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## TRADE CONTACTS IN THE CROSS BORDER AREAS BETWEEN LAOS AND THAILAND

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## PREFACE

This compilation of material from the second research on the border issues carried out by the researchers of the Research Center for Regional Resources - The Indonesian Institute of Sciences (PSDR-LIPI) Jakarta, Indonesia, is on the Trade Contacts in the Cross Border Areas between Laos and Thailand. It was carried out in Savannakhet province in Laos and Nongkhai (Nong Khai) province in Thailand between July and August 2005. In this research we focused on significant border issues relating to the relationships between the countries in the region, particularly on the role of the Mekong River in the mainland of Southeast Asia, through which the people perceive that they greatly depend on each other in social, cultural and economic matters.

Our experience here has been quite different since the border between Laos and Thailand has a different history when compared to the border issues between Burma and Thailand which we researched last year (Ardhana, 2004c). The difference is that for a long time the Thai people have felt Burma a threat to the peace and security of Thailand, since in the past the Burmese attacked Thailand. Recently there has been a good relationship between them as they are dependent on each other economically. Meanwhile, the relationship between the Lao and the Thai is firmly established not only in terms of the economic aspect but also in socio cultural terms as they can understand each other's languages. This means that Lao people easily communicate with Thai people. As between Thailand and Burma, recent developments show that trade contacts on the cross borders have strongly contributed, particularly, to the Thai economy. However, the Lao people also enjoy economic benefits of the trade contacts since Laos, a landlocked state, also can offer its agricultural and handcraft products to the Thai people. Thailand is a strongly emerging country due to its economic development as well as the tourism industry in the region.

Recently the Lao and the Thai governments have realized how both the countries need to strengthen their economic relations and also the important role of the Mekong River for both the states, since the gateways between the two are now considered not as the backyards of the states, but as front yards through which to enter and cooperate. We need to learn better how we should utilize the lessons of the Lao and Thai experience in arranging the borders as places not only of cultural or social relationship but also as places of economic development.

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# CONTENTS

Preface .....	i
Content .....	iii
List of Tables .....	iv
List of Plates .....	vi
<b>Chapter I. Introduction: The Significant Issues in the Border Regions between Laos and Thailand</b> <i>I Ketut Ardhana</i> .....	1
<b>Chapter II. Ethnicity in the Border Areas between Laos and Thailand</b> <i>Yekti Maunati</i> .....	25
<b>Chapter III. Laos as a 'Land Locked' Country: A Glimpse of Its Country</b> <i>I Ketut Ardhana</i> .....	51
<b>Chapter IV. Main Overland Gateway to Laos</b> <i>Lamijo</i> .....	61
<b>Chapter V. Border Town Development and Trade Contacts on the Thai/Lao PDR Cross Border at Nongkhai</b> <i>Lamijo</i> .....	85
<b>Chapter VI. Trade Contacts between Laos and Thailand: Economic Challenges and Opportunities</b> <i>I Ketut Ardhana</i> .....	103
<b>Chapter VII. The Transportation System and Border Relations with Thailand</b> <i>Mayasuri Pressila</i> .....	123
<b>Chapter VIII Conclusion The Border Issues between Laos and Thailand: Local Perspective, Globalization, and Hope</b> <i>I Ketut Ardhana</i> .....	139

## List of Tables

- Table 1.1. Ethnic Groups in Laos
- Table 2.1. Tribal Populations
- Table 4.1. Population of Nongkhai (1996-2002)
- Table 4.2. Population Data of Nongkhai
- Table 4.3. Population of Nongkhai by Age Group and Sex (As of 31 December 2001)
- Table 4.4. Key Statistics of Population and Households of Nongkhai (From Population and Housing Census 2000)
- Table 4.5. Number of Irregular Immigrant Workers in Nongkhai Compared to Other Provinces in Northeastern Region of Thailand (2004)
- Table 4.6. Train Fares from Bangkok-Udon Thani-Nongkhai
- Table 4.7. Tourism Data of Nongkhai Province from 1993 to 2002
- Table 5.1. Tourism Data of Nongkhai Province from 1993 to 2002
- Table 5.2. Per Capita Income of Nongkhai Province Compare to Other Region/Province From 1993 to 2000e (In US\$)
- Table 5.3. Labour Force of Nongkhai Province from 1995 to 2001
- Table 5.4. Provincial Land Utilization in Nongkhai Province (In Percentage)
- Table 5.5. Border Trade between Thailand and Neighbouring Countries
- Table 5.6. Volume of Border Trade between Thailand and Lao PDR, 1994-2001 (in US\$ Million)
- Table 5.7. Major Exports and Imports between Thailand and Laos (In US\$ Million)

- Table 5.8. Percentage of Exports and Imports at Border Customs Checkpoint of Nongkhai (In US\$ Million)
- Table 5.9. Factory Data of Nongkhai District from 1993 to 2000
- Table 5.10. Nongkhai Product and Border Goods via Nongkhai Custom Checkpoint
- Table 6.1. Import Tax to Laos
- Table 6.2. Statistics for Passengers and Cars (in and Out) in Thannalaeng (Laos)
- Table 6.3. Imports of Lao PDR from 2000-2003
- Table 6.4. Exports Fiscal Year 2001-2002 by country and by group of products
- Table 6. 5. Imports of fiscal year 2002-2003 by country and group of products
- Table 6.6. Exports of fiscal year 2003-2004 by countries of destination and by groups of products
- Table 6.7. Statistics for passenger (in -out)

## **List of Plates**

Plate 1.1: Map of Mainland of Southeast Asia

Plate 1.2: Map of Laos

Plate 2.1: Ethnic Minority in Laos

Plate 2.2: Ethnic Minority

Plate 2.3: A village in Laos

Plate 2.4: A Lady in a traditional custom

Plate 3.1. The members of the French Mekong expedition of 1866

Plate 3.2: Hero in Laos

Plate 4.1 Map of Nongkhai Municipality.

Plate 4.2. Friendship Bridge

Plate 4.3. Thai-Lao Friendship Bridge viewed from Tha Sadet Pier

Plate 4.4 : Tha Sadet Market Gate

Plate 4.5. Inside looking of an Express train operating between Bangkok and Nongkhai line

Plate 7.1. Map of Laos and its neighbors

Plate 8.1: Second Friendship Bridge between Savannakhet and Mukdahan

CHAPTER I  
INTRODUCTION:  
THE SIGNIFICANT ISSUES IN THE BORDER REGIONS  
BETWEEN LAOS AND THAILAND

*I Ketut Ardhana*

**I. Towards the Border Study**

This research on the trade contacts in the border regions in Southeast Asia is in its second year with the analysis focussed on trade contacts in the border regions between Laos and Thailand. Looking at the historical background, it can be said that Thailand, for example, is not a country of a high mobility of people (Ardhana, 2005). The Thais live conveniently in their own places, called '*Ban Muang*' and feel that if they must live in other places, it is irregularly. Meanwhile Laos, initially known as *Muang Lao* meaning: the lands of the Lao, grew more dynamically and its people have high mobility due to the developments in the border regions. Sudthichitt Chintayananda et al. (1997: 1) note that Thailand received great benefits from the employment of Laos, Cambodians, and Myanmar people for years in the past.

Since the 1970s Thailand has improved its economy. This made it possible to attract workers to come to Thailand. In Thailand, most workers are Thai, while in Laos they are Lao. In general, it can be said that Laos has been resided in by various ethnic groups such as firstly, the Lao Loum people who total half the Lao and live in the region surrounding the Mekong and like the Thai work in the rice fields (Terwiell, 1999: 121 and 329). The Lao Loum people generally adhere to Theravada Buddhism. Meanwhile the Lao Theung people are the ethnic people residing in the hills and mountains and can be grouped into 45 sub ethnic groups. The Lao Theung lead nomadic lives and are descendants of the Mon Khmer ethnic groups. Besides the two broad ethnic groups there is another, namely, the Khamu who reside in the northern part and live by planting rice and other agricultural products such as coffee, tobacco, etc. Finally there is the Tin sub ethnic group most of whom reside particularly in the Sayaboury province. They live as hunters and do not use metal instead using bamboo and wood. Meanwhile the Akha and the Alak reside in the southern part of the Boloven mountains. The northern parts are resided in by the sub ethnic Lao Sung or High Lao, who can be classified into the Hmong and Mien. The Mien have the same language.

and the Hmong are well known as silver workers. The smallest ethnic groups are the Lisu, Lahu and Lolo (Lebar 1964: 27). Besides the above, there are other ethnic groups from China, as well as the Vietnamese, Cambodians and people from Burma (Abadie 2001). In Vientiane itself there are a number of people from South Asia (<http://www.visit-laos.com/sabbaidee/people.htm>).

Sometimes the movement of people is caused by the emergence of certain diseases, like, for example, cholera. However, the border region of Thailand is much influenced by international migration. In the last three decades, Thailand developed and one of the factors for it was that it was influenced by an increasing number of employers and employees, apart from political reasons. Thailand was seen as a sanctuary by those wishing to escape the violence, conflicts and wars in the neighbouring states, like the asylum seekers from Burma (Chantavanich 2002: 44; Lajonquiere 2001).

Disputes in the border areas between Laos and Thailand broke out, affected by the conflicts among the border people in Thailand, Burma and Annam which have been occurring since the 17<sup>th</sup> and 18<sup>th</sup> centuries. At that time, Laos was partitioned into three parts namely Luang Prabang in the north, Vientiane in the middle and Champasak in the south. At the end of the 18<sup>th</sup> century, Laos was under the power of Thailand; against which it rebelled in 1827. Increasingly the disputes over the border regions developed, conducted by the people of Vientiane. With the encouragement of the Siamese army the Lao had a chance to develop in the 19<sup>th</sup> century but after 1893 all of the kingdoms in the eastern part of the Mekong River were more or less under the French colonial power. It can be said that over its long history Laos was under the power of Cambodia, Burma, Vietnam, China and Siam (Thailand). The result was that Laos experienced several difficulties in determining its national identity. Later on, the borders around the Mekong River developed more and become a region in terms of the political meaning (Grabowsky, 2001: 263).

Since 1860 border areas have been attractive regions for western countries. This we can see from when the French began to conduct investigations in 1893 on the dynamics of people in the border areas along the Mekong River in Laos (Evans 2002: 32). This was followed later by the signing of several agreements between 1893 and 1907. Through these agreements finally the former kingdoms, which had been established

in the 17<sup>th</sup> century in the three parts were reunited and integrated into a single state. The local people in the border regions existed and collaborated with the French government. France itself gave a protectorate status to Laos with the words *Les Laos*, as a form of heterogeneity of the Lao society (<http://www.visit-laos.com/sabbaidee/index.htm>).

Further developments show that the eastern region of the Mekong River had been ceded to the French by Thailand (Siam). This is a period in which the French started to be an imperial power and the emergence of Indochina, but Luang Prabang was still a protectorate of the French and had autonomy. There are some notes on how the French government saw the Lao culture discriminatively. The attractiveness of local and modern culture affected the people of Laos who began to learn about other cultures in the border regions, namely, the Thai, through newspapers and radio, in a language they could easily understand. Border relations began to develop and this we can see in the increasing number of Buddhist priests coming across the border to learn more about Buddhist beliefs in Thailand. It is notable that the elite of Laos began introducing manuscripts using the Latin alphabet for the Lao language in 1941 preferring that to the Thai script they had used in the previous period (Steinberg 1989: 342).

The increasing contacts among the local people of Laos and Thailand were very apparent in the region. However, this does not mean that there was no control on the movement of people there. The control of the border in Laos for example, was done in Sayabouri, Champasak and in several areas in the western parts of the Mekong River, still under the control of the French and Indochina. Sayabouri for example, is a province geographically close to Vientiane, in the mountainous region and in a remote area. Geographically this region consists of six provinces in the area of the Nam Hung River, a branch of the Mekong River (<http://www.visit-laos.com/where/sayabouri/index.htm>). From historical notes it can be said that after the Japanese occupation, the independence of Laos was proclaimed in July 1954.

The border issues are very complex not only between Thailand and Laos but also between Thailand and Burma. This situation was exploited by the communists, who later came into existence, as a communist state of Laos in the form of a Republic (*Regional Outlook: Southeast Asia 2002-2003*: 33). Additionally there has been an

illegal weapons' trade, the drug trade, and also prostitution. Based on the above issues, among others, the border region between Laos and Thailand has become more and more important in the region of Southeast Asia.

There are many factors affecting the occurrences in the border region, due to the political uncertainty such as in Laos and Thailand. Thailand was formerly called Siam and is the only state in Southeast Asia, which has never been colonized by a western powers. During this time Thailand was never really threatened by its neighbouring states (Carl Grundy Warr and Elaine Wong 2001: 101) but after the Second World War, after 1941, the regions of Cambodia and Laos which were parts of Siam in the past, became parts of those neighbouring states.

It is important to note that certain countries are mainly resided in by their own ethnic groups such as the Vietnamese in Vietnam, the Cambodians (Khmer) in Cambodia, the Thais in Thailand and the Lao in Laos. If we look at the issues of majority and minority ethnic groups they vary between one region and another. However, despite Laos having been designated an independent country since July 1954, in fact Laos has never been a united state, as in several regions there have been ethnic conflicts, not only in the centres of cities but also in the peripheral regions in the border areas.

Besides the majority ethnic groups which are Lao, there are a lot of other minority ethnic groups such as the Shan, the Kachin, the Karen and the Chin who believe themselves to be non Lao ethnic groups. For instance, the ethnic groups like the Shan and the Karen are the local people who reside in the border areas between Laos and Thailand as far as Tenasserin. In the regions along the Irrawaddy River as around Laos and Thailand, the Karen in modern history live together peacefully (Renard 1988: 88). It is important to note that there is no integrated organization among the Karen ethnic groups, as there was not, particularly pre the colonial time. The main characteristics which differentiate the Karen, for instance, are: the subordination issues, rebellion due to tax and misunderstanding of one by other groups. Based on the above reasons it can be said that it is possible to experience disputes or ethnic conflicts in the border regions (Christie 1996: 53). The main reasons for migration in Asia were much influenced by religious beliefs, and looking for jobs (Barth 1969; Sellato 1994; King and Wilder 2003). In addition to this, we can calculate that this migration process was meaningful in Laos, Thailand, Vietnam and Cambodia. In



every country the number of indigenous minority is less than 20 per cent of the total of the population in each country (Osborne 1991: 58). By examining the trade contacts in the border areas we can see the intensity of the movement of people that not only involved the people themselves but also the movement of goods like agricultural products and even of culture by which various traditions and culture spread along the border regions (Carl Grundy-Warr 1996). It is sometimes that harmony can be created due to the same beliefs but on the other hand, those beliefs might encourage conflict (Diamond 1998).

The research on the border regions, in this case between Indonesia and Malaysia, was done by carrying out collaborative research between Indonesian and Malaysian researchers, namely between I Ketut Ardhana (Research Center for Regional Resources) and Jayl Langub (Majlis Adat in Kuching Sarawak) and Daniel Chew (Sarawak Development Institute) funded by SEASREP - The Toyota Foundation on 'Border of Ethnicity and Kinship: Cross Border Relations between the Kelalan Valley Sarawak and the Bawan Valley, East Kalimantan' (Ardhana, 2004a and Ardhana, 2004b). This research investigated the issues on borders focussing on trade contacts, ethnicity and identity. Two groups such as the Long Bawan and the Lun Dayeh, previously descended from the same ethnic group which was separated by nationality after both states' independence from the western powers namely, the Dutch and the British. Before separating they were dependent one on the other in terms of social, cultural and economic activities.

In addition to this, Riwanto's work (2002) focuses on the social and economic issues in the border areas between East Kalimantan and Sabah. The dynamics of both societies represent the answers at the local level on new challenges and opportunities regarding the policy reformation between Malaysia and Indonesia. As happened in other border regions, as described by I Ketut Ardhana, Yekti Maunati, Taufik Abdullah, Lamijo in *Trade Contacts in the border regions between Thailand and Burma* (2004) shows the important role of the regions, called the 'Golden Triangle' as exchange places and for the economic trans national movement between Thailand and Burma.

Regarding the conflict issues, Fisher et al. (2000: 41) mention that cultural aspects affect also the emergence of conflict. Similarly also John Haba (2002) shows that ethnic relations have a strong relation to the dynamics of development, and finally

can trigger conflict as happened also in the Nunukan district in East Kalimantan. Therefore, someone wishing to resolve the conflicts should have an understanding of the cultural background of the people who are involved in the conflicts, to which they come from usually different cultures (Christie 1996: 53).

However, it is important to note that interdisciplinary studies on border issues in Southeast Asia are still rare. Therefore, this study tries to look at different disciplines such as history, anthropology, sociology, economics and politics to better understand the situation in the border areas. It is hoped also that we will have better understanding of how this study can make a contribution not only in terms of concepts or a theoretical framework, but also in terms of how it can contribute to certain policies in managing the issues in the border regions not only for Laos and Thailand, but also for our country, Indonesia, as well.

## **II. Central Issues**

Based on the above it seems that there are many questions, when aiming to investigate the issues in the border regions. Firstly, as we have carried out our research in the border regions between Thailand and Burma in the first year, now we would like to better know other parts of Southeast Asia; to understand the border contacts in the context of the economic regional development. As we already know that the cross border contacts in many regions cannot be ignored whether harmonious or conflicting, since they actually lasted as long as their histories among the local people who are the ethnic minorities in the regions. This has also happened in the cross border regions between the local people in Burma and Laos and also between Laos and Thailand throughout their history. Secondly, how can we understand the relations between Laos and Thailand regarding the trade contacts involving harmony and conflicts in the two regions and regarding the social, cultural and economic aspects? Thirdly, through this study we hope that we can understand better the cross border relations in Southeast Asia and later on we expect that this study will make a contribution to Indonesia, not only in anticipating some issues but also give alternative solutions on the border regions nationally and regionally in Southeast Asia (Widjajanto, 2002: 7). Therefore, the research questions the extent of the issues on the border regions between Laos and Thailand. Are there many factors affecting the dynamics

of both societies in Laos and Thailand? How can we anticipate and offer alternative solutions on the trade contacts? And how can we understand that the border regions sometimes are a place for illegal trade?

### **III. The Aim of the Study**

Based on the above reasons, this study will discuss the issues on the border contacts or cross border linkages, especially to investigate the trade contacts in the border regions in Southeast Asia. Specific aims are:

- Analysing the intensity of the movements of people and goods in the border regions in terms of economic and social aspects;
- Investigating the negative and positive aspects regarding the economic and social aspects in the border regions between Laos and Thailand;
- Recommending strategic policies to improve the economic and social contacts in the border regions and to make a balance between economic and environmental developments

### **IV. Theoretical Framework**

The cross border issues amongst countries have been paid much attention due to the claims on certain regions in the context of economic interests and political issues in relation to the sovereignty of a state. In this context, we have witnessed matters in relation to two cases of small islands between East Kalimantan Indonesia and Sarawak East Malaysia in accordance with the issues of the small Sipadan and Ligitan islands. Both of the islands have been taken over by the Malaysian government from the Indonesian government through the international Court at the end of 2002. The reason was based on the physical development in the two islands, actually done by the Malaysian government. It was indeed an issue of border regions which has positive aspects as well as negative ones. This depends on what interpretation a country has about what it means by the border region. It has recently even become a major issue for both Malaysia and Indonesia regarding the infrastructural development in the Ambalat Block also in the East Kalimantan region. Due to the bad experience with

Malaysia, it seems that Indonesia, as an island state, will not allow the solution of the conflict between Indonesia and Malaysia to be continued through the International Court ('RI to avoid Int'L Court in Ambalat Dispute', in *Antara News*, 7 March 2005.

The above issues are a growing discourse in the present day not only in Indonesia and in other parts of the Southeast Asian regions, but also in other countries outside the region like China and Japan in the Asia Pacific regarding the Dokdo Island. This uncertain situation creates worries for people in the countries regarding Peace. Even, in Indonesia both the Department of Foreign Affairs and the Defence Minister note that the issues of border regions demand strong attention, concerning good neighbourhood policies and also bilateral and multilateral relations. However, based on the comprehensive understanding that is needed, the border should not be seen only in the context of security and stability, but also how we can change the image of it; not only as a security issue but also as the place for people to improve their income through social, cultural and economic activities. This is becoming urgent since the international world has acknowledged how a state must not only manage and defend its own region, but also create a new access for economic regional development.

