded by the Thai and Lao governments – demonstrates political commitment towards economic integration, despite the awareness of cross-border problems that may worsen, such as transmission of diseases, illegal substances and human trafficking, especially of women and minors. There is still a long way to go though, as proven by the lack of electronic data infrastructure connecting border stations to centralized command and monitoring offices. On the ground, trade and communications go on as they have always proceeded in historical times. What has begun to change is the speed of exchange, as well as the relaxing of attitudes on both sides of the border: open bridges tend to foster international ties of local communities, which in turn opens the possibilities for a diversity of partnerships as well as changes in traditional gender roles.

Nevertheless, much fluidity persists in the perceptions of the border-dwellers themselves, who may identify with communities and practices on

both sides. As Prokolla (2009) observes, borders, which formally protect and promote the state's interest, also embody evolving social norms and values which extend into the mindscape and identity narratives of people. The persistence of implicit trade and personal relationships that cross the Lao-Thai borders echoes the postmodern questioning of such border delineation, and as the evidence shows – has become a means by which women's roles expand and become more “mainstream” or replace what used to be central traditions.

Both in Kenethao and Savannakhet there is evidence to suggest that local people have to date demonstrated only limited imagination in taking advantage of the economic opportunities provided by the bridges. They have most commonly aimed at operating the same kind of business model as before, although perhaps a little bigger. Whether improvements in state sector provision of business support would help respondents and their colleagues to re-imagine the kinds of activity they can profitably pursue remains to be seen. Insofar as the research indicated that women entrepreneurs tended to operate on a smaller scale and with lower budgets than their male counterparts, they are the more likely to benefit from government or other providers of support, since this will represent a larger proportion of their overall level of resources.

The deepening of capitalism in the Lao borders also has implications for the role of women and of the economic activities available to them. For a start, the physical changes of enhanced transportation infrastructure enables women to move further from their homes with less difficulty, although the increase in traffic also elevates the risk of road accidents. Women can more easily transport goods to different markets for sale or else to source goods from more locations. Life becomes more closely associated with the cash nexus and away from traditional forms of exchange and consumption. To a certain extent, the introduction of more income-generating activities empowers women in their role of care-givers through expanding their ability to buy goods and services. However, if the expectations of family members rise through more marketing and advertising, then they may find that they have new pressures to conform to those expectations by provision of new types of consumer goods. At the same time, the development of capitalism also entails new enclosures of the commons, in which resources which used to be freely available for anyone to use become annexed for the exclusive use of rights holders. The clear example of this is the transportation infrastructure itself, as roads now occupy space that were once open to all but have become the effective preserve of those capable of operating a vehicle of some sort. The women are, therefore, provided with new opportunities which they may not be able to use, depending on whether they have the

financial means to do so. Women are, as a result, potentially alienated from their own environment as it becomes part of the capitalist system.

5 Discussion and Analysis

Although the immediately apparent establishment of border facilities to promote trade has been completed according to government plans and GMS agreements, the actual implementation can take some time and even more can the expected beneficial outcomes be delayed. It should be recalled that the sites observed could be considered as “stages” in the evolution of cross-border linkage – with the prime example being the 1st Lao-Thai Friendship Bridge built closer to the capital in the north, where international traffic brings brisk trade and exchange of ideas. On the other hand, there is the junction as Kenethao, which is still too remote from the urban centres of power and intellectual ferment to serve as little more than a formal entry point until it can provide more complex services, in a greater future role. Additional river crossings are planned to increase trade directly and also to link and connect important regional nodes within a larger framework of delivering goods and services to urban centres, increasingly by bypassing intermediate points, villages, and smaller communities.

As stated by Southiseng et al. (2008), the constraints of inadequate capital for business expansion and development, insufficient facilities of technology development, lack of management skills and their limited experiences of local entrepreneurs, unfair support from the relevant authorities, and slow processing of documents, possibly made some businesses close down after a few years set up. In this case, the relevant organizations should take the possibilities of tax reduction into account and should also simplify and professionalize the tax collection processes while integrating them more efficiently with the running of the international public bus service. Additionally, the addition of a second bus would enable the two vehicles to shuttle across the border simultaneously, thereby reducing the number of people having to wait for the service and increasing efficiency of use of the bridge. Finally, some people requested that local governors should take into account support for local investment and help facilitate quicker processes for the documentation of crossing and trading. They should recheck the ventures importing products and reinforce regulations to minimize the gaps between legal and illegal ventures.