The importance of border issues for Indonesia after the end of the dispute over Sipadan and Ligitan are the emergence of other new issues on the Ambalat Block in East Kalimantan and border issues in Timor Leste regarding the Batek Island which is a part of the Kupang district, Nusa Tenggara Timur (NTT) province. On the one hand the Timor Leste government believes that the island is a part of the Oecusi region and on the other hand, the location of the enclave, is in the West Timor region. Timor Leste tried to set an agenda by sending this problem to the representative of the Indonesian government in Dili. However, the West Timor district accuses the Timor Leste government of creating a new problem against the Indonesian government. From a certain perspective, it is said that the Timor Leste government cannot claim the region, though the region is located close to Timor Leste. It can be understood, however, that whether the reason is weak or strong, it is possible that in the future the West Timor region, based on the uncertain reason, could be claimed against by the Timor Leste government, and if this is possible it is possible to claim other parts of the Indonesian regions as the region of a claimant.

It should be understood that the Timor Leste government never controlled the claimed region. However, some officials of the Timor Leste government have begun visiting the island, worrying the people in the region. It is now said that a long time before the secession of Timor Leste from Indonesia, Indonesian fishermen made use of the island and the Indonesian flag was already there in December 2002 (Fointuna, 2003: 5).

Based on the above explanations, we are trying to focus more on certain questions. How and why will the issues on border regions be discussed in this study? How does the border issue emerge in present day Indonesia? And how can we anticipate these issues before they become a serious problem in the region? These reasons might be several arguments on how this study can be considered important in analysing the theoretical framework and make a contribution to how the border issues should be resolved so that we will have peaceful and conducive situations. In order to understand the border issues better we need to focus on some issues on the border between Laos and Thailand, particularly in trade contacts in which this aspect is significant for the border. In addition to this, Thailand is considered as a counterpart for Laos, and most of the foreign investors in Laos are from Thailand (Khien Theeravit 2002: 51). However, it cannot be ignored that the movement of people, human trafficking, and smuggling are controversial based on the different perspectives of each country on the border. Smuggling is spreading, for instance, in Southeast Asian regions, and rooted in a long history of the region, particularly with India, China, Bangladesh and even Australia. This phenomenon has also its own perspective in each country (Tagliacozzo 2002: 194).

Besides the above issues, the issues on transnational migration, are also significant and cannot be separated from the movement of people in the region. Chantavanich (2002:46) argues about the changes taking place in Thailand. If in the past the Thai government exported employees to other countries, in the 1980s after the boom in Thai economic development, the country needed more employees from its neighbours since there were some opportunities or styles of work which could not be taken up by the local people in Thailand. In Thailand itself these people already had their particular jobs. Therefore, there were many occupations, which could be made use of by employees in the border regions such as those of Burma, Laos and Cambodia.

Osborne (1991: 56) claims that Laos and Thailand had trade contacts throughout their history (Vallibhotama 1992). Since the 18<sup>th</sup> century local people in the border areas have resided in the mountainous area. It is noted that around 30 million women and children came across to the Asia Pacific as part of the slave trade over the past 30 years. In addition to this, around 1.2 million, mostly teenage girls, working in sweat shops and even as prostitutes came across annually. It is important to note also that Southeast Asia has the worst evidence on human trafficking in the world (Hiyama 2003: 3). Efforts to minimize these issues have been made, however, sometimes by corrupt officials. Several countries do not want to have problems with these issues. In some countries, those involved, sometimes, of the middle classes, receive protection from security officials, like the police, to keep their criminal activities secret. However, the government is always trying to stop illegal trade (Hiyama 2003: 3). Trade contacts in the border region between Laos and Thailand have shown increasing development after the 1980s when the Thai government began to improve its policies towards its neighbouring states namely, with Myanmar regarding SLORC (*the State Law and Order Restoration Council*) which later was involved in the repression of pro democracy student demonstrations (Lintner 1990).

Recently Thailand has encouraged domestic economic aspects as capital for improving the prosperity of the local people (*Regional Outlook Southeast Asia 2002-2003*: 78). There are two main channels connecting the border regions between Laos and Thailand which affect the development of certain posts such as Keng-Tung-Tachilek, Mai Sai, Chiang Mai and some roads connecting Myawaddy and certain villages on the border namely Mae Sot, which is located six kilometres across the Moei River. In the southern part of the region, there are some villages such as Kawthaung and Ranong as important places. The significant places on the border of Thailand are Mae-Sai, Mae-Hong Son and Me Sariang in the Chiang Rai province, Mae Sot in the Tak province, and Kra Buri and Ranong in the southern parts of Thailand (Carl Grundy-Warr, Rita King and Garuy Risser 1996: 88). Chiang Rai for example, is a gateway where many people from Laos, Thailand and Burma meet and where can be seen the growth in the ethnic groups in the population in the region. The total population in the 'Golden Triangle', based on their ethnic groups is as follows:

**Table 1.1: Ethnic groups in Laos**

<b>Ethnic-groups</b>	<b>Total of Population</b>	<b>The average of population in each household</b>
Karen	246.000	5.2
Hmong	58.000	8.0
Lahu	39.000	5.8
Mien	30.000	7.3
Akha	24.000	6.4
Lise	18.000	6.8
Jumlah	415.000	5.8

(Mayer, 1984: 10).

Geographic factors have greatly influenced the development of Laos since this country, being 'landlocked', is dependent on its neighbouring states. Like other parts of Southeast Asia, Laos has many rivers and is located in a mountainous area host to many interior cultures. Through its rivers Laos has contested with other states along the rivers' flow. If a state blockades one of the rivers, this makes it difficult for Laos, since through the rivers Laos has developed its trade activities. Through rivers people communicate with each other so that in the rivers they perceive a borderless place. In addition to this there are many interesting stories relating to trade contacts between Thailand and Laos in the past. Laos was recently described as follows:

"Next it was over to the Lao side. We climbed out of the boat and up a garbage strewn muddy river bank-a less than encouraging welcome. A few rickety wooden shacks partially merchandized with hanging plastic bags of who-knows-what locally prepared foodstuffs lined the top of the riverbank and a gravel road lead up a hill, away from the river. We were greeted by a smiling English-speaking young man who offered to provide us with transportation to Don Det (Det Island) which happened to be where we wanted to go. He explained we would have to fork over "a few dollars", just up the hill at the immigration office, to be stamped into Laos. Meanwhile he was waiting for a group of tourists who were soon to return from a dolphin-spotting excursion and then he would drive us all to the Don Det ferry." (<http://travel.state.gov/laos/html>).

The rivers are often used by local people for legal and illegal trade. Indeed, we could see many legal and illegal goods in the border regions, sold by the local people 'duty free'. As with fast development in Laos, we can see to what extent the influences of globalization in Southeast Asia in the context of regional economic development may be experienced (Malhotra 2002: 32; Saskia 1998: 197). Thailand, Vietnam and Malaysia seem to play a major role in economic development in Laos. It is not surprising that many people began paying attention to development in Laos which is sometimes linked with other issues like human rights. We can see the rapid economic development in Nongkhai in Thailand and in Than Na Laeng in Laos. The border region on both the Thai and Laos sides is quite developed with the local people selling cloth, accessories, shoes, even below normal prices.

Lintner (1995) argues that there are geopolitical changes between Laos and Thailand which affect the strong relations of the two countries. Now the military from Laos enter the regions, which had been controlled by minority ethnic groups. Yangon (Rangoon) has effectively controlled the border regions since the independence of Laos. The Yangon people live in *peripheries such as* Arakan, in the hilly regions of Shan. Frasch (1999: 206) notes that their actions are like most of those on border issues relating to conflict with neighbouring countries (Frasch 1999: 206). Across the border regions between Laos and Thailand such as in Nongkhai we can see the movement of people in the divided regions. They sometimes live there illegally (Schlinger 2003; Sisouphantong 2000). Most of them are students, who have escaped from Laos to Thailand, protesting against their government (Carl Grundy-Warr, Rita King and Ary Risser 1996: 88).

It seems that Thailand under Chavalit and other military leaders tried to decrease bilateral problems between Laos and Thailand, namely by prioritising not only the matters of occupation but of the trade sector as well. Even though that is the case, conflict among them cannot be avoided in the border regions. This we can see in the disputes in the military class in the border region in 2001 (*Regional Outlook, South-east Asia 2002-2003*: 27).

In relation to the illegal trade in drugs on the border, the US government pressed the Lao government, to not only decrease drug production and illegal trade, but also to minimise the number of people crossing the border areas. Vientiane even imposed



the death penalty on anybody trafficking in illegal drugs in April 2001 and also prohibited the planting of opium through slash and burn cultivation.

The trans-national migration has become an important issue needing to be analysed since there are trends to increase the movement of people which means a weakening of state control over the border regions between Laos and Thailand. This affects also intensive relations in terms of ethnic linkage, the economic, and political aspects or citizenship as impacts of the migration of people. Remennick (2002) in his study shows the influence of the Russians who now reside in Israel. He argues that on the one side the newcomers have their *enclaves* and on the other there have emerged conflicts between the newcomers and the indigenous people. However, economic and social integration can be created intensively among the immigrants, despite their having various and different traditions and culture. The question is, is the border region the first place for enclaves based on ethnicity and culture? How do we analyse the relations between the economic and social ties among the immigrants?

Cady's work could serve as a good explanation for this. He describes the emergence of enclaves in Laos, Thailand, Burma and Cambodia. From his book we see that there is a strong relationship between the movement of people and trade activity (Cady 1966). He claims that there has been a trend towards migration in Southeast Asia since prehistoric times, starting from the north to the south causing the emergence of enclaves in the region. This movement spread to the Malay Peninsula and reached the Indonesian archipelago. To the west this movement was conducted by the Moons, Pym and the Burmese. Meanwhile, along the Irrigate it was dominated by the Karen (Lucian 1922). Between the mountains Sittang and Irrawadi resided in mostly by the Shan, dominated the economic and political aspects of the region. Khorat and other hilly regions bordering China namely, Yunan, were resided in and dominated mostly by the Thai (Cady 1966: 28-30).

From this historical background, Lebar (1960: 6-7) notes that the people of Laos like some of the Thai people, resided in certain parts of South China (in Yunan and in the province of Sikang in the southern part of the country). They are believed to have played an important role parallel with the migration process into the southern parts and finally to Thailand and Laos. In addition to this, the Shan and the Thai play a major role in the long process of history, particularly in trade activity in the border

regions. This affected the emergence of several cities such as Chiang Rai, Sukhotai and Chiang Mai (Hanks 1985: 63-72; Cady 1966: 30; and Geddes 1976: 5). According to the historical evidence, the trade contacts among the migrants, besides being carried out by the Mons and the Thai people heavily involved the Khmer from Cambodia. The Cambodians learnt much from the Mons, in terms of agriculture, governmental system, architecture and literature. They had power, particularly in the rice field regions, as an important aspect of trade activity in the border regions with China (Marlowe 1967: 53-65).

In contrast to the harmony among them, there emerged conflict between the majority and the minority ethnic groups in the border regions (Bradly 1983: 46-79). In Havanandana's work (1967) we can read a description of the areas in conflict. According to him, the conflict situation emerged in the border areas between Laos and Thailand. He adds that the source of conflict was often caused by the existence of certain ethnic groups in the enclaves in the border regions. In contrast to this for example, the minority people residing in the Thai border have not had serious conflicts. They have easily adapted themselves to the Thai government regulations. It seems that the minority ethnic groups can cope with the situation happening on the border with Burma (Wilson and Hanks 1985).

Therefore, it can be said that if Thailand continues its conception and extends its administrative authority to the northern parts of Thailand, it is hoped that the border between cultural groups can be clearly determined in Thailand and in other places (Havananda 1967: 4). Meanwhile, Renard (1988; Silva et. al 1988) mention that the border is very insecure, not only in terms of smuggling, but also the spread of communist ideology in the border regions of the states. It is said that there were many subversive cases between Laos and Thailand from 1956-1957 regarding the spread of the Thai Communist Party by propagandising against the United States of America. From this description, we can see the uncertainties of the border. These border region issues are more important since the central government has begun paying attention to the regions. By looking at these issues we believe that the government will pay more attention to how the border regions can be developed not only by the local people but by the central government as well. We hope that we can avoid the loss of any small islands as happened with the Sipadan and Ligitan islands. And that this study will make a contribution to our understanding of the border issues in terms of a peaceful

situation and stability in the regions of the Indonesian archipelago in particular and in the Southeast Asian regions in general.

## **V. Research Method**

The empirical research carried out in Nongkhai and Savannhaket, for approximately ten days in July 2005, was funded by the Indonesian government. We interviewed people particularly in the government in Laos and Thailand and also other people who are interested in border issues. Discussions were held to obtain more information regarding trade relationships and the intensity of movements of the people and goods. We used both qualitative and quantitative approaches. In addition to this we collected primary and secondary data from related institutions, through the Internet, universities in Thailand and Laos, and also libraries in both countries. We particularly interviewed some Lao scholars (especially Mr Khamla Vatthanalay (Ministry of Finance Customs Department), Khemdeth Sihavong (Ministry of Commerce Department of Foreign Trade), Mr Phonechanh Sengsupuligna (Civil Servant of the Foreign Relations & International Office, Leokham Inthavong (Ministry of Foreign Affairs Department of Economic Affairs) in Vientiane, the Embassy of the Republic of Indonesia, Ahlan B. Razif (the Indonesian Ambassador), J. Subagia Made (Minister Counsellor), and Bayu Yuswan Satria, who are concerned with the cultural, historical and economic aspects of trade contacts between Laos and Thailand. In addition to this we also sought data from different sources, including literature on the Lao and the Thai by western, non western and Thai and Lao writers and in depth interviews were conducted with many groups. In addition, we interviewed people, engaged in trade contacts in the border areas between Laos and Thailand, including owners of souvenir shops, the owner of a travel agency, immigration officials and traders.

In addition to this Bernard's discussion of the use of unstructured and semi structured interviewing was very useful for our research (Bernard 1995). 'Thick description', as proposed by Geertz in his research method, such as his conceptualisation of fieldwork was also very important (Geertz 1973). Though we are aware that to gain a thick description needs a long period of fieldwork, the understanding of this method is very useful for any researcher carrying out empirical studies. In the second year

(2005) the research was conducted at the Ministry of Finance Customs Department, Ministry of Commerce Department of Foreign Trade, with a Civil Servant of the Foreign Relations & International Office, Ministry of Foreign Affairs Department of Economic Affairs in Vientiane, Embassy of the Republic of Indonesia in Vientiane. In addition to this, we also carried out our research by visiting the first and the second Friendship Bridges in Vientiane and Savannhaket to get more comprehensive views on how the trade contacts between Laos and Thailand are dependent on each other.



Plate 1.1: Map of Mainland of Southeast Asia

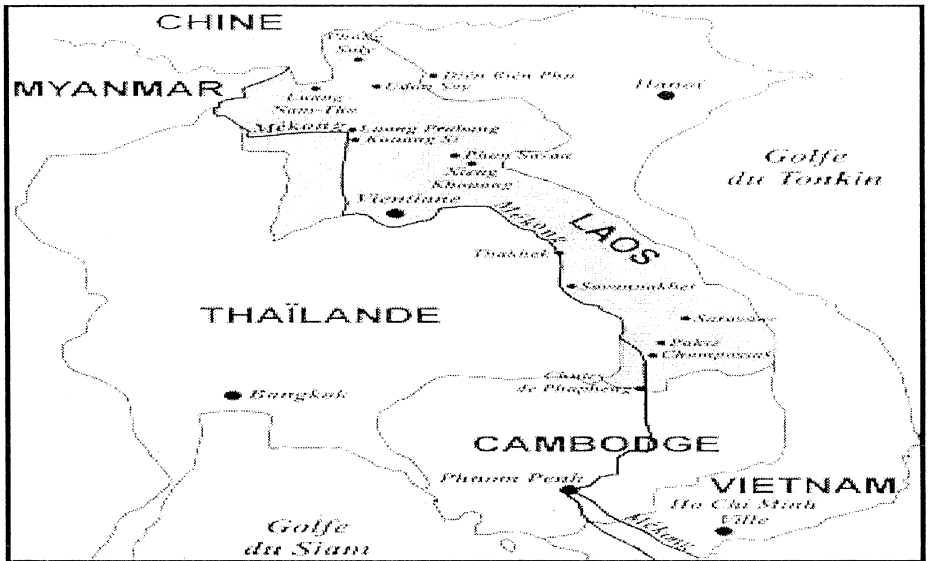


Plate 1.2: Map of Laos

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CHAPTER II  
ETHNICITY IN THE BORDER AREAS  
BETWEEN LAOS AND THAILAND

*Yekti Maunati*

**I. The Formation of Ethnic Groups**

When we talk about ethnicity, we relate it to culture, but the relation between culture and ethnicity is somewhat unfixed. For instance, Eller argues: 'not all culturally distinct groups are ethnic groups precisely, and (in an odd paradox) not all ethnic groups are culturally distinct groups' (1999:8). It is in this instance that Eller suggests that ethnicity and 'culture' are not always in an ideal relationship (ibid.). If we look at the Malays today in Kalimantan, they may share similar culture to that of the Dayak groups because many Dayak who converted to Islam have often been considered 'Malay' (Coomans, 1987). The criteria by which individuals are nominated Dayak or Malay may shift over time (Maunati, 2000). Citing DeVos, Eller explains that 'ethnicity is a symbolic use of any aspect of culture to make a difference between them and other groups (ibid.). To Eller, 'ethnicity is consciousness of difference and the subjective salience of that difference' (1999:9). Eller, further, notes that even when ethnicity is associated with, refers to, or evokes 'objectives' or shared cultural or historical markers, it is subjective (ibid.). Ethnic groups usually do not utilise all aspects of their culture or history as markers of their identities. Besides, some elements of their culture may be shared by other groups which will cause difficulty in distinguishing them from others (ibid.). Grey areas have been reported by many experts concerned with cultural identity (Kahn 1995).

The use of certain markers of identity selected from groups' cultures is subject to change. For instance, Eller notes that an ethnic group which chose religion at one stage, may change to class or other parts of its culture (1999:9). Another important feature is that to a certain extent ethnicities are labels which can be made and remade (Eller 1999:10). Eller provides an example of the shifting of identity from *black to African American* in the United States which basically does not change the membership much, but transforms the marker of ethnicity from 'skin colour to ancestral origin in the broadest sense' (1999:10-11).

Likewise, King and Wilder argue that to study ethnicity is to deal with the social and cultural processes and aspects that affect similarity and difference and understand the construction and transformation of social and cultural identities by groupings of people (2003:196-197). In the context of construction, many experts argue that boundaries are constructed (King and Wilder 2003; Kahn 1995; etc.). Barth (1969) argues that the formation of ethnic groups involves social processes of exclusion and incorporation and the selection of social and cultural aspects which are considered relevant for the construction of identity and boundaries.

It is widely argued that cultural identity is constructed (King 1982; Vickers 1989; Hall 1992; Eriksen 1993; Kipp 1993; Kahn 1993; Kahn 1995; Picard 1997; Wood, 1998; and King and Wilder, 2003). King and Wilder further explain:

Ethnicity is obviously expressed as a product of the past, evoking common origins, social linkages and shared cultural values and traits like language and religion. However, the historical dimension of identity also demonstrates that rather than identities being fixed, constant and immutable, they frequently change and can be acquired (2003:198).

Scholars differ on the degree to which the construction of cultural identity is linked to particular processes and different historical experiences.

The idea of cultural identity as constructed is obviously connected to a related set of beliefs around the concept of culture. In particular, as Kahn (1995) and others argue, culture is less organic and bounded than has often been claimed. In discussing cultural difference Kahn argues that culture itself is a cultural construction. He suggests that:

There are, in fact, two problems with the image of a culturally diverse world that lead us to its discursive dimensions. The first, on which most attention has focused, arises from the fact that the project of, variously, describing, translating or interpreting 'other cultures' contains a fatal flaw in so far as it can never genuinely succeed in locating these cultures except in relation to, and hence within the culture of, the person doing the interpreting. The argument that the western texts that purport to describe the 'culture' of this or that group of people are cultural artefacts of 'the West' and hence have little to do with otherness at all is by now a relatively standard one - in part a consequence of a poststructuralist revolution in the treat-

ment of anthropological texts. and in part the result of a postcolonial critique of western discourses (1995:128).

In Kahn's opinion the voice of the other is the voice of the author (1995:129). He also outlines a further problem, saying:

But there is here a second problem, less often discussed in current debates over who is and should be authorised to speak about other cultures, for it will be noted that the conclusion about postmodern poetics does little to undermine the assumption that these other cultures are still 'out there', that the modern world is still a cultural mosaic - it is only that now individuals can never hope to escape the boundaries of their own particular corner of it (1995:129).

Kahn points out that 'this language of differentiation is artificial'. Using the image of a television picture as a metaphor, he writes: 'the cultural imaginary takes the dots for something more than technique, as though the dots of colour represented reality itself' (Kahn 1995:129). Kahn also points out how intellectuals have contributed a great deal to the processes of cultural construction. Western scholars have contributed a great deal in the process of identity formation in many regions, especially through their writings.

Today, Western power remains important in the formation of identity and this can be seen in the roles of Western social scientists and missionaries amongst others. The power of Western representations, however, is not the only force in the formation of identity in places like Thailand or Laos. There are also a number of powerful constructions and representations that derive from the elite groups. In particular state agencies, intellectuals, and ruling and elite groups, have added to the complexity of representation and identity formation. Indeed, anthropologists and other observers have noted the role played by the nation state (Eriksen 1993) and a complex array of 'authorities' (Barth 1989) in the representation of ethnic groups across Southeast Asia.

Culture is best seen as the product of earlier processes and as open to reinterpretation and new ideas as well as the shedding of old components. It is in relation to this conceptualization of culture, that Kahn argues cultural identity is equally constructed and contextual.

Similarly, concepts of identity and indeed identity itself are increasingly viewed as the result of a dynamic interplay between context (and history) and construct. Eriksen (1993) has demonstrated some of the processes involved in the historical construction of ethnic identity in the case of Indians who migrated to Mauritius and Trinidad. In each case, the subsequent identity was different and thus works against the notion of an 'essential' form of Indianness.

...it would be misleading to start from an assumption of 'primordial characteristics' of groups or categories. The formation of different categories of 'Indians' in Mauritius and Trinidad, respectively, clearly shows this. Not only are the ethnic subdivisions within the 'Indian' category different in the two societies, but so are the stereotypical assumptions about 'Indian culture'. Indians in Mauritius, where they are in a majority and dominate the state bureaucracy, often complain that they are good politicians but 'have no talent for business'. In Trinidad, Indians have a smaller stake in the state bureaucracy and many Indians have gone into business (Eriksen 1993:84-85).

Similarly, the dynamic nature of the construction of cultural identity is evident in the case of Indonesia (Vickers 1989; Picard 1997; Kahn 1993; Kipp 1993; and Maunati 2000). In the case of Bali, Vickers (1989) illustrates the way in which Dutch colonialists redefined the image of Bali from one of a savage place to that of an island paradise:

There is much that has been forgotten in the world's image of Bali. Early European writers once saw it as full of menace, an island of theft and murder, symbolised by the wavy dagger of the Malay world, the kris. Although the twentieth-century image of the island as lush paradise drew on the earlier writings about Bali, these were only selectively referred to, when they did not contradict the idea of the island Eden. The overall negative intent of most of the earlier western writings about Bali has been discarded (Vickers 1989:11).

Vickers' argument is also evident in Picard's work (1997) when he describes the involvement of Dutch colonial officials, early Balinese intellectuals and Indonesian government officials in the construction of an 'authorized' view of Balinese identity. Picard argues that contemporary Balinese identity is a construction which draws on colonial, Indonesian and tourist images. Picard's project is 'to deconstruct the contemporary \_expression of Balinese identity by retracing the history of its construc-



tion' (1997:184). In a similar vein Rita (1993) and Kahn (1993) investigated identity construction in other parts of Indonesia. Maunati (2000) studied identity construction of the Dayak in East Kalimantan, Indonesia. Picard's aim 'relates to ethnic consciousness rather than cultural history' (1997:184). As he argues, he is not concerned with the evolution of what has been called 'Balinese culture' by anthropologists and travel writers alike, but with the dialogical fashion in which a certain image of Balinese culture came to be used self consciously as a mark of identity (Picard 1997:184-185).

Like Kahn, Picard treats Balinese culture as a cultural artifact. In this respect he argues:

...the allegedly immutable and primordial unity of religion, custom, and art/culture, through which the Balinese presently define their identity, is the outcome of a process of semantic borrowings and of conceptual reframing in response to the colonization, the Indonesianization, and the touristification of their island. (Picard, 1997:185).

The Dutch greatly shaped Balinese identity according to Picard. In particular their orientalist vision of Bali 'as a Hindu island surrounded by a sea of Islam' (1997:186) had two long-term consequences:

On the one hand, by looking for the singularity of Bali in its Hindu heritage, and by conceiving of Balinese religious identity as formed through opposition to Islam, the Dutch set the framework with which the Balinese were going to define themselves (Picard 1997:186).

The New Order Government also contributed to Balinese identity formation. Picard elaborates on the ways in which the New Order Government domesticated ethnic identities in order to accommodate these identities within nation building processes (1997:197). To achieve this, the New Order Government promoted a homogenous provincial identity in disregard of the ethnic diversity within each province. Consequently, 'Bali' now points to three references - one geographic, one ethnic and one administrative (Picard 1997:198-9).

Other means in which cultural identities can be seen as constructions is in the ways identities may be strengthened when a group is under threat (Eriksen 1993). Hall

(1992) in his discussion of the processes of globalization concurs with this argument. He notes the rise of particular or local cultures as a response to globalization that also, paradoxically, is seen to usher in cultural homogenization. The studies of identities and boundary maintenance, therefore, tend to be directed at 'minorities' or otherwise 'threatened' or 'weak' groups, or in situations of rapid social change' (Eriksen 1993:113). King (1982:35), for instance, drawing upon Rousseau, points out that the Kajang tend to identify themselves in opposition to the Kayan as a form of 'defence mechanism against the politically dominant and aggressive Kayan'. Additionally, the construction of an identity which is 'Pan-Dayak' is related to the ethnic conflicts between the Dayak and the Madurese (Peluso and Harwell, forthcoming). This, however, does not mean that dominant groups do not also have problems in 'identity processes and the maintenance of identity' (Eriksen 1993:113). Globalization has widely affected various ethnic groups, including the dominant groups in some countries. In Indonesia, for instance, the state's attempt to reduce westernization can be seen through TV programs about provincial cultures, which it is hoped will generate pride in those cultures.

The apparently arbitrary way in which cultural markers are selected and the importance of the context in determining which elements are selected is further evidence of the constructedness of cultural identities. Eriksen stresses that:

from the Barthian emphasis on boundary processes and later studies of identity boundaries, we also know that the selection of boundary markers is arbitrary in the sense that only some features of culture are singled out and defined as crucial in boundary processes (1993:117).

He goes on to argue that '... ideologists always select and reinterpret aspects of culture and history which fit into the legitimation of a particular power constellation' (1993:118). Similarly Winzeler (1997) notes that in order to lessen the unity of powerless groups, governments often manipulate cultural identity. Eriksen (1993), Kahn (1995) as well as Picard (1997) similarly argue that ethnic identity is constructed according to the situation. Eriksen points out: '... identities are negotiable and situational' (1993:117). He also argues that ethnic identities are composed in relation to others (1993:111), noting:

Groups and collectivities are always constituted in relation to *others*. A shared European identity, for example, would have to define itself in contrast to Muslim, Middle Eastern or Arab identity, possibly also in relation to African, East Asian and North American identities - depending on the social situation (1993:62).

This negotiable and situational quality of identity markers is clear in the way religious differences have been incorporated into identity formation. Picard points out the way in which Balinese define themselves with reference to a religious identity in opposition to Islam (1997:186). Dayakness similarly is linked to Christianity and opposed to Islam, the dominant religion in Indonesia. If a Dayak converts to Islam, he is no longer considered Dayak, becoming instead 'Malay' (Coomans 1987). In similar vein, Winzeler finds that among the Bidayuh Dayak 'usually to become a Muslim is to cease to be a Bidayuh...' (1997:219). Correspondingly, King points out that pagans who convert to Islam become 'Malay' (1982:27). Furthermore, this process of shifting identity/ethnicity has a long historical pedigree. As King found, as early as the 1890s European observers noted that many of the approximately 400 'Malays' in the Putus Sibau and Mandai areas were ethnic Taman (Maloh) who had converted to Islam (King 1982:38). To pinpoint the boundary between the Malay and the Dayak in certain areas of Kalimantan is not surprisingly somewhat problematic due to this means of shifting from Dayak to Malay. Therefore the Dayak are not necessarily distinctively different from neighbouring 'ethnic' groups, although they are constructed as such. This intermingling of cultures is perhaps the order of the day rather than the exception. For as Said has argued:

Partly because of empire, all cultures are involved in one another; none is single and pure, all are hybrid, heterogeneous, extraordinarily differentiated, and unmonolithic (Said 1993:xxix).

The markers of cultural identity may originate in a presumed distinctiveness of religion, language, and custom. However, overlapping may occur among different ethnic groups. In the grey areas where markers of identities overlap, the existence of cultural difference is particularly problematic (Kahn 1995). Such grey areas and difficulties in delimiting distinct ethnic groups often colour the process of identity formation. There is the possibility of the mixture or change of ethnic groups over time. Barth illustrates identity changes, for instance, with reference to the Yao of northern

Thailand, Laos and Burma (1969:22). The incorporation of non Yao to become Yao also took place individually. Another example Barth draws on is the process of becoming Baluch experienced by Southern Pathans:

Southern Pathans become Baluch and not vice versa; this transformation can take place with individuals but more readily with whole households or small groups of households; it involves loss of position in the rigid geneological and territorial segmentary system of Pathans and incorporation through clientage contract into the hierarchical, centralized system of the Baluch. Acceptance in the receiving group is conditional on the ambition and opportunism of Baluch political leaders (1969:22).

King (1982) also provides an example of the process of delimiting distinct ethnic groups by exploring the concept of ethnicity in Borneo, pointing out that it is complicated and raises several problems. He found that:

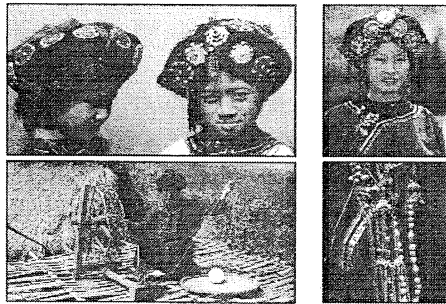
...many people who had been classified as 'Maloh' in the past had, over time, become something else, and the forbears of some people categorized as 'Maloh' in 1972-3 had come from other ethnic groupings (King 1982:25).

Moreover King notes that processes of cultural exchange or, in the longer term, a process of assimilation, occurred between neighbouring ethnic groups (1982:25). The construction of cultural identity is complex partly because it is a product of history. Cultural identity itself is changeable depending on the context and on the power and vested interests at play.

In Thailand, many people who used to be included in the ethnic minorities have become Thai through a historical process (Bradley 1983). However, ethnic minorities are still in existence and mostly reside in the mountainous border areas. The process of an ethnic minority person becoming Thai can happen because young people of certain ethnic minorities have the opportunity to attend school and obtain Thai citizenship. In Laos, certain ethnic groups are believed to have the same ancestors as the Thai people who live in the border areas between Thailand and Laos.



**Plate 2.1: Ethnic Minority in Laos**



**Plate 2.2: Ethnic Minority**

## **II. Ethnicity in Laos and the Laos/Thailand Borders**

In brief, Lao history can be divided into four periods where the first period was the Lane Xang Kingdom. This Kingdom was established in 1353 by King Fa Ngum following the victory which enabled him to unify many small kingdoms. The next period was the colonisation of Thai and Vietnamese Kingdoms. The expansion of these Kingdoms affected the breaking up of the Lane Xang Kingdom. This ended at

the end of the 19<sup>th</sup> century during which French colonization began. France unified the administrative areas of Luang Prabang, Xieng Khouang, Champasak, and Vientiane in 1899 under the name Laos. Finally, in 1953 France conceded Lao independence (Kedutaan Besar Republik Indonesia, Vientiane, RDR Laos, July 2005, ASEAN Ministerial meeting 25-29 July 2005).

The population of the Lao People's Democratic Republic, Lao PDR or Sathanalat Passathipatay Passason Lao, was about 5.9 million in July 2005 (Kedutaan Besar Republik Indonesia, Vientiane, RDR Laos, July 2005, ASEAN Ministerial meeting, 25-29 July 2005). This country is a multi ethnic society, constituted of 49 ethnic groups whose ancestors are believed to be from Tibet, Thailand, Myanmar, and South China. Generally, people can be categorised into three groups: first, the Lowland Lao (Lao Loum) constituted of ethnic Thai, Lue and 'Thai speaking'; approximately 65 per cent of the total population. They usually engage in agriculture with irrigation systems; second, the Upland Lao (Lao Theung) consisting of mostly a 'Mon-Khmer speaking group' with the Khamu as the biggest amongst these groups. They are about 25 per cent of the total population and reside in the valleys of the mountain areas. They engage in shifting cultivation; third, the Highland Lao (Lao Soung), constituted of Hmong, Yao, Mui, Ikor, Musser, Haw, Phounoy, and other groups of the 'Sino-Tibetan Language Family'. They constitute around 10 per cent of the total population and they engage in dry field glutinous rice, cattle, and growing opium (Kedutaan Besar Republik Indonesia, Vientiane, RDR Laos, July 2005, ASEAN Ministerial meeting 25-29 July 2005). There are similarities in terms of the main livelihoods of Highland Laos and the hill tribes of Thailand where they have engaged in the growing of opium and dry field farming. For instance, the Technical Service Club, Tribal Research Institute (1995:2) reports that there are several issues regarding the hill tribe or ethnic minorities in Thailand: the practice of shifting cultivation is assumed to lead to deforestation and the destruction of highland watersheds; some hill tribes are involved in opium production and addiction; due to living in a remote area the hill tribes lack a sense of national identity and have little access to education, health facilities and sources of income. According to the Technical Service Club, Tribal Research Institute (1995:6), hill tribes engage in different types of cultivation, particularly pioneer or primary swiddening, land rotation of cultivable fields, and wet rice cultivation. Opium poppy growing usually utilizes pioneer swiddening. Traditionally, the Karen, Lua, H'tin and Khamu do not grow opium poppies, and employ

the rotational farming system. Apart from utilizing the rotational farming system, the Karen and Lua engage in wet rice cultivation when there is enough water to do so (Technical Service Club, Tribal Research Institute, 1995:6). The Meo, the Yao, the Lahu, the Akha, and the Lisu, who traditionally grow opium poppies, in terms of land use engage in the primary forest cultivation, shifting cultivation (Technical Service Club, Tribal Research Institute, 1995:49). In certain aspects, the Upland Lao has a similar method to that of the Dayak who use the shifting cultivation method (Dove 1988 Lebar 1972; and Conley 1973 for more information on shifting cultivation for the Dayak).

If there are some similarities among the so called hill tribes in Thailand and the highland people of Laos it is not surprising since historically minorities have been moving around and some of these groups might be of the same groups in the past. Hmong/Miao, for instance, due to migration can be found in many countries, including Thailand, Laos, China, and so forth (Tapp et al. 2004). In Thailand, the Hmong have partly been integrated into Thai nation (Kunstadter 2004).

According to Schliesinger (2003: xxix) regarding ethnic distribution in Laos, the Austro/Thai Speaking Peoples constitute 42 groups: Giay, Lue, Tai Nua, Kalom, Tai Koen, Tai Yai, Tai Dam, Tai Khao, Tai Deng, Yuan, Phuan, Tai Porong, Tai Souei, Tai Add, Lao, Lao Isan, Lao Ngarw, Tai Yor, Saek, Yoy, Tai Gapong, Tai Mene, Tai Meuy, Tai Pao, Tai Oh, Tai E, Tai Khang, Tai Guan, Tai Pun, Tai Air, Tai Senkap, Tai Yuang, Tai Chiangki, Tai Then. Tai Pouark, Tai Sam, Tai Wang, Phu Tai, Yao, Hmong, and Cham. In Laos, Tai-speaking groups are members of the Southwestern or Northern Tai language branches (Schliesinger 2003:3). Schliesinger, further notes that approximately 39 Tai groups reside in Laos (Schliesinger, 2003:3). Indeed, there are a lot of ethnic groups in Laos, but the Lao people are the most dominant both in politics and religion (Schliesinger, 2003:4).

In Laos, based on the 1995 census the Lao constitute 2,403,891 people or 2,200,000 based on his estimate (Schliesinger, 2003:24). The Lao reside in many areas, almost all over Laos. The term Laotian, according to Schliesinger, is utilised to differentiate between Lao speakers who reside in Laos and those who live in the northeastern region of Thailand *Laotian Lao* is used to differentiate between Lao who live outside Laos and other groups in Laos (Schliesinger, 2003: 24). Traditionally Lao people

rely on the agricultural sector and they are well known for their glutinous rice (Schliesinger 2003: 29).

Lao Isan, are a group of Lao people, but their territory is the northeastern part of Thailand. In Laos, they constitute around 6,000 people and they migrated to Laos around the 1960s (Schliesinger 2003: 40). Many Lao Isan originally came from Udon Thani in Thailand. As Lao, the Lao Isan have been adherents of Theravada Buddhist for a long time (Schliesinger 2003: 43). Phuan, who used to have their own kingdom, consisted of around 96,000 in 1993 and 115,000 in 2001 (Schliesinger 2003: 51). Traditionally, they rely on wet rice cultivation (Schliesinger 2003: 55).

Schliesinger (2003: 18) notes that the number of Cham is relatively small, around 337 in 2002 (based on his own estimate). They mostly stay in the Vientiane Prefecture and the Province of Savannakhet. Their ancestors were from Cambodia. Meanwhile, the Lue consist of 119,191 according to the census of 1995. Historically, they migrated to Laos from China and Vietnam (Schliesinger, 2003: 61). Other groups could be illustrated as follows: Yuan (26,239 in the census of 1995), Kalom (5,500 in 2000), Tai Yai (200 in 2001), Tai Khoen (600 in 2000), Phu Tai (128,000 in 1993 and 15,000 in 1999), Tai Gapong (1,200 in 1999), Tai Wang (4,200 in 1999), Tai Dam (65,000 in 2000), Tai Khao (15,000 in 1959, 125,000 in 1991, 33,000 in 2001), Tai Deng (25,000 in 1991), Giay (4,630 in the census of 1995), Seak (2,745 in the census of 1995, 12,500 in 1991), Tai Yor (30,000 in 1999), Yoy (2,000 in 1999), Tai Mene (30,000 in 1999), Tai Meuy (24,000 in 1995, 20,000 in 1999), Tai Pao (2,500 in 1999), Tai Oh (2,000 in 1999), Tai Khang (1,500 in 1999), Tai Guan (1,000 in 1999), Tai Pun (500 in 1999), Tai Air (500 in 1999), Tai Senkap (600 in 1999), Tai Yuang (500 in 1999), Tai Then (3,000 in 1999), Tai Pouark (800 in 1999), Tai Sam (500 in 1999), Tai Nua (38,500 in 1999 by Lafont's count, 35,000 in 1999 by Chazee's count), Tai Souei (1,600 in 2000), Tai Porong (450 in 2000), Tai Add (450 in 2000), Tai Poua (1,000 in 2000), Hmong (315,465 in the census of 1995), and Yao (22,655 in the census of 1995) (Schliesinger, 2003).

Historically, indeed, many ethnic groups in Laos had once been the same as those ethnic groups in Thailand. In an interview with a Thai scholar, it was claimed that people of Thailand and Laos in the border areas between Thailand and Laos are originally of the same groups. They speak a similar language. Perhaps, the point is



not the distinctiveness of the border areas between Thailand and Laos because some studies show similar cases (Bala 2002; Ardhana et al. 2004). For instance, Ardhana et al. (2004) in their studies in Kerayan, East Kalimantan, Indonesia and Ba Kelalan, Sarawak, Malaysia show that the people who live in the border area used to be of the same group. Only after the border lines were drawn have people developed their present identities.

Lee (2004:441) argues that the Hmong of Laos have not all shared the same ways in dealing with transnational adaptation to the new order in Laos. At least, they can be divided into two categories: first, the majority who support the government; and second, the scattered little groups who resist the government. The second group usually reside in a remote and isolated area. Citing from Yang Dao, Lee (2004) believes that the first arrival of the Hmong in Laos was from 1810 to 1820. However, the first settlement cannot be dated. During the Lao civil war from 1949 to 1973, data for the Hmong for 1968 varied so that Yang Dao counted 300,000, while Morehand counted 60,000 and Lemoine counted 150,000 people (Lee 2004:441-2). Many Hmong went to refugee camps in Thailand following the establishment of the Lao PDR in 1975. Some of them have gone to other countries like Australia, Canada, France and the United States, while the rest of the people have continued to reside in Thailand either as illegal residents or Thai citizens (Lee 2004:442). Lee, further, notes that around 30,000 of the Hmong have stayed in Thailand (2004:442). In Laos, the Hmong who stay on can be divided into three categories: first, those who are called 'thirty-years Hmong' or those who reside in the Lao revolutionary forces' areas; second, those who are often known as 'van Pao Hmong' or former soldiers or refugees who were on the side of the Royal Lao Government; third, small resistance groups known as Chao Fa; who are often called 'bandits' and reside in the rugged mountain areas (Lee 2004:442).

A large number of the Hmong have occupied the refugee camps on the border between Thailand and Laos where for a long time they were in the custody of the United Nations High Commission for Refugees (Tapp 2004:xix). As mentioned previously some Hmong have been integrated into Thai society. In terms of ethnic relations, people in the border areas between Laos and Thailand are closely related to each other.