Briefly speaking, to date the bridge has not changed the ways in which people perform economic activities so much as intensified the existing ways they already performed them. To take more advantage of this new enabling technology, more needs to be done in the realm of education and public

solidarity. It would be helpful to do more research into a wider range of entrepreneurial activities, especially those which are not of such a local nature and which address the goal of the bridge to being a link for Laos between the markets of Thailand and Vietnam.

As emphasized by Sapuay and Gomez (2010), it should be borne in mind that the opening or closing of borders and the investment in border facilities is a direct result of rapprochement between the governments of the trading states. Taking this regional perspective, it is important to remember that the dynamics of such relationships may alter, as needs, perceptions of the other state, and tangible or intangible demands tend to change over time. What becomes very important in such cases is that ordinary citizens, especially women on both sides, benefit from both the linkages and the barriers. This should be so, whether such border elements are increased or reduced, as the political leadership sees fit, or as the planners recommend. On the other hand, the need for better ways of structuring political discourse between the different government agencies is also elevated as the implications of border closures become more serious. On the western border of Thailand with Myanmar, several border crossing points are subject to immediate closure for indefinite periods subject to local military commanders' assessments of potential trouble. The tension suddenly flaring between Thailand and Cambodia over the issue of the Preah Vihear temple complex indicates how quickly normal situations can become abnormal.

6 Conclusion and Recommendations

In summary, the construction and operation of border facilities, including roads and bridges, has brought about immediately visible effects of increased movement of people and vehicles, and the trade that comes with them. There are impacts on various levels, as increase in market exchanges may alleviate poverty, especially when gains are distributed, and when all or most segments of local populations are allowed to share the benefits and opportunities.

Though this study did not cover the entire spectrum of impacts on citizens using (or choosing not to use) such border facilities, the analysis of the findings on the entrepreneurs shows us that most of them have decided to use the bridge for cross-border trade transport. The reason was not really because of cheaper fares and fees, but what they really took into account was convenience and flexibility. Transporting goods either by bridge or boat means having to face what was perceived to be the risk of paying tax, i.e. the taxation principles were not transparent or always evenly applied. Therefore the cross-border facility was an advantage for the entrepreneurs who wished

to minimize their exposure to taxation or, preferably, eliminate it altogether by smuggling their goods – although, of course, this too has its own risks and costs. For comparatively large ventures, using the bridge was unavoidable because of the volume of goods that must be transported.

Interestingly, some entrepreneurs, even in the bigger categories, felt that their performance was better prior to the bridge being built. Both men and women seem to have mostly the same experiences in this respect but age does seem to make a difference. The older entrepreneurs prefer to pay intermediaries rather than going to collect products by themselves. They did not plan to develop and expand their businesses unless they had children to continue it after them. However, younger entrepreneurs did plan to expand their businesses. It may be that the younger respondents have more energy and high motivation, with greater ability therefore to spot new market opportunities and to seek new customers. Importantly, the findings also presented that male entrepreneurs appeared to have better education than female entrepreneurs. To stimulate female entrepreneurs in Savannakhet Province, this study would like to re-emphasize the recommendation made by Southiseng et al. (2008) that women entrepreneurs should be encouraged to join as members of the Lao Business Women's Association (LBWA) as this association tries to unite all Lao women and to collect their wisdom and creative ideas to improve and promote Lao business women and their products and services.

There is always a temptation in concluding research of this nature to call for the state to provide the resources and services that private sector actors need to improve their businesses. The danger in this is that the state lacks the resources and the technical capacity to provide those public goods and, to fill this gap, international non-governmental organisations inevitably become involved and this has political economic implications of its own. Nevertheless, without such assistance, it is quite possible that the local people, women in particular, will find themselves disenfranchised from the trades that they have previously enjoyed as quasi-monopolies.

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