As said before Lao people cannot be easily separated from the people of Thailand, especially in the border areas between Laos and Thailand. Based on interviews with Thai scholars, the people can be categorised as of the same groups which can be seen from the markers of cultural similarities, including language, way of life, and so forth. However, the making of the line which in turn separated the people from one country to another country, could end up with the different identities. Indeed, identity is a social construction (Kahn 1995; Maunati 2000; etc.). As reported by Bala (2002) and Ardhana et al. (2004) the Indonesians and Malaysians who used to be categorized as the same group today have different identities, especially after the drawing of the line that separated these two countries.

Indeed, it is common that at the end people develop and form distinctive identities. People in the border areas between Laos and Thailand have also experienced the similar issue under which they formulated their own identities. It can be argued that the process of finding their identities is an on going process.

Searching for identity are global phenomena which not only occur among minorities, but also have happened with majorities. Eriksen (1993) argues that identity will be strengthened when a group is under threat. People who live on the borders, indeed, are often under threat due to the continuous encountering of 'other' groups. In the case of the people of Laos in the border areas, apart from encountering other groups, Laos itself is often questioned about being a 'real' national entity rather than a conglomeration of 'tribes' (Evans 1999:1). It is, therefore, not surprising if the formation of identity is a crucial issue.

Even though, a scholar from Thailand argues that the people of the border areas are the same group, in interviews the people who reside on the Lao side, argue that they are different from those living on the Thai side and that they are Lao. The formation of a nation/state is side by side with the process of formation of identity of the people of Laos.

### **The Ethnic Groups in Thailand and in the Border Areas**

In general Thailand is constituted of two groups, the majority and the minority. Bradley, for instance, points out that Thailand, apart from having a national dominant

group, like some other nations, has a number of minorities (Bradley 1983:46). The majority or the dominant group of Thailand are the Thais, while the minority is constituted of many groups, including the Karen, the Meo, the Lahu, the Akha, the Yao, the H'tin, the Lisu, the Lua and the Khamu (Technical Service Club, Tribal Research Institute 1995). Bradley notes that the minorities have their own identities in which the markers of identity can be observed from linguistic distinctiveness, names, social structure and material culture and religious, political and economic differentiations (1983:46).



**Plate 2.3: a village in Laos**

Bradley argues that ‘the markers of this identity gradually disappear, as the minority is assimilated by and becomes part of the dominant group’ (1983:46). Often, the classification of membership in a group is a problematic question. In Thailand, ‘dominant groups may lump minorities together; the Thai include various groups in the category Lua/Lawaa’ (Bradley 1983:46). Bradley even finds that people, or even whole villages may change identity for an unknown reason (ibid.). Clearly, many people of ethnic minorities have changed to become Thai, but the ethnic minorities are still in existence and often labeled ‘hill tribes’.

In terms of linguistic classification of hill tribes in Thailand, drawing from Matisoff, the Technical Service Club, Tribal Research Institute (1995:3)<sup>[4]</sup> claims as follows:

There are three main classifications: Sino-Tibetan, Austro-Thai-Meo-Yao, and Austro-Asiatic - Mon-Kmer; Sino-Tibetan constitutes three categories: Sinitic - Haw, Tibeto - Burman which consists of Lisu, Lahu and Akha, and Karenic which consists of S'Kaw, Pwo, Kayah, and Taungthu; Austro-Thai - Meo - Yao constitutes two groups, Meo and Yao; the classification Austro-Asiatic - Mon-Kmer constitutes four groups, H'tin, Lua, Khamu, and Mlabri. The Technical Service Club, Tribal Research Institute (1995:5) reports the total population of the hill tribes in 1995 and names the Karen as the biggest amongst the hill tribes recorded in 1995.

**Table 2.1: Tribal Populations**

Tribes	Villages	Households	Persons	Percentage
Karen	2,132	60,385	321,900	46.34
Meo	243	16,146	124,211	17.88
Lahu	421	13,307	73,252	10.54
Akha	258	8,050	48,468	6.98
Yao	173	5,525	40,371	5.81
H'tin	148	6,090	32,755	4.71
Lisu	135	4,802	27,899	4.02
Lua	53	2,923	15,711	2.26
Khamu	32	1,988	10,153	1.46
Total	3,595	19,216	694,720	100

Source: Technical Service Club, Tribal Research Institute (1995:5).

Kampe (1997:22), based on a 1996 research report, shows slightly different figures for hill tribes in Thailand, as follows: the population of major Thai hill tribes was 790,369, constituting 1.3 per cent of the total national population of Thailand. Breaking it down to:

Karen	402.095
Hmong	126.147
Lahu	78.842
Akha	48.468
Mien	47.305
H tin	32.755
Lisu	31.536

Lua	15.711
Khamu	10.153
Mlabri	173

Kampe (1997:23) notes that these indigenous peoples are inhabitants of the mountainous areas of the north and along the western border between Thailand and Burma.

Kunstadter (2004:396) reports that the Hmong of Thailand follow the patrilocal custom for the location of the post marital residence, while lowland Thai mostly follow matrilineal or neolocal customs. Many Hmong reside on the border between Thailand and Laos. As mentioned previously the Hmong can be found in Laos as well.

Being minorities, Kampe further notes that ‘their political status is very low, with no seats in Parliament, representation at higher levels and extremely little at mid levels of government’ (1997:23). This circumstance, to Kampe, is affected by the fact that traditionally minorities have no power in the national decision making, with fewer than one third of them having Thai citizenship. Though their social and economic status has been improving for the last three decades due to special development programs and wider socio economic gains in Thailand, they are still far below the majority Thai population (Kampe 1997:23). Recently Southeast Asian countries have paid more attention to the indigenous people and/or minorities. Ethno development, which is sensitive to the needs of indigenous people and minorities, is one of the models to include those people within the context of development (Clarke 2001). The Thai government, international donors and development agencies and international and local NGOs have assisted the hill tribes of Thailand and in the past 10 years, the private (commercial) sector has played a stronger role (Kampe 1997:23).

In Thailand, Kampe reports the government policy towards indigenous people has been progressive in terms of the scope of activities and resources employed, but in terms of goals and approaches, top down and unimaginative (1997:23). Kampe argues that for the past 30 years, policy on the ground has been largely misconceived due to the thinking that hill tribes are: ‘(1) a threat to national security, (2) destroying the environment, and (3) producing illegal narcotics (mainly opium). The indigenous peoples themselves have had no input into the formulation of this policy until recently (but still very little)’ (*ibid.*).

The Thais are Buddhists, while the minorities have somewhat different beliefs. To minorities, religion is the main marker of group identity, particularly because this is different to that of other groups especially that of the dominant group (Bradley 1983:51). Eriksen (1993) and others argue that the marker of identity is opposed to the dominant group.

The majority of minorities have their traditional 'animist' beliefs, which are different from those of the Thai Buddhists (Bradley 1983:51). Bradley notes that 'the Meo, the Yao, the Lisu, or the Akha have highly developed ritual activities that are not based on one leader's innovations' (Bradley 1983:52).

In terms of social structure, the minorities have unique systems. Bradley notes that 'social structure provides boundaries for various purposes - kinship and marriage rules; ways of acquiring women; inheritance, and so on, which strongly differentiate between minorities' (Bradley 1983:52). Apart from this, if we look at the leadership, each minority has not shared a similar distribution of leadership or the function of the leader. Among the Lahu, capability is the most significant consideration and the headmen can also step down early. The function of the leader for the Akha is mainly to be a religious figure. Unlike the Akha, the headmen of other minorities are more to be political figures who have to deal with regulating external relations and internal disputes (Bradley 1983:52).

The hill tribes in northern Thailand consist of various groups, including the Akha, the Lisu, the Meo (Hmong), the Karen, and so forth. These groups can be identified through their different material culture, especially traditional clothes, ornaments, and their main livelihoods (Technical Service Club Tribal Research Institute. 1995).

If we look at the historical accounts, we can find that ethnic groups in border Thailand/Laos as well as Thailand/Burma had migrated from neighbouring countries. This process of migration is a common issue for ethnic minorities who used to be 'stateless' people. Tapp et al. (2004: xiv) note that historically the Hmong had migrated from China to many countries in northern Indochina. Many Hmong also migrated from Laos to Thailand. Culas and Michaud (2004:61) report that:

There are dozens of mountain peoples inhabiting the northern parts of Burma, Thailand, Laos and Vietnam, as well as southwest China. The whole of this region

forms a geographical entity generally known as the Southeast Asian Massif. Its highland plains and mountains for centuries have provided a refuge for relatively small societies trying to keep out of lowland disputes and the fierce competition between powerful foes fighting for control over fertile land and vital trading routes. For centuries the Lolo, or Yi, the Miao and the Chung-chia, or Pu-yi, to name but the most numerous of these groups - criss-crossed the massif, fleeing from stronger aggressors or simply seeking better opportunities elsewhere: their settlements today are scattered all over these remote mountain ranges (Culas and Michaud 2004:61)<sup>[6]</sup>

This movement is a common phenomenon. For example, in the case of the border area between Thailand and Burma, according to information obtained in interviews with Thai scholars who study the hill tribe cultures, the hill tribe of Padaung, also known as 'long necks', residing in the border areas of Burma-Thailand, migrated from Burma due to political instability.

The fights between ethnic minorities and the Burmese army in the western part of Thailand have occurred for decades (Chantanawat 2004:32) and ethnic minorities moved to northern Thailand as refugees. The Thai government has looked after them and assisted them, especially in economic and health terms. Those people often move around and even cross the border. This kind of movement was very common amongst the hill tribes.

However, the Thai government has decided that they should not be allowed to cross and recross the border any longer. According to interviews with Thai people, this rule is to prevent the minority people from becoming involved in opium production or trading. Drawing on his own experiences of working among the tribal communities, Chantanawat (2004) illustrates the migration process of the Kulo Lahu, one of up to 23 Lahu ethnic groups, who reside in northern Thailand on the Thai/Burma border. The routine fights in Burma have affected the minorities a great deal.

For instance, in 1993, the fights between the Burmese army and Khun Sah's armed forces, a powerful group which resides on the opposite northwest border of Thailand, have affected a large evacuation of the Yai, the Lisu and other tribal groups to Thailand. They were sent back to the original ground later on but many sneak back to Thailand to be safe (2004:32-33).

In 1997, it was reported from Thailand that around two thousand villagers from Burma, predominantly ethnic Karens, escaped to north Thailand, into areas like the Tak Province where there were already thousands of Karens in camps. 'The Thai authorities are said to consider them economic migrants, rather than people who have been displaced by fighting' ([Http://news.bbc.co.uk/1/world/forecast/20735.stm](http://news.bbc.co.uk/1/world/forecast/20735.stm)). In the border area between Thailand and Laos, many Lao people have also moved to Thailand both legally and illegally. One of the significant reasons is that they would like to get better jobs. Based on information gathered during the fieldwork, the employed in Thailand receive higher salaries than the employed in Laos. Unlike the movement of the people from Burma to Thailand, the people of Laos usually share a similar language with their neighbours in Thailand. As mentioned previously the large number of ethnic groups in Laos belong to the Austro-Thai-Speaking Peoples (Schliesinger 2003). It is therefore, not surprising if the people in the border areas can speak to each other. Based on interviews with a Thai scholar, we found that many people from Laos not only migrate to the cities of Thailand along the borders between Thailand and Laos, but they have also moved to Bangkok. Many young girls who work in night life facilities are not necessarily originally from northern Thailand, but may come from Laos.

Economic reasons have become important for people to move to Thailand. For example, borders are thickly forested mountainous areas. Many people have informed us that historically hill tribes crossed the borders. As mentioned previously, many minorities, like the Hmong and the Karen are basically transnational groups. To cross borders is a common practice for them. Tapp et al. (2004) discuss comprehensively the Hmong/ Miao in Asia. Often, the movement of ethnic minorities is partly for economic reasons. Chantanawat (2004) tells the story of the 'long neck' girl who used to live in Burma where she was very poor, only being able to afford one dress, had no slippers and no food. After moving to Thailand her economic conditions improved (2004:56-57).

The hill tribe or ethnic minorities who reside in the border areas have not always shared the same experiences in terms of receiving treatment from the Thai government agencies or in other matters. In the border areas between Thailand and Burma, some hill tribes have resided in the areas for generations, while others have recently moved to the border areas. The people who have resided there for a long time often



hold hill tribe identity cards, while the newcomers may not have these cards. Historically, many people of the ethnic minorities have taken on Thai nationality (Bradley 1983), of those who have maintained their identities, not all have shared the same experiences.

By holding identity cards for ethnic minorities, they receive certain benefits from the government although the facilities are not equal to those of Thai citizens. Citing Vienne, Toyota (2004:9) notes that it was only in 1959 that the official identification 'hill tribe' was established and incorporated nine ethnic minorities. Toyota further argues that the impact of the creation of hill tribe grouping is: the result of the problem of the practice of moving back and forth across the national borders and lowland/upland boundaries. Viewed from the government perspective of sovereignty; the symbolic mobility across ethnic boundaries would be a problem; as would the binarity of Thai and non/Thai and lowland/highland (Toyota, 2004:9-10). According to Toyota the hill tribe card is a kind of prerequisite for applying for Thai citizenship. There are many hill tribes residing in the hamlets which have not been recognised within the national administration. They, consequently, have not been acknowledged by the state, not even as 'hill tribes' (Toyota 2004:11-12).

In Thailand, different treatment from the government toward the ethnic minorities has existed. For example, the Akha, hold the hill tribe card while the Padaung who have only recently settled in this village have no hill tribe card. The Padaung have been there for about the last twenty years. They used to cross the border between Thailand and Burma, but now they are not allowed to do so by the Thai government. The Padaung are not allowed to go to Bangkok or Chiang Mai either. They are not yet considered to be Thai citizens, or even to have hill tribe status. The issue of opium is partly the reason for the Thai government's not allowing them to cross the border back and forth. Certain hill tribes have depended on opium production, especially in the past (Technical Service Club, Tribal Research Institute 1995). The Lisu who reside in the mountainous hinterland of north Thailand, grow opium for sale (Technical Service Club, Tribal Research Institute 1995:34-35) and the Thai government is concerned with their dependence on opium production. In order to reduce this dependence on opium, the government encourages them to produce their own traditional handicrafts. Bradley notes that in terms of culture, the minorities' material cultures distinguish one from another (1983:50). He further reports that 'each minor-

ity has strikingly attractive traditional clothes for its women; some, such as the Sgaw Karen, even have further distinctions between unmarried and married women's clothing' (Bradley 1983:50). If some minorities or hill tribes choose to wear Thai clothes, they gain a higher position since this is 'a sign of upward mobility into national society' (Bradley 1983:50).

Several ethnic groups in the border areas have often attempted to maintain their identities by holding onto certain traditional cultures. Bradley (1983) reports that though the Akha have lived near the city and near the Thais for a long time, they seem likely to remain little affected by the Thai life style. Bradley further argues that the Akha uphold their identity with 'a strong cultural and religious system controlled by traditional village leaders' (Bradley 1983:53). In the case of the Akha village, it has maintained its cultural uniqueness as an Akha village. In similar vein, Bradley notes that 'in the minority village, the layout, public buildings (temple, drum house, swing, sacred tree grove, dancing ground, rest house, village gate and so on), and the design of the houses also reflect the identity of the inhabitants' (Bradley 1983:50). The Akha village of Chiang Rai, for example, also holds much material culture that differentiates their group from other minorities.

Some groups in the border areas in Northern Thailand, including the border areas between Thailand and Laos have historically integrated into Thailand, including the Luwaa who have become 'Thai' (Bradley 1983). Bradley (1983), concerned with ethnic minorities in Thailand, notes that the process of incorporation of ethnic minorities into the Thai dominant group has been occurring for a long time. The Luwaa/Lua is a case in point:

The 'Lua' or 'Lawaa', are actually not one group but several completely distinct groups. The Kanchanaburi, Suphanburi, and Uthai Thani group Ugong is almost completely assimilated, and soon will have become Thai (Bradley 1983:54)

However, many ethnic minorities are keeping their identities and their distinctive material culture as markers of identities. For instance, 'the Lisu, like the Meo and Yao, at the moment are less assimilated due to their recent migration into Thailand. Nevertheless, the Lisu who are more outward oriented than the Akha, will participate in the country's progress more than the Akha as well' (Bradley 1983:54).



**Plate 2:4: A Lady in a traditional custom**

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CHAPTER III  
LAO AS A "LAND-LOCKED" COUNTRY  
A Glimpse of Its History

*I Ketut Ardhana*

**I. Introduction**

**A. Geographical Background**

In 2004 the Research Center for Regional Resources-The Indonesian Institute of Sciences carried out research on trade contacts between Thailand and Burma. In this there were some points explored about the trade relationship between the two countries. This year we carried out research on trade contacts between Laos and Thailand. The results of the researches are quite different.

Laos is a small Southeast Asian country strategically located on the periphery of the Communist Chinese colossus (Lebar and Suddard 1960: 1). The state is known today as the Lao People's Democratic Republic, or Lao PDR (previously Laos). In comparison with other Southeast Asian states, Laos is the smallest in size covering an area of 236,800 square kilometres Laos is about two thirds the size of Germany. In the West the country borders on Thailand and Burma, in the North on China and Vietnam, in the East on Vietnam and in the South on Cambodia. Laos is the only Southeast Asian country without direct access to the sea. Most of the country is mountainous, and where there are no mountains one meets highland plateaus. Laos' main artery is the Mekong, which for more than 1,800 kilometres, almost half of its entire length, passes through the country or forms the boundary between Laos and Thailand. <http://www.asiatour.com/laos/e-01land/el-lan10.htm>.

The state occupies a land area of around 237,000 sq km and has a small population. The Asiaweek issue of 1 December 1995, notes that the population of Laos is about 4.8 million. The small population makes Laos the third smallest country in Southeast Asia, after Brunei with 300,000 and Singapore with 3.1 Million (<http://www.asiatour.com/laos/e-01land/el-lan13.htm>). It is interesting to say here that the Lao people believe that with their small population, they have to be a great nation, but what then about Indonesia which is a large area and has a big population? Even in the next years a rapid population growth is not predicted. In 2002 for instance the total population of Laos was approximately 5.1 million (Church 2003: 66).

It is said that about half of the country's population is Laotians, a people ethnically closely related to the Thais. Roughly one quarter of the population, mostly in the South, ethnically belongs, like the Cambodians, to the Mon-Khmer group, about 15 per cent are Thais, and various hill tribes make up another 10 per cent of the population. Laos is one of the very few countries in Southeast Asia without significant ethnic tensions. The long time leader of the communist movement in Laos, former Prime Minister Kaysone Phomvihane, was born of a Vietnamese and a Laotian parent. The citizens of the country have a reputation for being extremely peaceful and friendly, even though Laos had been caught up in the Vietnam war and in a civil war lasting for years. <http://www.asiatour.com/laos/e-01land/el-lan13.htm>.

How can this small country in terms of a small population exist in its surrounding region? This paper tries to provide more data, on how Lao a 'landlocked country' can live among its neighbouring states, where it shares borders with Vietnam, Cambodia, China, Burma and Thailand (Evans 1999: xiii). There is a long history of Laos in which the country has been a country without having sea borders. This situation has created a Laos always dependent on the economic growth of the surrounding regions. It is well known that much of it, from the north to the south, is mountainous. Laos is a fertile land. However, only five per cent of the country is under continuous cultivation. In addition to this primary or secondary jungle from transient slash and burn farming covers 75 per cent of the land area (Church 2003: 66).

## **B. Historical Background**

There are limited sources regarding Lao. Archeological evidence notes that tools and artefacts have been found around Laos. This indicates that human settlement in the country dates back as far as 10,000 years. From the historical point of view, historians trace back the glory of Laos as beginning with the first united kingdom which was established there. It is said that the returning prince, Fa Ngoum, in 1349 brought together the disparate settlements that had grown up across the land. Later on he established the kingdom Lane Xang, 'the land of a million Elephants' in 1353. After Laos had first been ruled by Khmers from Angkor, then by Thais from Sukhothai. Prince Fa Ngoum founded the Kingdom of Laos or 'Lane Xang', as it was called at the time, as a sovereign state. It extended over present-day Laos as well as parts of



what is now North Thailand. The first capital of Laos was Luang Prabang. King Fa Ngoum made Buddhism the national religion of Laos/ the Laotian Kingdoms. Serge Kreutz, 'Laos / Laotian Kingdoms', in <http://www.asiatour.com/laos/e-01land/el-lan20.htm>. He installed Theravada Buddhism as the main religion of the country. Furthermore, from his capital at Luang Phrabang, he spread his power throughout Laos and also into northern and eastern Thailand. In the 12<sup>th</sup> century, the Khmers who at this time dominated the Vientiane plain, built a beautiful temple by an ornamental pond. Finally, in the 16<sup>th</sup> century, King Xay Setthathirath, a great king of Laos, constructed the That Luang in its current form which incorporates the previous monument (Symbol of the Lao Nation, 1996: 11).

In the 15<sup>th</sup> century the Vietnamese temporarily occupied the Laotian Kingdom and Luang Prabang. One reason why the capital was moved from Luang Phrabang to Vientiane (Vieng Chan) by King Setthathirat in 1560 was that the Siamese, Burmese, and Chinese invaded in the sixteenth century. In the 16<sup>th</sup> century Vieng Chan (Vientiane) developed into a parallel capital of the Laotian Kingdom. Burma, the dominant power in Southeast Asia in the 16<sup>th</sup> century, gained strong influence over Vieng Chan. Nevertheless, in 1563 King Setthathirat made Vieng Chan the official capital of Laos. In 1575, the Burmese occupied Vieng Chan and stayed for seven years. It is said that the Burmese finally occupied the city in 1575 and brought an end to Lane Xang. After two parallel Laotian kingdoms had developed in Luang Prabang and Vieng Chan, they were reunited in 1591 under King Nokeo Koumane. In 1700 Laos broke up into three kingdoms: Luang Prabang, Vieng Chan and Champasak to the South. The kingdoms of Luang Phrabang and Vieng Chan took the place filled by Lane Xang, in the wake of the Burmese retreat. The seventeenth century saw the new kingdom enter a golden age with European traders exclaiming the capital, Vieng Chan, to be one of the most beautiful cities in Southeast Asia. After the peak developments of cultural and political aspects in the second part of the 17<sup>th</sup> century, the kingdom of Lane Xang, fell into three divisions: Luang Phrabang in the northern part, Vientiane in the middle part and Champasak in the southern part of Laos, for less than a century under feudal lords. Luang Phrabang fell to Siamese rule and Vieng Chan and Champasak were reduced to vassal status.

After the Siamese capital Ayutthaya had been conquered and sacked by Burmese armies, Laos, in 1767, again fell under full Burmese rule. But after only a few years

the Siamese kingdom, with its new capital Bangkok, grew stronger and Laos again had to obey Siamese overlords. 1820 brought about the total destruction of the beautiful city of Vieng Chan. At the end of 18<sup>th</sup> century, Laos was under the control of the Siamese when all of the eastern parts of the Mekong regions had to be ceded to the French. In 1827 the Laotians under King Anou rebelled against the Siamese but were soon defeated. The Laotian state disintegrated. <http://www.asiatour.com/laos/e-01land/el-lan20.htm>.

In 1868, after having annexed South Vietnam as a colony and having turned Cambodia into a French protectorate, the French sent an initial expedition to Laos to investigate the Mekong trade route to China. In 1886 France received permission from Siam largely ruling Laos, to install a vice consulate in Luang Prabang. In 1887, Siam, anticipating French expansion, vacated large parts of Laos. In 1893 France declared the Mekong the official border between Laos and Siam. Might is right; Siam accepted the unilateral decision of big gun France and officially became a French protectorate. Serge Kreutz Laos / Colonial Times <http://www.asiatour.com/laos/e-01land/el-lan20.htm>.



**Plate 3.1: The members of the French Mekong Expedition of 1866** [http://en.wikipedia.org/wiki/Mekong\\_River](http://en.wikipedia.org/wiki/Mekong_River)

At the end of the nineteenth century, the Europeans dominated with their interests in the region and that was a serious concern to the Siamese for many years. To guarantee that the French would not challenge the country's sovereignty, Siam gave them Laos. The French realized the Mekong River's potential as a backdoor trade route to China so made Laos a protectorate.

However, France had only limited interest in her new possession. Paris sent Vietnamese officials to Laos to set up an administration but did little to develop the Laotian economy. In September 1940, after France was invaded by Germany, Japanese troops occupied Indochina without meeting any resistance. Officially the word was that the French colonial power left all military installation for the Japanese troops to use; in exchange for the French colonial administration to remain in office. Therefore the years of World War II brought less destruction to Laos than, for instance, to the fiercely contested Southeast Asian states of Burma and the Philippines. The fall of France to Germany and the Japanese occupation of Indochina during the Second World War, helped to foment a new kind of nationalism among the Lao people. In East Asia, World War II ended on 14 August 1945, with the capitulation of Japan. Subsequently, France tried to re establish itself as a colonial power in Cambodia, Vietnam and Laos. When the Japanese troops forced the pro French king Sisavang Vong to declare independence from the French. The surrender of Japan on 14 August 1945 left a power vacuum in Laos that the French were unable to refill. Around one month later, on 1 September 1945, Laos declared its independence. However, with the help of British and Pro French Lao forces, the colonialists were able to reoccupy Vientiane in April 1946. France refused to accept the independence of Laos, and retaliated by sending troops into Laos and a guerilla war against the French colonial power started. Serge Kreutz, 'Laos / Colonial Times', in <http://www.asiatour.com/laos/e-01land/el-lan21.htm>

The Mekong River has a significant meaning for Laos, since the river creates political borders. The river separates Laos into two 'non same' parts. The small region, which, however, has important economic aspects has the main part of the population, which was under the Siamese power, today this region, called the northern region (Isan) is an integrated part of the Thai kingdom. The eastern part, was under the French power. At the end of the Second World War the kingdom of Laos was established (Lasa-anachak Lao). This independence was acknowledged by the French on

22 October 1953. Grabowsky (1999: 263). The political situation, however, has remained unstable, leading to civil war between the North Vietnamese backed Pathet Lao (Land of the Lao) and the US financed Royalist forces.

On 19 July 1949, France formally granted Laos independence. For almost three decades, from 1949 to 1975, the political situation in Laos was highly confusing. Three factions struggled for power: 1. Conservatives, commanding, among other forces, a 30,000man army of the Hmong (Meo) hill tribe; 2. Neutralists, organized by Prince Souvanna Phouma; 3. Communists, lead by a feudal prince, Souphanouvang (a contradiction Marx had not anticipated).

Throughout the Lao People's long and painful struggle for freedom and unity from the 1950s to the 1970s political forces coalesced three times. The civil war was fought out in three stages each leading to new developments which were in favour of the side that adhered to justice, whose programs of action were based upon the aspirations of the people and who fought for the cause of peace, independence, democracy, unity and prosperity (Phongsavath Boupha, KPL News, *National*, 28-06-2005).

The civil war among the three rival factions was, however, not fought as fiercely as the civil wars in Vietnam or Cambodia. Several times in three decades coalition governments were formed, including all three factions. The neutralists usually lead the coalitions. From 1964 to 1973 the US fought a secret war in Laos, against Laotian communists as well as North Vietnamese troops channelling war materials to the Vietcong in South Vietnam via the Ho Chi Min Trail through Laos. After the US forces began their retreat from Indochina in 1973, the right wing government in Vientiane was replaced by a coalition government of neutralists and the communist Pathet Lao. The Agreement signed in Vientiane in 1973 clearly specified terms for the restoration of peace and the implementation of national concord in Laos.



**Plate 3.2: Hero in Laos**

The Vientiane Agreement of 21 February 1973 became a significant historical document leading to the realization of national unity and creating favourable conditions for a national democratic revolution in Laos. Faced with defeat in Indochina, the US was forced to call for a settlement of the Lao question on the basis of the agreement and the protocol for the restoration of peace and national concord. The US was also compelled to withdraw its advisors and Thai mercenaries from Laos (Phongsavath Boupha, KPL News, *National*, 23-06-2005).

In 1975, after communist troops conquered the capitals of Vietnam and Cambodia, the communist Pathet Lao gained sole power in Laos. While in Laos, too, parts of the population were detained in reeducation camps, there wasn't the kind of revenge as in Cambodia. Former neutralist Premier Minister Souvanna was not even arrested, just demoted in rank to *government advisor*. With the fall of Phnom Penh and Saigon to communist forces in 1975, many Royalists saw the eventual take over of the country by the Pathet Lao as a forgone conclusion and fled to France. The Lao People's Democratic Republic was born on 2 December 1975.

Laos entered a period of isolation throughout the rest of the seventies, maintaining diplomatic and economic relations with only Vietnam and the USSR. In the follow-

ing decades Laos cultivated a close relationship with Vietnam. The most powerful man in communist Laos, General Secretary of the Revolutionary Party of the People, Kaysone Phomvihane, is half Laotian and half Vietnamese. After failing to establish a successful socialist state modelled on Eastern Bloc collectivization, the Lao government moved towards a more flexible form of socialism, dismantling agricultural co-operatives in 1979, and installing economic reforms in 1986 that opened the way for the introduction of a market economy. In March 1991, at the fifth congress of the Revolutionary People's Party, far-reaching changes of the economic structure of the country were decided. As in China and Vietnam, private business, free market competition and foreign investment were permitted in order to accelerate the economic development of the country. However, as in China and Vietnam, political leaders were not inclined to share power in a multi party system. <http://www.asiatour.com/laos/e-01land/el-lan22.htm>. In the last few years, Laos has made further strides towards international acceptance and integration into the global economy. The 1994 opening of the Australian Financed Friendship Bridge-linking Vientiane with Nong Khai in Thailand and the country's 1997 ASEAN membership are both seen as positive moves towards this goal. Laos' standing within the Association of Southeast Asian Nations (ASEAN) has been boosted by its successful hosting of the tenth ASEAN Summit in late 2004. Further rounds of ASEAN talks, which will take place in Laos over the next few months, should help to facilitate greater cooperation with fellow member states. Relations with the other three least developed ASEAN nations-Cambodia, Vietnam and Myanmar should strengthen in 2005-2006, with all four members agreeing to improve cooperation to boost economic growth. Ties with neighbouring Thailand are improving, but disagreement over border issues and economic migrants are potential flashpoints. However, both sides are working to complete demarcation of the land border by the end of 2005. Despite differences over human rights, relations with the US and other western governments have remained fairly stable. For example, although the US has been a vocal critic of the Lao government's record of violence against the Hmong, in late 2004 the US government granted Laos normal trade relations (NTR) status ('Outlook for 2005-2006', in *the Economic Intelligence Unit Limited*, 2005: 7). In March Thailand's foreign minister, Kantathi Suphamongkhon, visited Laos on his first foreign trip since he was appointed to the post. His visit included discussion of ongoing work to demarcate the shared border. Following the meeting, both sides stated that they intended to complete demarcation work on the 702km land border by the end of the year. There are

some outstanding issues in relation to small stretches of the land border, mainly in Sayaburi and Champasak provinces. The two sides have said that the end of 2005 deadline does not apply to the 1,108km river border, where considerable work remains to be done. During meetings in May 2005 between provincial governors from both Thailand and Laos, both sides agreed to step up cooperation along the border, with plans to open five more border checkpoints ('Outlook for 2005-2006', in *the Economic Intelligence Unit Limited*, 2005: 13). For the period 2010 to 2020 the goal is absolute poverty eradication for which the agricultural, industrial and service sectors are to be strengthened. The GDP should increase at a growth rate of at least 7 per cent a year, with an average per capita income of US \$ 1200 to 1500 (Phongsavath Bouppha, KPL News, *National*, 07-07-2005).

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CHAPTER IV  
NONGKHAI: MAIN OVERLAND GATEWAY TO LAOS

*Lamijo*

**I. Introduction**

Thailand and Laos are bonded to one another historically, ethnically, religiously, linguistically, and culturally. Thais have only the Lao people as their linguistic counterparts and vice versa; the people of the two countries are able to talk to and understand one another without the intervention of interpreters. Thus, it is often assumed that the two countries are the best of friends.

However, many sincere and knowledgeable individuals have pointed out that since the establishment of the Lao People's Democratic Republic in 1975, the Thai/Lao relationship seems to have been at best, lukewarm. There are still many major obstacles impeding the strengthening of the Thai/Lao relationship. On one hand, we may still lack a good understanding of what these obstacles are and on the other we may still be inefficient and inept in dealing with these obstacles.

In the 1980s and 1990s, the relationship between Thailand and Laos was marred by land disputes and many incidents. During 2004, the relationship between Laos and Thailand was highlighted with a number of problems, such as human and drug traffic, illegal Lao workers in Thailand and vice versa, border determining in several areas, and the anti Lao government movement in Thailand (ASEAN Ministerial Meeting July 25-29, 2005: 24).

Whatever the situation, if the two sides use the well being of their people as the underlying principle to determine their national interests, cooperate to find the roots of various problems marring their relationship, and are determined to overcome these problems by relying on capable individuals and institutions, the Thai/Lao relationship may improve at a faster rate. In this case, Nongkhai has an important role in bridging the interests of those two countries because Nongkhai is the main overland gateway to Laos and other countries in Indochina. This chapter addresses the role of Nongkhai from this respect..

## **II. Nongkhai: History, Geography, and Population**

Nong Khai province runs alongside the Mekong River on the Laos PDR border for 330 kilometers. The people of Laos and those of Isan (Nong Khai province) have many things in common including their language, their history, religion, and culture. Nong Khai city is known for its friendliness which is perhaps one reason why the bridge crossing to Lao PDR is called 'The Friendship Bridge'.

Nong Khai is 624 km from Bangkok and is the major crossing point to the Lao capital, Vientiane, via the Thai/Lao Friendship Bridge over the Mekong. The weather in Nongkhai is rather cool with an annual rainfall of around 1,798 mm and 147 days of rain in 2001. (<http://www.angelfire.com/or/jerrywillard/bangkok.html>). A market town, in a recent survey by 'Modern Maturity', an international American retirement magazine, Nongkhai ranked 7<sup>th</sup> in the world as a place for a second home, after Costa Del Sol, Cinque Terra (Italy), Provence (France), Bouguete (Panama), St. Vincent and the Grenadines (USA), and County Clare (Ireland). Ubud in Bali, Indonesia was 15<sup>th</sup> (Nong Khai Guide Book 2004: 11).

### **A. History of Nongkhai**

Nongkhai was 'born' 130 years ago. Before that it was a collection of small villages of people of various ethnic backgrounds who were continuously fighting each other until one man managed to bring them all together. This very clever man, Seu, was the true founder of Nongkhai and responsible for its unification. The method he used was typically Thai; he brought the various factions together as one large family by taking a 'wife' from each of the villages, about 40 in all.

Needless to say a very energetic man and in gratitude and recognition of his unique leadership the King Rama VI conferred on him the title of Phraya (Lord) Patumtewapiban and his family name Na Nonggai. Seu Na Nonggai as he became known was the first Governor of the Province (Nongkhai Guide Book 2004: 14). He was also the great grandfather of the family which established the Pantawee Hotel, now located at 1049 Haisoke Road, Muang District, Nongkhai 43000 Thailand, and very well known to the western tourists in Nong Khai .

## B. Nongkhai Geography

In general, Nong Khai is part of the river basin in the north. It is on a plateau with deciduous forest in the east while the west has mountains and forest bordering the forest area of Loei Province. The southern area is highland with an average altitude of 1,200 feet above sea level

There are three seasons in Changwat Nong Khai. It is very hot in summer with the temperature reaching 35 degrees Celsius. There are heavy rains during the rainy season due to its location adjacent to the Mekong River, and it is chilly during the winter season due to its highland position with a low temperature of 11 degrees Celsius

Nongkhai province lies along the banks of the Mekong River for more than 330 kilometres. The total area of Nongkhai is about 7,222 square kilometres. Although the Province is 615 kilometres from Bangkok, it is only 22 kilometres from Vientiane, the capital city of Laos and has grown up to be the commercial and administrative centre of the whole Province as well as being the most active crossing point between Laos and Thailand. Nongkhai Province comprises 13 districts (*Amphoe*) and 4 sub districts (*King Amphoe*). These districts are: Mueang Nongkhai, Tha Bao, Bueng Kan, Phon Charoen, Phon Phisai, So Phisai, Sri Chiang Mai, Sangkhom, Seka, Pak Khat, Bueng Khong Long, Sri Wilai and Bung Khla. The sub districts are: Sakhrui, Fao Rai, Rattanawapi, and Pho Tak. The districts are further subdivided into 115 communes (*tambon*) and 1099 villages.

Source : Nongkhai Guide Book 2004

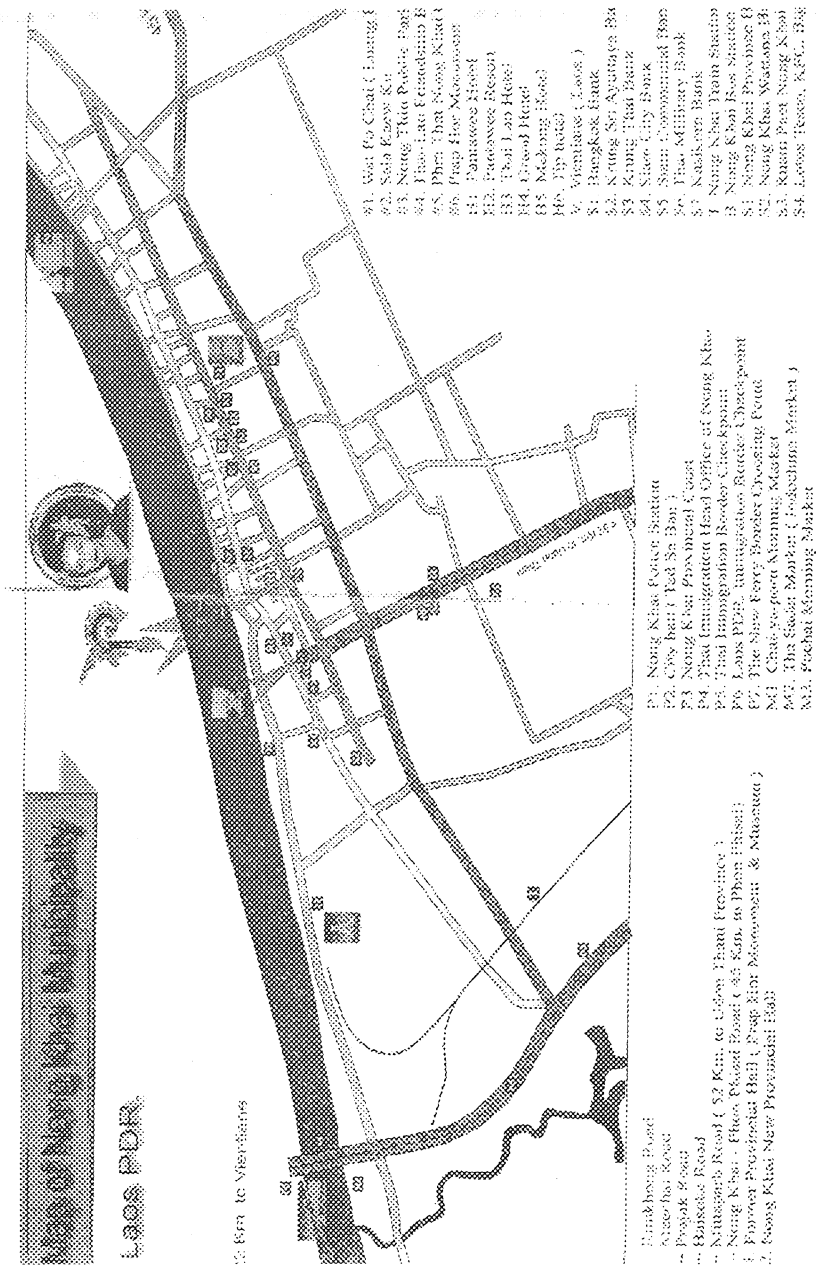


Plate 4.1 Map of Nongkhai Municipality.

Nong Khai (Nongkhai) is a border province of Northern Thailand with boundaries in the North at Vientiane divided by the Mekong River, in the South by Udon Thani and Sakon Nakhon, in the East by Nakhon Phanon and the West by Loei.

**Nongkhai is the seat of the Nongkhai Provincial government.** The province itself is long and narrow and stretches along the Mekong River. The town is mostly known to backpackers as the place to get onto the bridge to Laos. Nongkhai as a town represents the growing middle class in Thailand. With quite a few modern houses, the town is fairly small, but large enough so that one can get anything one might need ([http://www.travel-to-teach.org/thai/nong\\_khai.html](http://www.travel-to-teach.org/thai/nong_khai.html)).

Nongkhai has innumerable restaurants, food stalls, and all sorts of arrangements to buy and eat a variety of food. Food can be purchased everywhere. The Sum Tam is legendary and people come from Bangkok to eat Phat Thai at the corner of Prajac Road or the Vietnamese sausages at Deng Naem Nuang. There are a number of western restaurants so most tastes can be satisfied.

### C. Population of Nongkhai

In 2002 the population of Nongkhai was around 909,543 of mostly Isan; the biggest ethnic group living in the Isan district of northeastern Thailand. Table 1 shows the population of Nongkhai from 1996-2002, with the details shown in Table 2, Table 3 and Table 4. While Table 5 shows the comparison with irregular immigrant workers in Nongkhai and other provinces in northeast Thailand, which are a little influential in the total population of Nongkhai.

**Table 4.1**  
**Population of Nongkhai (1996-2002)**

Population	1996	1997	1998	1999	2000	2001	2002
Male	50.3 %	50.3 %	50.5 %	50.4 %	50.4 %	50.3 %	50.3 %
Female	49.7 %	49.7 %	49.5 %	49.6 %	49.6 %	49.7 %	49.7 %
Total	881.098	888.702	897.626	899.506	903.886	904.806	909.543

Source: <http://www.german-thai-link.de/Top/UK/Frameset.htm?Details%20TH/UK/Provinces/>

**Table 4.2**  
**Population Data of Nong Khai**  
**(As of 31 December 2001)**

1.	Total population :	904,806
	Males	449,250
	Females	455,556
2.	Reproductive Health Statistics :	
	a. Maternal and Child Health	
	Prenatal mortality rate	9.17 : 1,000 total births
	Maternal mortality ratio	19.22 : 100,000 live births
	Birth asphyxia rate	28.73 : 1,000 live births
	Low birth weight	8.03 %
	Rate of anemia in pregnant women	15.84 %
	Rate of mothers aged less than 20 years	9.56%
3.	HIV/AIDS :	
	Prevalence rate of HIV/AIDS infection in pregnant women (%)	1.13%
	AIDS case rate	11.98 : 100,000 population

Source: <http://www.unescap.org/esid/psis/population/database/thailanddata/northeast/NongKhai.htm>

**Table 4.3**  
**Population of Nongkhai by Age Group and Sex**

Percentage						
Age group	Total	Males	Females	Total	Males	Females
Total	883,704	445,472	438,232	100	100	100
0-4	78,058	40,487	37,571	8.8	9.1	8.6
5-9	82,326	42,425	39,901	9.3	9.5	9.1
10-14	78,452	40,329	38,123	8.9	9.1	8.7
15-19	81,735	42,510	39,225	9.2	9.5	9
20-24	78,739	40,374	38,365	8.9	9.1	8.8
25-29	82,930	41,189	41,741	9.4	9.2	9.5
30-34	80,194	39,639	40,555	9.1	8.9	9.3
35-39	70,643	35,468	35,175	8	8	8
40-44	62,276	31,079	31,197	7	7	7.1
45-49	47,787	23,732	24,055	5.4	5.3	5.5
50-54	38,775	19,636	19,139	4.4	4.4	4.4
55-59	31,013	15,237	15,776	3.5	3.4	3.6
60-64	24,658	11,835	12,823	2.8	2.7	2.9
65-69	19,132	8,944	10,188	2.2	2	2.3
70-74	12,598	6,222	6,376	1.4	1.4	1.5
75-79	7,816	3,566	4,250	0.9	0.8	1
Age group	Total	Males	Females	Total	Males	Females

Source: <http://www.unescap.org/esid/psis/population/database/thailanddata/northeast/NongKhai.htm>

**Table 4.4**  
**Key Statistics of Population and Households of Nong Khai**  
**(From Population and Housing Census 2000)**

No.	Items	
1.	Demographic characteristics :	
	Total Population (thousands)	883.7
	Population in Municipal area (%)	20.8
	Sex ratio (Males per 100 females)	101.6
	Median Age	27.1
2.	Population by age group :	
	0-14 years (%)	27
	15-59 years (%)	65
	60 years and over (%)	8
3.	Age dependency ratio (per 100 adults 15-59 years) :	
	Total	53.9
	0-14 years	41.6
	60 years and over	12.3
4.	Singulate mean age at first marriage (SMAM) :	
	Males	26
	Females	22.5
5.	Thai nationality (%)	99.5
6.	Religion :	
	Buddhism	99.1
	Muslim	0.1
7.	Education:	
	Average years of education attainment of population aged 15 years and over	6.2
	Population aged 6-24 years not attending school (%)	45.3



No.	Items	
8.	Employment characteristics of population aged 15 years and over during last year in industry:	
	Population in the agricultural sectors (%)	74.2
	Work status (%):	
	Employers	0.5
	Own account workers	34.3
	Employees	9.4
	Unpaid family workers	45.6
	Member of producer's cooperatives	0.2
9.	Fertility:	
	Mean number of children ever born (per ever married women 15-49 years)	2.08
	Mean number of children still living (per ever married women 15-49 years)	2
10.	Migration :	
	Population who migrated within previous 5 years/1995-2000 (%)	3.5
	Population who were not living in province of birth /lifetime migration (%)	22.1
11.	Housing characteristics :	
	Average households size	4.2
	Female headed households (%)	22.2

Source: <http://www.unescap.org/esid/psis/population/database/thailanddata/northeast/NongKhai.htm>

**Table 4.5**  
**Number of Irregular Immigrant Workers in Nong Khai Compared to Other Provinces in Northeastern Region of Thailand (2004)**

No	Provinces	Immigrant Workers Demand		Quota		Work Permit	
		Employer	Worker	Employer	Worker	Employer	Worker
1.	Kalasin	171	546	168	276	128	161
2.	Khon Kean	974	4,199	974	4,199	810	1,111
3.	Chiyaphum	350	1,844	346	803	265	344
4.	Nakhon Phanom	1,491	3,002	1,490	2,918	762	1,122
5.	Nakhon Ratchasima	1,719	10,930	1,718	10,576	1,184	3,273
6.	Buriram	362	1,959	362	1,401	235	401
No	Provinces	Immigrant Workers Demand	Quota	Work Permit			
7.	Maha Sarakham	177	690	120	300	63	165
8.	Mukdahan	907	3,363	907	3,098	811	1,688
9.	Yasothon	350	586	348	473	266	319
10.	Roi Et	175	777	170	483	129	198
11.	Loei	939	3,702	937	3,583	631	1,251
12.	Sisaket	492	2,280	492	1,228	406	495
13.	Sakon Nakhon	203	709	202	522	128	197
14.	Surin	289	1,537	287	1,062	154	480
15.	Nong Khai	1,392	3,211	1,392	3,211	876	1,575
16.	Nongbua Lamphu	216	522	213	446	155	178
17.	Amnat Charoen	117	376	117	356	56	86

Source : Managed from Office of the Administrative Commission of Irregular Immigrant Workers Section of Irregular Immigrant Worker Registration, 26/5/2005, [www.german-thai-link.de/Top/UK/Frameset.htm?Details%20TH/UK/Provinces North%20East Nong%20Khai.htm](http://www.german-thai-link.de/Top/UK/Frameset.htm?Details%20TH/UK/Provinces%20North%20East%20Nong%20Khai.htm)

## II. Tourist Destinations

Situated on the stretch of the Mekong River where the borders of Thailand and the Lao People's Democratic Republic meet, the town of Nong Khai offers a panoramic view of the Mekong River and Laos on the opposite shore, and serves as the gateway to Vientiane, the capital of Laos.

With the opening of the Thai/Lao Friendship Bridge which spans the Mekong River, a major overland link connecting Nong Khai on the Thai side to Tha Na Laeng in Laos was built in 1994. Once across the bridge, the onward journey to Vientiane is only 20 km. Hence, although the traditional ferry crossing remains in operation, much of the trade and travel between the two countries is now overland via the bridge. Nong Khai is also the only checkpoint where visas-on-arrival are issued to overseas tourists. (<http://www.tatnews.org/emagazine/1601.asp>).

Nongkhai has recently announced the province as a tourist area and a gateway to Indochina. Hotel and restaurant businesses as well as other service based businesses such as the sex industry have been developed and rapidly grown over recent years. A hotel staff member reported that the hotel male clients all wanted to have sex with virgin girls from Laos. The hotel therefore has to procure girls from Laos to service their customers (<http://www.seameo.org/vl/combat/appendixb.htm>).

Nong Khai is the most popular destination in the northeast of Thailand. It has a unique architecture that is a combination of Laotian and French styles, making it an original place of charm in the province. The people here are widely regarded as being the most friendly and hospitable within Thailand. Stalls and shops along the riverbanks offer a vast selection of local products and souvenirs such as hand woven clothes, basketry, silverware, foodstuffs, and imports from Laos. Handcrafts from northeastern Thailand and Laos are on sale around the town at quite reasonable prices. Toiletries and other daily necessities are readily available, but don't expect to find any large department stores.

Nong Khai is a very small town spread over two main roads, Mee Chai and Prajak, the environs spreading on either side and between these two thoroughfares which run for something like two kilometers beside the Mekong River.

As the main town of the Province it has all one would expect: a Town Hall, a Court-house, Police Station, hospitals and so on. The railway station is on a direct line to Udonthani from where one can connect to Bangkok and other parts in Isan and beyond by train, bus, air or road. The one thing that makes Nong Khai (Nongkhai) different to most other small towns along the Mekong River is that it is connected to Laos by the Friendship Bridge and is a favorite destination and stepping-stone for those wishing to visit Laos, either as tourists or simply to renew visas.

One of the things that is immediately apparent is that Nongkhai is very clean. No piles of unwanted or discarded detritus, plastic bags or other refuse visible in most other towns and cities. No polluted air from industry or excessively heavy traffic, the gentle breeze often blowing from the river wafting away the familiar smog so often found in towns of a similar size.

Although as has been said before, Nongkhai has an immense variety of food which seems to be the main preoccupation in life for most Thais, there are no 'beer bars' as found in the 'fleshpots' of the South with screaming girls offering their bodies for sale; no 'Go-Go' bars with semi naked women flaunting their wares; no nightclubs to speak of and not as many Karaoke bars as in most other towns. The nightlife is confined to one or two hotels such as the Grand with its 'Window On The World' bar on the top floor and one or two restaurants and bars such as the Danish Baker, which stay open beyond midnight, but by and large the town is relatively quiet after ten at night.

Nongkhai is clean and quiet, it has good food and is within a stone's throw of Laos. But that is not sufficient to engender the kind of affection that most who live here have for it. So, what is that 'indefinable something,' that mysterious ingredient? Is it because the town has so many old Temples resplendent with their red, ochre and gold decorations, their magnificent golden statues of the Buddha, their drums and gongs and chanting monks? Is it the awesome sight of the teeming waters of the Mekong River that flows alongside the town like a mighty gash between Laos and Thailand? Is it the markets that offer exotic goods for sale at much cheaper prices than anywhere else? Yes. it is all of these things combined but more specifically it is the intimacy of the town, the friendliness of the people, the ingenuous calm and atmosphere that pervades that is disarming and attractive. It is at once peaceful and exhilarating.

There are many wonderful historic and cultural sites around and in Nongkhai, such as:

### **1. The Prap Ho Monument.**

This monument was built to honour those who died fighting in the Chinese Ho rebellion of 1886. Built on the order of Prince Prachak Silpakhom, it was originally behind the Nongkhai police station but was moved in 1949 to its present location at the intersection of roads entering Nongkhai.

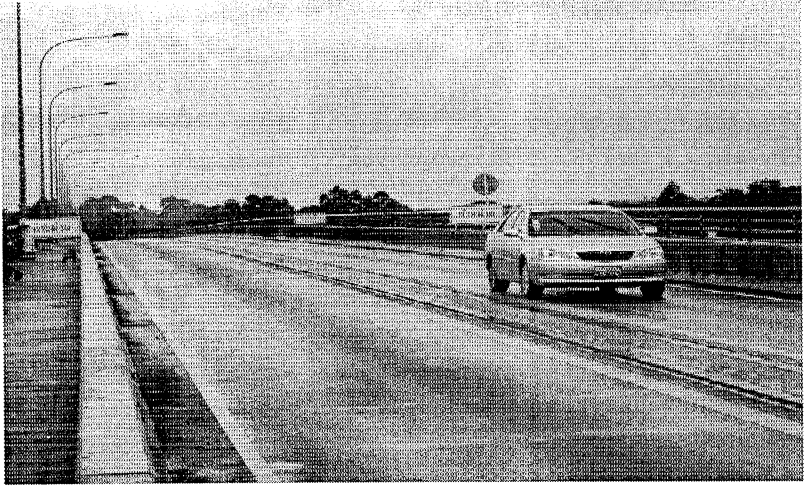
The monument has inscriptions in Thai, Chinese, Lao and English. The province holds a celebration at the monument every March 5<sup>th</sup> to commemorate the victory over the insurrection by Hor tribesmen. The Prap Hor monument was built in 1886; enlarged and renovated in 1951, it contains the remains of those officials who lost their lives in putting down the rebellion.

### **2. The Luang Pho Phra Sai.**

This gold coloured Buddha image is highly revered by the Nongkhai people and dates back to the ancient Lan Chang Empire of centuries ago. It is believed the image is one of 3 commissioned by the 3 daughters of the King of Lan Chang in 1778. The images were moved to Vientiane but during the reign of King Rama III, were brought to Thailand. One sank in a storm while crossing the Mekong River. The remaining images were placed in Wat Pho Chai and Wat Ho Klong. Wat Pho Chai is the temple where Luang Pho Phra Sai is housed. There is a celebration every seventh lunar month at the temple. The major Buddha image of Nongkhai, is enshrined at Wat Po Chai. The golden, sacred Buddha is very beautiful and worshipped by many people.

### **3. The Friendship Bridge.**

This is the first international bridge spanning the Mekong. The bridge links Nongkhai with Vientiane and was built jointly by the governments of Australia, Thailand and Laos. The bridge was opened on 8 April 1994. On Saturdays and Sundays both Thailand and Laos allow everybody to walk on the bridge to enjoy the panorama of Thailand and Laos from the middle of the Mekong River (Nongkhai Guide Book 2004: 18)



**Plate 4.2. Friendship Bridge**



**Plate 4.3. Thai-Lao Friendship Bridge viewed from Tha Sadet Pier.**

#### **4. The Jorm Manee Beach.**

The Jorm Manee Beach really is a beach, right on the banks of the famous Mekong. It is the Phuket of Nongkhai during the summer months from April onward. Here locals and tourists alike gather to picnic, swim and soak up the sun. Food stalls and various other facilities appear out of nowhere to service the needs of holiday makers.

#### **5. The Pra That Bang Phuan.**

Phar That Bang Phuan is a very old pagoda that houses the holy relics of Lord Buddha. The pagoda received additions in the reign of King Chai Chettha but later crumbled because of rain damage. The Fine Arts Department made complete restorations in 1970. A fun filled festival is held every January. The pagoda is 12 km. from the km10 marker on highway No.211. Situated 21 km from the town area on the Nongkhai - Tha Bo road, the Pra That Bang Phuan has long been revered by the Nongkhai people. There is a homage paying fair for Phra That Bang Phuan on the 11<sup>th</sup> waxing day of the 2<sup>nd</sup> lunar month every year.

#### **6. The Sala Kaew Koo and Ban Na Thorng.**

A unique place with numerous sculptures designed and built by a Buddhist monk according to his unusual beliefs and vision, the Sala Kaew Koo is about 3 km from Nongkhai on the Nongkhai - Phon Phi-sai road. The grounds of this unusual site are filled with strange statuary depicting scenes and characters from Buddhist and Hindu lore. Some of the works defy explanation. In an exhibition hall there are pictures of the founder of the temple, Luang Pho Bunleua, and a large collection of wooden and bronze images of Hindu and other deities (Nongkhai Guide Book 2004:20).

#### **7. The Bua Bok Buddha's Footprint.**

The imprint of a footprint at Bua Bok is said to be the original print of the Buddha. Such original authenticated relics are rare and this footprint is highly revered and visited by many devout Buddhists and curious tourists. So rare and holy is it that it should not be missed.

## 8. The Golden Stupa.

On the mountain by the Mekong River at Wat Aran Banpot, there is .the Monument of the former Holy Private Monk of The King. Such is the beauty of the architecture of this Stupa that visitors return again and again to photograph it.

## 9. The Tha Sadet Market.

Known as the Indochina market. This unique market was created some five or six years ago and its carries a variety of imported goods from Laos and China that cannot be found elsewhere at prices that are negotiable and which are in any case very affordable. Here also is found batik from Indonesia (Tegal and Pekalongan) through Malaysia. There is a cross river ferry that Thais can take to cross the border to Laos. Tourists however, require visas but they can enjoy trips on the Mekong River in the various boats available.



**Plate 4.4 : Tha Sadet Market Gate**

All sorts of activities are possible in Nongkhai. There are swimming pools, gyms, golf courses and tennis courts, discotheques, movie theatres, a supermarket and many small markets. There are restaurants and bars along the River. Most things can be purchased and at very good prices compared to the inflated department store prices in Bangkok For the energetic tourist, Nong Khai is best explored on a bicycle, which can be hired for around fifty Baht a day, or on foot if it isn't too hot. A leisurely pace



that allows for exploring the Thai shops, the riverside walk, market and the temples, restaurants and bars. English is spoken in many places and the residents, even if their English is limited, are generally very friendly and helpful. It is a town to be absorbed, be tasted and smelled; experienced with all the senses.

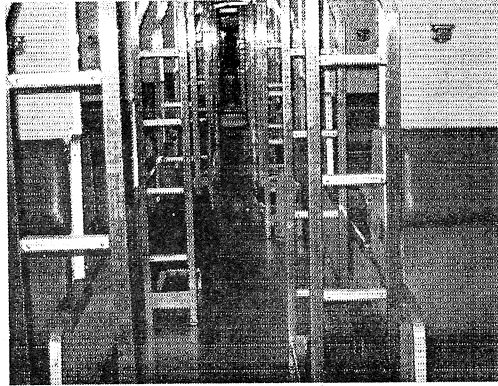
There are many ways to get to Nong Khai. From Bangkok, Nongkhai can be reached by plane, train, bus or private car. From Bangkok, take Highway No. 1 to Saraburi that connects with Highway No. 2 to Nakhon Ratchasima, Khon Kaen, Udon Thani and Nong Khai. The total distance from Bangkok to Nong Khai is 615 kilometres. There are Bangkok-Nong Khai buses, which depart from Bangkok's Mochit 2 Bus Terminal every day.

Another way is by train. Trains depart from Bangkok's Hua Lamphong Railway Station to Nong Khai. The overnight train to Nong Khai leaves Bangkok at about 20.00. Carriages have fan and a/c sleeping berths. The North Eastern Line connects Nong Khai, on the Mekong opposite Vientiane, and Udon Thani with Bangkok via Khon Kaen. The Udon Thani fares are Baht 10 to Baht 40 less than the Nong Khai fares given here, depending on class, and Udon Thani is about 70 minutes nearer Bangkok, depending on service type.

**Table 4.6**  
**Train Fares from Bangkok-Udon Thani-Nongkhai**

From	Freq.	How long (Min.)	Service type	Fares		
				First	Second	Third
Nongkhai/Udon Thani-Bangkok	1 daily	695	Express /Sleep	1,037	618	163
Nongkhai/Udon Thani-Bangkok	2 daily	760	Rapid		328	143
Udon Thani - Bangkok	2 daily	535	Sprinter		349	

Source: <http://www.siamwanderer.com/Regions/Isan/mekong1.html>



**Plate 4.5. Inside looking of an Express train operating between Bangkok and Nongkhai line**

Last July, when we were conducting field research, the fare from Bangkok to Nongkhai was Baht 688 for upper bed class. We took a taxi to the Hualamphong Train Station which was crowded with travelers. At around 7.45 p.m. we boarded the train and it moved out of Bangkok punctually at 8 p.m.. Shortly after, our seats were converted to sleeping bunks and I took the upper one, which was rather comfortable, and there are curtains that can be drawn for privacy and if you are afraid that you will fall out of bed, there are straps to prevent you from falling out. As it was night, there was nothing much to see and we decided to rest early to prepare for the day ahead. We arrived at Nong khai station around 8 a.m. after a 12hour journey; an hour later than scheduled. Nongkhai can also be reached by plane .Nong Khai has no airport so the jetsetters usually fly into Udon Thani, 55 km to the south. From there you can continue your travel to Nong Khai by rented car, bus or by taxi.

**Table 4.7**  
**Tourism Data of Nongkhai Province from 1995 to 2002**

Item	1995	1996	1997	1998	1999	2000	2001	2002
Tourist:	335008	348235	385808	359487	382858	400121	417770	441895
Thai	312734	331257	367090	334899	344032	360006	374431	402900
Intl.	22274	16978	1878	24588	38826	40115	43339	38995
Average Length of Stay (day)	1.85	1.85	1.87	3.47	3.17	N.A.	3.31	3.37
Thai	1.83	1.83	1.84	3.51	3.2	N.A.	3.37	3.42
Intl.	2.18	2.19	2.16	2.96	2.99	N.A.	2.81	2.89

Source: Tourism Authority of Thailand

#### **IV. Nongkhai: Border Town on the Thai/Laos Cross Border**

Thailand, like many other industrializing countries, is concerned with over-concentration of development in and around its capital city. Since the mid-1970s, the Thai government has developed and implemented a number of policies aimed at decentralization of industries and urban growth away from Bangkok to regional centres and peripheral areas of the country. More recently, border town developments have been promoted as mechanisms for decentralization and as stimuli for cross border development with neighbouring countries (Chuthatip Maneepong and Chung-Tong Wu 2004: 137).

Among the countries in the region of Southeast Asia, Thailand is more closely tied with Laos. This happened because of the historical interrelatedness between these two countries over centuries. Furthermore, Thailand and Laos share a common border of 1810 kilometres (702 km of land boundary and 1108 km of water boundary). The Mekong River itself serves as a 960 km natural boundary between the two countries. There are numerous border checkpoints along the border area. Overland border check points with Laos:

1. Chong Mek (Ubon Ratchathani province in the northeast) to Vaeng Tao and Pakse in Laos, by land.
2. Mukdahan (Mukdahan province in the northeast) to Savannakhet in Laos, by ferry across the Mekong River.

3. Nakhon Phanom (Nakhon Phanom province in the northeast) to Thakhet in Laos, by ferry across the Mekong River.
4. Nong Khai (Nong Khai province in the northeast) to Vientiane in Laos, by bridge over the Mekong River.
5. Chiang Khong (Chiang Rai province in the north) to Huayxai in Laos, by ferry across the Mekong River.

Since the Thai/Lao Friendship Bridge was officially opened for service in 1994, Nongkhai has become a centre for Economic Quadriple Cooperation in northeastern Thailand with a highway 20 minute ride from Nongkhai straight to Vientiane. Even though Nongkhai is not one of the provinces where illegal migrants can legally register for a work permit as announced by the 25 June 1997 Cabinet Resolution, Nongkhai as a border province draws many Laotians and other ethnic groups from Laos into employment in Thailand. The majority of them are aged between 15 and 24. The type of work is usually in the fields of construction, agriculture, family factory, and domestic work.

The Bridge was built by Australian companies to demonstrate their capacity to complete major infrastructural projects in Southeast Asia. This mixing of development aid with commercial interests was criticized by some NGOs. The Bridge has two 3.5 m wide lanes for car traffic, two 1.5 m wide footpaths, and was also built to house a railway track in the middle. In 1994 tracks were laid from Nong Khai station to the bridge, but no further.

On 20 March 2004 an agreement between the Thai and Lao governments was signed to extend the railway to Tha Nalaeng, about 3.5 km from the Bridge in Laos. This will be the only operating railway in Laos

Although traders from Thailand are allowed to go into Laos for three days at a time and vice versa, everyone else needs a visa. Officially visas have to be obtained from the Laotian Embassy in Bangkok so people cannot cross the border without the proper paperwork. However, there has been some relaxation recently to promote tourism. People can cross the border for 15 days if they:

- Hold a return or onward ticket and a visa for their next destination;
- Have a bank statement showing a minimum of \$400 (or life insurance policy for the same amount);
- Can prove they have a contact based in Laos:

- Have a confirmed hotel reservation in Laos;
- Are prepared to pay \$30 for a visa stamp!

[http://www.discoverythailand.com/Nong\\_Khai\\_Tha\\_Sadet\\_Market.asp](http://www.discoverythailand.com/Nong_Khai_Tha_Sadet_Market.asp)).

There are no standardized customs and transit documents between Thailand, Lao PDR and Vietnam. Harmonization of working time is currently being discussed informally in the ASEAN Customs Working Group, while Lao Customs have also asked for ADB funding for the Sadao Customs post (south of Thailand).

The border crossing is open from 06:00 to 22:00, 7 days a week on both sides of the border. This harmonization was only agreed to in February 1999. Before the harmonization, congestion would occur on both sides of the border due to the discrepancies between operating hours. Thai officials would work from 08:30 to 16:00 while Lao officials would be working from 07:30 to 11:30 and 14:00 to 19:00. These Customs posts would operate from Monday to Friday with Saturday morning for Lao officials. Presently trucks can cross the border only until 16:00. To cross the Friendship Bridge a toll is imposed on both sides. The present toll rate is around US\$ 5 for a ten wheeled truck and around US\$ 8 per trailer. A Lao Customs official will escort the trucks from the bridge to Thanaleng.

The inspection of imported goods is at the discretion of the Customs officers. They will consider the risk associated with the commodity as well as the reputation of the importer. If the imported cargo belongs to a new importer they will inspect 100% of the merchandise. All imported cargo is cleared at Thanaleng at the Customs warehouse located near the Friendship Bridge. It can take up to 10 days to clear Customs but according to Customs, if all the documents are in order the procedure can be completed in half a day. It is mostly the fault of other governmental agencies, especially the Ministry of Commerce when delivering the import license.

When the new transit agreement between Thailand and Lao PDR is in place then Lao and Thai trucks will be able to take cargo back. Thai trucks will also be able to go into any Lao province but there is still a ceiling on the number of operators ('Transit Issues for Landlocked Countries: The Case of Lao PDR').

[http://www.unescap.org/LDC & Poverty / SCAP%20case%20study%20on%20Lao%20PDR.doc](http://www.unescap.org/LDC&Poverty/SCAP%20case%20study%20on%20Lao%20PDR.doc)

## V. Role of Nongkhai as Main Gateway to Laos

As a border town, Nongkhai plays a significant role in the developing of border traffic and border trade with Laos and other Indochinese countries. The major official border point for trading between Thailand and Laos is at Nong Khai (Thailand) and Thanaleng (Laos) because Nong Khai is the most important province in the Thai/Lao border trade and is the largest exporter to Lao. Besides, Nong Khai is a place for registering vehicles for delivery within and outside Laos and Thailand. No wonder that the Friendship Bridge was built here across the Mekong River. This Bridge brings many benefits for Thailand (Far Easter Economic Review 1995, 'Ties That Bind': 19), because it makes it easy to export and to develop the economic growth of Nongkhai border town

Other crossing points are: Chiang Klang (Thailand) and Huay Xai (Laos), Nakhon Phanom (Thailand) and Tha Khek (Laos), Mukdahan (Thailand) and Savannakhet (Laos), and Chong Mek (Thailand) and Wang Tao (Laos)

## VI. Conclusion

Nongkhai is situated on the strategic border connecting Thailand and Laos and other Indochinese countries. Previously the border between Thailand and Laos (Nongkhai and Tha Na Laeng) was acknowledged as a backyard, but during and after the Asian economic crisis it has been becoming the front yard both for Thailand and Laos for their economic growth.

Nongkhai has also become the most favourite tourist destination because of its strategic location as a stepping stone to Indochina overland; the tourism sector brings important income for Nongkhai province. Since the Friendship Bridge was officially opened on 8 April 1994, the economic growth of Nongkhai has been very significant, even though Nongkhai still represents a middle class border town.

The economic development of Lao PDR is very much dependent on the quality of its transit corridors. This means that Nongkhai, as the main overland gateway to Laos, has a significant role in the development of the border trade to Laos. As in the future, the majority of the transit traffic will still be through Thailand, there is therefore a need for Laos and Thailand to increase their level of cooperation. The bilateral agreement negotiations should also include Customs negotiations in order to facilitate the flow of transit traffic.

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CHAPTER V  
BORDER TOWN DEVELOPMENT AND TRADE CONTACTS ON THE THAI-LAO  
PDR CROSS BORDER AT NONGKHAI

*Lamijo*

**I. Introduction**

Borders are magnet for many people and one of the most important groups, both due to sheer volume and socio-political implications, are migrant workers. However, border areas are magnets for many mobile population groups, including traders and businesspersons, and general commerce which brings many truck drivers into the areas. In addition, there are increasing numbers of tourists in some border areas, and often a large presence of police and military. Criminal gangs have been known to operate in many of these border and the local areas have been sources of, and transit points for, trafficking in drugs, in women and girls for prostitution, and for smuggling a range of goods and artifacts (Research Center for Regional Resources, 2004: 81)

Cross-border developments can be observed in a variety of situations. In Asia, a range of developments such as the Singapore-Johor-Riau Growth Triangle, the Hong Kong and Shenzhen region, and the Tumen River Development Zone have emerged (Chuthapit Maneepong and Chung-Tong Wu, 2004:135). Some of these zones, including that developing between Thailand and several of its neighbours, are between former socialist nations and more market-oriented nations.

Cross-border developments are unlike other regional development schemes in that the importance of the border is paramount. In many respects, the border is the key reason why the development emerged in the first place. The border is a significant barrier to the movement of people and goods. The border maintains the differences in wages, land prices, nationality, national interests and other disparities that may exist.

Interest in the development of Asian cross-border zones has burgeoned since the late 1980s and early 1990s after the Cold War period. Thailand and its neighbours are developing economic relationships that naturally started with their respective bor-

derlands. Responding to these possibilities, Thai government agencies—often in conjunction with bilateral or multilateral agencies—designed a number of projects at the Thai border zones with Laos. This chapter examines the Thailand-Laos cross-border of Nong Khai, which address on trade and town development at the provincial level along side to the growth of the Thailand-Laos relationship. In general, the state of Thai-Lao relationship is satisfactory, but there is still great potential for improvement.

## **II. Nongkhai: Briefly Overview**

Nongkhai province is situated along the mighty Mekong River, the natural border that separates Thailand And Laos. The area was once part of the ancient Vientiane kingdom before coming part of Monthon Lao Phuan, during the reign of Rama V. The Monthon covered a large part of the northeast region and Vientiane. In the late 19th century when French colonialists took control over Vientiane, the Monthon capital was moved to nearby Udon Thani.

Nong Khai ( Nongkhai ) is a very small town spread over two main roads, Mee Chai and Prajak, the environs spreading either side and between these two thoroughfares which run for something like two kilometers beside the Mekong River. As the main town of the Province it has all one would expect - a Town Hall, A courthouse, Police Station, hospitals and so on. The railway station is a direct line to Udonthani from where one can connect to Bangkok and other parts in Isan and beyond by train, bus, air or road. The one thing that makes Nong Khai ( Nongkhai ) different to most other small towns along the Mekong River is that is connected to Laos by the Friendship Bridge and is a favorite destination and stepping stone for those wishing to visit Laos, either as tourists or simply to renew visas (<http://www.danishbaker.dk/tour.asp>)

The city of Nong Khai is situated about 2 km east of the Friendship Bridge, which spans the Mekong between Ban Jommani and Tha Na Laeng (20km southeast of Vientiane). The bridge was built to link landlocked Laos with Highway 2, thus opening the area for trading and to port facilities in Thailand (<http://www.traveller2000.com/province/nongkhai/>). In the connection with Lao PDR border areas, there are connection bridges between these two countries. The first Laos-

Thailand Bridge is namely Friendship Bridge, which was opened in 1994 after three years construction period. The bridge connects Nong Khai (Thailand) and Vientiane (Laos) and jointly funded by Thailand, Lao PDR and Australian government. Right now, it has become the most important source of visitor to Laos. Border crossing are open from 6 am to 6 pm.

Because the bridge brought many benefits, especially to Thailand, the Thai government allowed some Thai enterprises to try lobbying Lao government to build other bridges connected these two countries. The "Far Eastern Economic Review" magazine in 1995 covered story about Laotian Land Bridge. It is said that a Thai companies has agreed to build a 250 kilometer toll way across Laos, from the Thai border to Luang Nam Tha. The reason why Thailand wanted to build this bridge because Thailand wants to make intensive business and investment in Laos.(Far Easter Economic Review, 1995, "Ties That Bind" p. 19).

### **III. Border Town Development in Nongkhai**

Thailand, like many other industrializing countries, is concerned with over-concentration of development in and around is capital city. Since the mid-1970s, the Thai government has developed and implemented a number policies aimed at decentralization of industries and urban growth away from Bangkok to regional centers and peripheral areas of the country. More recently, border town developments have been promoted as mechanisms for decentralization and as stimuli for cross-border development with neighbouring countries (Chuthatip Maneepong and Chung-Tong Wu, 2004: 137).

The Thai government has sought to implement some policies for improving and upgrading the economic opportunities of border towns through a number of routine programmes. The government has also initiated special land projects, especially for transport and network utilities, land use, and more efficient custom immigration procedure. The major programmes to the border town development ten to infrastructure investment, tax reduction, and soft loans.

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<sup>1</sup> Interview with Mr.Nik Thinai, a Local House Repreentative Member of Nong Khai, July 23, 2005

From the mid 1970s, the Thai government started to devise policies to reserve the excessive concentration of economic activity in the Bangkok Metropolitan Region (BMR) and the interregional income disparities across the country—BMR has been well acknowledged for urban destination and for economic structures—growth of Thailand. Thailand's decentralization policies have focused on target regions including border towns. Border towns were identified as new economic bases linking regional cities to stimulate decentralization to peripheral areas.

The Thai Government is active in two Southeast Asian subregional co-operation programmes with its neighbouring countries, namely the Greater Mekong Subregion (GMS) since 1992 and the Indonesia-Malaysia-Thailand Growth Triangle Programme (IMT-GT) since 1993. GMS is an economic cooperation grouping comprising the six countries linked Mekong river: Thailand, Lao PDR, Cambodia, Myanmar, China's Yunan Province, and Vietnam. IMT-GT was also established to promote economic cooperation among Thailand, the northern states of Malaysia, and three provinces of Indonesia. It has focused on facilitating and enhancing trade flows and improving investment climate to enhance the living standard of the population. Seven major sectors of cooperation were identified as: transport, energy, telecommunication, environment, human resources, trade and investment, and tourism (Suthipand Chirathivat and Sakulrat Montreevat, 2004: 139).

The Eighth Plan (1997-2001) and current Ninth Plan signal a major shift in Thailand's development orientation from economic development to people-centered development. Within these plan's framework, the key themes are to enhance the development potential of the regions, to promote popular participation, to upgrade the capabilities of communities in the regions, and to strengthen regional administration. A number of strategically located border towns have become important in the urbanization and economic development process mainly due to cross-border economic activities (Chuthatip Maneepong and Chung-Tong Wu, 2004: 139). In this case, Nong Khai is one of the border towns that have potential as "economic bridges" linking Thailand with neighbouring countries, especially to Laos. Besides, Nong Khai also

has been becoming rendezvous or step stones for migrant workers from Indochina countries before entering into other cities in Thailand<sup>1</sup>.

To develop the border town of Nongkhai, the Thailand government has also been trying to boost the border trade growth, industrial sector, increased per capita income of province, and tourism sector. Tourism is the major success of the border town development. In particular, Nongkhai, which gains significant benefit from the first Thai-Laos Friendship Bridge, attracts an increasing number of tourists, especially international tourists. During the economic recession, Nongkhai was the most popular tourism destination of the northeast region for transit to Indochina countries and for the region's cultural and natural tourism resources (Suthipand Chirathivat and Sakulrat Montreevat, 2004: 149). The growth rate of international tourists increased during 1997-1998, while that of Thai tourists decreased in 1998 (see table 1).

**Table 5.1**  
**Tourism Data of Nongkhai Province from 1995 to 2002**

Item	1995	1996	1997	1998	1999	2000	2001	2002
<b>Tourist:</b>	335008	348235	385808	359487	382858	400121	417770	441895
Thai	312734	331257	367090	334899	344032	360006	374431	402900
International	22274	16978	1878	24588	38826	40115	43339	38995
<b>Average Length of Stay (day)</b>	1.85	1.85	1.87	3.47	3.17	N.A.	3.31	3.37
Thai	1.83	1.83	1.84	3.51	3.2	N.A.	3.37	3.42
International	2.18	2.19	2.16	2.96	2.99	N.A.	2.81	2.89

Source: Tourism Authority of Thailand

Development town of Nongkhai will be better and be faster if there is a high per capita income. Unfortunately, compared to other provinces and region, Nongkhai is ranked at lower rank (table 2). The per capita income of Nongkhai was about 25 per cent less than northeast regional per capita income.

**Table 5.2**  
**Per Capita Income of Nongkhai Province Compare to Other Region/Province**  
**From 1993 to 2000e (In US\$)**

Year	Nongkhai Province	Northeast Region	Songkhla Province	Southern Region
1993	411.02	419.67	1,044.02	841.55
1994	474.64	488.62	1,199.69	983.29
1995	553.45	573.52	1,396.57	1,170.52
1996	576.60	631.48	1,460.95	1,252.83
1997	571.36	632.52	1,471.00	1,252.98
1998	577.33	625.60	1,542.62	1,302.33
1999	589.24	612.40	1,440.55	1,207.81
2000e	571.69	626.60	1,480.33	1,280.81

Note: US\$ 1 = 42 Baht

Source: Office of the National Economic and Social Development Board

Labour forces were also significant factor in developing border town of Nongkhai. By reducing the unemployment rate, it means that the development has contribution in supplying jobs. However, it does not mean that unemployment rate—moreover dependency rate—will be shortly reduced along side the economic development in Nongkhai. The official unemployment rate of Nongkhai during the economic boom years of 1995-1996 was about 3 per cent and 2 per cent respectively, with additional seasonal unemployment at about 2 per cent and 0.8 per cent for the same year (see table 3). During and after the economic crisis the unemployment rate was also increasing significantly.

**Table 5.3**  
**Labour Force of Nongkhai Province from 1995 to 2001**

Labour	1995	1996	1997	1998	1999	2000	2001
Total Labour Force	452082	441382	456576	N.A.	446961	413339	403880
Employed labour	426927	426747	430822	N.A.	373 323	371136	346672
Unemployed labour	14437	10886	12748	N.A.	47468	21142	27485
Seasonal unemployed labour	9718	3749	13006	N.A.	26170	21061	29723

Source: National Statistic Office

Even though Nongkhai has been running development in the whole field, but it is contrary that land utilization is not significantly change. It is probably caused that the most investments in Nongkhai are mainly labour-intensive agriculture industries. As a result, the demand for land conversation to urban uses and others are still less than of for agriculture (table 4). It seems that from 1990-2001, forest areas in Nongkhai did not significantly change, even though it is in the driest and poorest region of Thailand.

**Table 5.4**  
**Provincial Land Utilization in Nongkhai Province**  
**(In Percentage)**

Land Utilization	1990	1991	1993	1995	1997	1998	2001
Agricultural land	53.03	53.85	54.06	54.21	50.58	51.24	51.31
Forest land	11.76	6.71	6.60	6.41	N.A.	10.55	6.32
Others	35.21	39.44	39.33	39.38	N.A.	38.20	42.37

Source: National Statistic Office

#### IV. Trade Contacts in the Thai-Lao PDR Cross Border

Since the start of the Asian economic crisis in mid 1997, the growth rate of Thai international trade has plummeted. Border trade is driven by real sub-regional demands, which are not immediately tied to the global market. The growth of cross-border trade is one of the reasons why it is important to understand cross-border development. Subregional co-operation between Thailand and neighbouring countries, particularly through the Greater Mekong Subregion (GMS) in 1992, significantly contributed to the growth of border trade of the sponsored towns, such as Nongkhai.

The major official border point for trading between Thailand and Laos is at Nong Khai (Thailand) and Thanaleng (Laos) because Nong Khai is the most important province in Thai-Lao border-trade and is the largest exporter to Lao. Besides, Nong Khai is a place for registering vehicle for delivery within and outside Laos and Thailand. No wonder if Friendship Bridge was built here across Mekong River. To cross the Friendship Bridge a toll is imposed on both sides. The present toll rate is around

USD 5 for a ten-wheel truck and around USD 8 per trailer. A Lao Custom official will escort the trucks from the bridge to the Thanaleng. Other crossing points are: Chiang Klang (Thailand) and Huay Xai (Laos), Nakhon Phanom (Thailand) and Tha Khek (Laos), Mukdahan (Thailand) and Savannakhet (Laos), and Chong Mek (Thailand) and Wang Tao of Laos.

All of the borders crossing points are on opposite sides of the Mekong River apart from the Chong Mek-Wang Tao crossing point. Nongkhai is the most important province in Thai-Lao PDR border-trade and is the largest exporter to Lao PDR. Major imports from Lao PDR are wood and natural resources while major exports from Thailand consist of motor vehicles and parts, machinery, electrical appliances, textile fabrics, medical, pharmaceutical products, foodstuff and clothing. The traditional currency for border trade between Thailand and Lao PDR is the Thai baht.

Carriage of goods across the border can only be done through designated and licensed road hauliers. Currently there are 5 licensed operators for transit cargo they include Express Transport Organisation (ETO), Ubonsahatham, Regional Container Line (RCL), TL Enterprises (the only Lao operator, in reality it's a joint venture with Thai interests) and the State Railway of Thailand (SRT). Import from Lao PDR to Thailand can move in any Thai registered vehicle, or in Lao registered vehicle for delivery within Nongkhai province. It is very probable that the 1997 economic crisis had an effect on the expansion of operators for Thai-Lao border trade ("Transit Issues for Landlocked Countries: The Case of Lao PDR", <http://www.unescap.org/LDC&Poverty/ESCAP%20case%20study%20on%20Lao%20PDR.doc>).

Based on the high volumes of border trade (see table 5 and 6), Nongkhai city or district bordering Laos is selected to represent the sponsored border town development.



**Table 5.5**  
**Border Trade between Thailand and Neighbouring Countries**

ITEMS	Volume of Trade (US\$ Million)						
	1995	1996	1997	1998	1999	2000	2001
<b>International Trade*</b>							
Total Volume	3,908.90	4,378.98	5,243.55	5,257.20	5,390.86	7,422.80	8,398.50
Export	1,613.47	1,938.50	2,792.16	2,887.29	2,960.48	3,889.00	4,184.48
Import	2,295.43	2,440.48	2,451.39	2,397.91	2,430.39	3,533.80	4,214.03
Trade Balance	-681.96	-501.98	340.77	497.38	530.09	355.20	-29.55
<b>Border Trade</b>							
Total Volume	1,534.18	1,547.96	2,201.06	2,699.43	4,094.40	5,397.99	6,158.20
Export	1,191.22	1,249.16	1,726.85	2,107.80	2,800.79	4,012.54	2,142.30
Import	342.96	298.80	474.21	591.63	1,293.62	1,385.44	2,142.30
Total Balance	848.26	950.36	1,252.64	1,516.17	1,507.17	2,627.10	1,873.60

\*Trade between Thailand and Myanmar, Lao PDR, Cambodian, and Malaysia

Source: Provincial Commerce Office, Department of Business Economics; Border Trade Information Centre, Foreign Division, Department of Foreign Trade; Department of Custom (Chuthatip Maneepon and Chung-Tong Wu, 2004:142).

According to the chart above, it seems that successful economic co-operation has flourished between Thailand and neighbouring countries. Compared with the international trade between Thailand and the neighbouring countries, particularly Myanmar, Lao PDR, Cambodia, and Malaysia, border trade from the beginning of the subregional programme (at the Southeast Asia subregional level) has clearly indicated its significance in terms of size and growth rate. In addition, it is notable that the growth rate of border trade is double that of the growth rate of total international trade, especially during the economic crisis. It means that border trade has always been positive, while this not always the case for international trade.

**Tabel 5.6**  
**Volume of Border Trade between Thailand and Lao PDR, 1994-2001**  
**(in US\$ Million)**

Items	1994	1995	1996	1997	1998	1999	2000	2001
Trade Volume	162.78	257.11	251.5	322.34	412.09	408.17	508.84	566.30
Exports	113.93	204.3	201.94	272.35	375.01	324.81	404.92	448.59
Imports	65.34	53.81	49.56	49.99	37.08	83.36	103.92	117.70

Source: Department of Customs

Considered by country, in the period 1994-2001, border trade volume between Thailand and Lao PDR has gained positive growth rate. Therefore, in terms of trade balance, Thailand's export is bigger than import (see table 6).

Exported and imported items of international trade and of border trade between Thailand and Lao PDR are quite similar. Border trade exports from Thailand to Lao PDR are predominantly classified as vehicle, petroleum, motor cycle, industrial goods, textile, construction material, electrical appliance, and cement (Suthipand Chirathivat and Sakulrat Montreevat, 2004: 143). While, import from Lao PDR to Thailand mainly include raw material such as mineral, log and wood; tobacco, tin, and fiber for weaving process (see table 7).

**Table 5. 7**  
**Major Exports and Imports between Thailand and Laos**  
**(In US\$ Million)**

International Trade (1997)					
No.	Exports	Vol.	No	Imports	Vol.
1.	Bicycle and spare part	19.63	1.	Log, Wood, and others	33.45
2.	Cloth sheet	12.58	2.	Wood products	5.13
3.	Electrical appliances and spare part	8.87	3.	Mineral and mineral particle	1.71
4.	Steel products and iron	8.68	4.	Tobacco leaves	0.5
5.	Ceramic products	5.63	5.	Raw and died animal skin	0.45
6.	Rice	5.35	6.	Coal	0.41
7.	Rubber products	5.21	7.	Raw material	0.26
8.	Chemical products	5.05	8.	Industrial Machine	0.07
			9.	Fiber for weaving process	0.05

Border Trade (1998)					
No.	Exports	Vol.	No.	Imports	Vol.
1.	Vehicle and auto parts	112.56	1.	Wood	15.83
2.	Petroleum	38.58	2.	Machine and equipment	3.97
3.	Motor Cycle and spare parts	19.97	3.	Log and wood	2.5
4.	Industrial goods	18.73	4.	Tin	2.45
5.	Textile	18.56	5.	Cupboard wood	2.35
6.	Construction material & equipment	16.05	6.	Lignite	1.04
7.	Electrical appliance	14.43	7.	Mineral and mineral particle	1.02
8.	Cement	10.54	8.		1.01
			9.		0.92
			10.		0.87

Sources: Department of Customs and Department of Foreign Trade

As mentioned above, Nongkhai is categorized as one of a sponsored border towns in Thailand—beside Chong Mek in Ubonratchathani province—where it has attracted government or multilateral agencies sponsored project or programme to develop this border town, which is located in the northeastern Thailand. It is notable that no development is ever without some form of government participation, either in the form of permission to change land use or in the form of regulations on the activities carried out at a particular location or building. It aims to encourage private sector investment to promote cross-border development. As a sponsored town, it was not surprisingly, that there was positive growth of border trade in Nongkhai from 1991 to 1992 (table 8). During and after the Asian economic crisis 1997, even though border trade at the macro level has increased, at the provincial level the total volume of border trade has been negative, even in the sponsored towns such as Nongkhai (Chuthapit Maneepong and Chung-Tong Wu, 2004:149).

**Table 5. 8**  
**Percentage of Exports and Imports**  
**at Border Customs Checkpoint of Nongkhai (In US\$ Million)**

Year	Exports	Imports
1991	80.94	27.63
1992	76.67	42.02
1993	79.58	24.56
1994	63.42	4.32
1995	57.61	23.22
1996	57.76	22.98
1997	48.89	57.49
1998	46.41	17.99
1999	33.07	20.95
2000	40.16	10.62
2001	39.71	13.97

Sources: Department of Customs and Department  
of Foreign Trade

During the Thai economic boom of 1993-1996, industrial sector in Nongkhai was also booming. Capital investments in Nongkhai district increased significantly, even during the economic crisis (see table 9). Numbers of factories were also increasing year by year. It means that the demand on workers also increased. Even though industrial sector was increasing rapidly in Nongkhai, but mostly investments in Nongkhai district are mainly labour-intensive agricultural industries.

**Table 5. 9**  
**Factory Data of Nongkhai District from 1993 to 2000**

Year	No. of Factories	Capital Investment (US\$ Million)	Workers	Machinery Horsepower
1993	120	9.40	1,234	20,751.20
1994	133	10.49	1,367	22,061.70
1995	155	13.46	1,551	24,609.09
1996	169	14.63	1,690	26,063.84
Growth rate (% p.a)	<b>13.61</b>	<b>18.56</b>	<b>12.32</b>	<b>8.53</b>
1997	178	17.82	1,773	26,732.00
1998	186	21.84	2,042	36,289.54
1999	204	24.55	4,286	37,799.67
2000	219	26.81	2,598	39,087.72
Growth rate (% p.a)	<b>7.68</b>	<b>16.82</b>	<b>15.51</b>	<b>15.4</b>

Source: Department of Industrial Works

Because of based on agricultural industries, it is not surprisingly that Nongkhai products origin are mainly agricultural products such as rice, tomato, pineapple, tapioca, para-rubber, and livestock, which are not exported to Laos or other neighbouring countries. In addition, major industrial product of Nongkhai are processed rice, sand for construction, and processed tapioca (see table 10). Conversely, imports and exports to Laos, or via Laos through Nongkhai checkpoints, including household consumer goods, medicines, and mineral and log, textile, cement, etc., are products of Bangkok or of non-northeast region (Chuthatip Maneepon and Chung-Tong Wu, 2004:158).

**Table 5.10**  
**Nongkhai Product and Border Goods via Nongkhai Custom Checkpoint**

Major industries (1997)	No. of Factories	Capital (US\$ Million)	Workers	Export via Nongkhai Checkpoint (1998)	Volume (US\$ million)
1. Rice mill	644	4,206.47	861	1. Petroleum	22.92
2. Tomato juice and canned vegetable and fruit	5	13,188.25	999	2. Motorcycle and spare parts	19.97
3. Sand for construction	84	4,582.70	459	3. Textile	14.59
4. Concrete products	82	4,390.67	589	4. Vehicle and spare parts	10.95
5. Processed tapioca	65	446.19	287	5. Industrial goods	8.81
6. Metal Products	49	1,034.88	178	6. Agro-industrial products	7.62
7. Motorcycle maintenance	30	3,238.30	159	7. Construction material	6.79
8. Ice cube	18	1,708.46	100	8. Roof tiles	6.19
9. Machine maintenance	17	771.96	93	9. Electrical appliances	5.48
10. Brick products	16	34.90	197	10. Cement	5.27
<b>Total</b>	<b>994</b>	<b>33,567.88</b>	<b>3,725</b>	<b>Total</b>	<b>108.59</b>

Source: Provincial Industrial Office of Songkhla and Department of Foreign Trade.

## V. Challenge and Opportunities

Nongkhai province, as one of the sponsored border towns received grants for special investment programme from the central government. Border trade in Nongkhai has increased considerably, but the development progress did not significantly compared to non sponsored border town. It means that it is still a challenge for the Thai government to succeed in the border town development, particularly in Nongkhai.

Strykiewicz, as quoted by Chutathip and Chung Tong Wu, recommended that industrial development in cross border regions should utilize local endowment and preserve local natural resources and local environment. Cross border development is founded on the immobility of factors of production, at least in the first stages of

border region and cross border region development (Chuthatip Maneepon and Chung-Tong Wu, 2004:157). The lack of local management skill is a key obstacle to attracting economic activities and sustaining development growth of borderlands. It is essential that even though borderland development is initiated by the central government, local governments must develop their international ties and have some devolution of power from the central government. Indeed both local people and local government are recipients of negative and positive outcomes of borderlands development.

It is mentioned above that Nongkhai main products are mainly agricultural products and are not exported to other countries. On the other hand, the labour structure of Nongkhai province is predominantly in agricultural sector, which have few contribution to cross border business. In addition, a number of workers from Nongkhai have alternative opportunities to work in other countries, especially in the Middle East and Singapore. In reality daily life, mostly the young people of Nongkhai are prefer to have activities or work in outside city, such as Udon Thani<sup>2</sup>. In spite of the significant transfer income from other countries, Nongkhai remains an economic backwater because the people of Nongkhai depend on the low cost agricultural sector and the fluctuating price of agricultural products sector. Therefore, it all caused significantly that Nongkhai has no much contribution to its regional indigenous resources. It should be though by central government and local government.

Actually Nongkhai has higher opportunities to develop their area because Nongkhai gain higher subsidy from the Ministry of Interior than other non-sponsored border town. In reality, Nongkhai municipality has less capacity to self-finance and is depend upon central government. Moreover, Nongkhai has limited development capacity due to severe staffing shortages in many development sections such as finance, health and environment, engineering, tariff collection and town plan staff. However, Nongkhai has opportunities to be better in developing because Nongkhai has strategic location connecting directly to Indochina countries, becoming tourist's destination, and supported by its population and area. Local entrepreneur of Nongkhai should take part in the border town development.

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<sup>2</sup> Interview with Mr. Thakun. an Thailand Air Force Captain. He comes from Nongkhai. July 22. 2005

## VI. Conclusion

Border town development in Thailand has significantly contributed to the Thai economy during and after the Asian economic crisis. There is, actually two categories in border towns development; sponsored border town such as Nongkkhai and Chong Mek and non-sponsored border town such as Sadao, Mae Sai, and Nakhon Phanom. In term of decentralization to the provinces, border town development, particularly for sponsored border town such as Nongkhai, has achieved only a few of the goals economic and social contribution. It indicates that border town development in Nongkhai was not driven fully by market demand and the local entrepreneur had no contribution to take apart in the development. It is essential to strengthen and empower local communities and local government in the border town development.

Border trade in the Thai-Lao PDR cross border, especially in Nongkhai tend to increased along side with the growth of Thai-Lao relationship, but it still need to maintain sustained economic development and a high quality of life for local people. It will be realize if there is sustainable promoting for local and indigenous industries in Nongkhai border town, expanding market for local industries and border town tourism, and increasing government investments in infrastructure. It is also to be noted that the central government should acknowledge that border town relationship, practices, and interests are different from international practices. This different framework will make local government more easily to create and manage their economic development.



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CHAPTER VI  
TRADE CONTACTS BETWEEN LAOS AND THAILAND:  
ECONOMIC CHALLENGES AND OPPORTUNITIES

*I Ketut Ardhana*

**I. Introduction**

In the previous chapters it was pointed out that Laos plays a major role in relation to the trade and economic aspects in the region. Before the coming of the modern state or European powers, there were no exact border lines between the countries in the region. After the emergence of modern states, influenced by the coming of western states, there are many, various and different perspectives and views on what the border actually means. It is of course, much influenced by the earlier period, through which each country had its own historical development.

Laos has borders with Thailand, China, Cambodia, Vietnam and Burma and due to this circumstance it is greatly influenced by the social, cultural and economic spheres of the region. Due to its 'land-locked' location, it can be understood that Laos is really dependent on its neighbouring countries. Meanwhile, Laos is also considered as a buffer state, for its neighbouring states in the mainland of Southeast Asia. There have been many influences, since Laos was colonized by the French in the colonial time. In addition to this, Laos was also attacked by the United States in the context of the American and Vietnam War. In certain regions of South Vietnam there are still many landmines and this area between Laos and South Vietnam is still considered unsafe. Sometimes trouble in the border regions of Burma as when the Wa, were 'encouraged' by China to oppose the Myanmar government, influences the peaceful situation in the border areas elsewhere.

Laos has bilateral trade relations with many countries including Vietnam, Thailand, China, India, Malaysia, Indonesia, Cambodia, Myanmar, the Philippines, Mongolia, Bulgaria, North Korea, Belarus, Russia, Argentina and the USA. Laos joined the Bangkok Treaty, which has six member countries: Bangladesh, India, Laos, Sri Lanka, Korea and China, in 1975. It gets tax privileges on two items from Sri Lanka, 9 items from India and four items from Korea ('Trade exchange, a key to poverty eradication',

in *Vientiane Times*, Tuesday, 21 June 2005). Our research will be focused on the borders between Laos and Thailand where it seems the borders of Thailand are better organized than the Laos borders.

However, Thailand is really helpful in encouraging economic development in Laos. After several years as observer of ASEAN, Laos became a full member of the association in 1997 and applied for WTO membership in the same year. As an LDC, Laos was granted General System Preference (GSP) a privilege with duty free and quota free market access to many developed countries.

Laos assumed the chairmanship of the ASEAN last July, and in that position Laos proudly hosted the 10<sup>th</sup> ASEAN summit last year. In the month prior to the meeting, the country was admitted as a full member to the ASEM. These developments have helped raise the nation's profile. Strengthening cooperation with the international community, Laos has made great effort to fulfil its obligations in terms of implementing international ties ('Laos, EU hold Human Rights Meet', in *KPL News*, 15 June 2005).

In this context many efforts have been made to simulate the economic development among the regions. Laos and the European Union have an agreement on institution building and administrative reform, governance and human rights. The aim is to strengthen mutual trust and confidence between the two sides. Laos and the EU can exchange their experiences, views and information. This is a forum for bilateral dialogue and has been implemented at a phase of much significant development in Laos ('Laos, EU hold Human Rights Meet', in *KPL News*, 15 June 2005).

Not only in terms of industrial products, but also in terms of sea products, due to its geographical position Laos is currently dependent on neighbouring states, however, Laos itself can actually cover its own needs in terms of the population's daily needs since Laos has a small population in comparison to other Southeast Asian countries. In order to understand better the extent of trade contacts between Laos and Thailand, this research will focus mainly on some issues; firstly: on the border gateway between Nongkhai and Savannakhet, secondly: on what kinds of products are imported and exported, thirdly: the Lao and Thai policies on managing the cross border trade contacts, and finally what we can learn from the case of Laos and Thailand relating to

the trade contacts in the regions. By analysing and discussing these issues we hope that we will understand better the trade contacts between Laos and Thailand and how the relationship among the countries in Southeast Asia should be maintained. Both Thannaleng and Savannhaket can be taken as examples on how the border points are becoming significant not only for Laos, but also for Thailand. It is not only goods that are imported and exported through both the cities, but also passengers move through these cities. The pass controls here are quite strong in anticipating any issues on human movement from Thailand to Laos and vice versa.

Despite this chapter being much concerned with the two regions it does not mean that other areas will be ignored. The reason is that besides Thailand, other neighbouring states like China and Vietnam have significant roles in terms of the education system and political ideologies for Laos, since Laos is a socialist communist state in Southeast Asia. Vietnam for instance, has led the way in planning investment in Laos. The Decree of the Prime Minister, No. 46/ PM, 23 March 2001 regarding the implementation of the law and the promotion and management of foreign investment in the Lao PDR, is in relation to the protection of foreign investment and foreign investment licensing.

## **II. Towards Well Organised Border Regions: Between Nongkhai and Savannakhet**

In the larger context, Southeast Asia has certain issues on human movement across the national boundaries. However, we have little information about what is really happening at the local levels. Therefore, this research will try to elaborate how efforts are made to increase the knowledge of local scholars in understanding the moving of people and also goods, agricultural products and also ideologies. People of Southeast Asia cross the national boundaries for certain reasons: social, cultural, economic and even political ones. Laos is one of the countries in Southeast Asia, which is seldom paid attention to by scholars in Southeast Asia in comparison to study of Thailand and Vietnam. Thailand is the best known state in Southeast Asia due to its tourism industry, based on its traditions and culture. Vietnam in recent developments shows the importance of organising the tourist industry. Both of the states have their richness of tradition and culture based on the Buddhist religion and both influence strongly development in Laos.

Nongkhai is located in Thailand and Savannakhet in Laos. Savannakhet is one of the big cities through which the Mekong River flows and has become the main transportation route in the region. The surrounding regions of Savannakhet will grow, since it will be influenced by the development of namely, Savannakhet and Danang; a big city on the Vietnamese border. The distance between Danang and Savannakhet is around 240 km. There are more than twenty border points between Laos and its neighbouring states. Tannalaeng is a checkpoint on the border in Laos; face to face with Thailand (Nongkhai). In the warehouse here not only everyday goods such as food, furniture or handcrafts have been deposited, but also new cars, trucks and other important goods from overseas, like the second hand cars, particularly from Japan, Germany, Korea and other Asian countries. Due to the importance of this place, here we can see also a customs office where people must report their products to be transported out of or into Laos.

Sometimes many people cross the border like tourists, but in fact they are actually traders. They bring food, construction products, ceramics, roofing materials, consumer products from Korea, Japan even Indonesia, through Malaysia and Thailand, since Laos does not have a sea port. This might be important for the police if they wish to control the border regions between Laos and Thailand. Meanwhile, Savannakhet is considered an economic corridor from the northern regions of Thailand through the Mekong River. This place is important for the region when economic relations among neighbouring states are increasing. It is not surprising that many people believe that Savannakhet is an important place like Vientiane and Champasak. As in Nongkhai, in Savannakhet there also two offices, particularly for passenger and goods traffic. Most of the traders are women. However, there are sometimes illegal traders who cross the borders. If they come across the border illegally, they will return the same way, particularly by crossing the rivers. In the past, the Thai and the Lao governments closed the borders, but since 1994 they have had an agreement to keep the border open for the sake of economic, social and cultural relations, this means that all people crossing the borders need a document. It is important to note also that the immigration officials must transfer from one immigration office to another after six months; to minimize the possibility of corruption at the same place and is due to demonstrations and protest actions from certain NGOs.

### **III. Human and Goods Movements in the Border Areas between Laos and Thailand**

The length of the border from the north to the south is around 1835 km including both the land and the river borders. The length of the border with Vietnam is around 2067 km. As the states in the region want to maintain the regions as peaceful, many people are interested in visiting the regions; like the Lao workers, mostly men rather than women.

As long as the maximum price of goods to be traded is less than 1,000 Baht, (Baht 1= 267 Kip, US\$1= 10.700 KIP), the person has a gate pass, valid for one year, he/she does not need to pay taxes but must have an income tax clearance, about which he/she must inform the immigration officials, they may go across the border. This tax applies only to the Lao and not to overseas visitors. A bus crossing the border must pay Baht 20, a private car Baht 500 and an individual Baht 50.

It is noted that last June (2005), there were 26.352 people who went across the borders from Thailand to Laos and 46.900 from Laos to Thailand. Sometimes Lao people visit Thailand for three days on legal visits when they go shopping, or work on farms or in restaurants. In Thannalaeng (Laos) which is close to Vientiane and Udhonthani (54km from Vientiane), we can see many duty free shops, selling specific products like wine, whisky and other drinks. In Vientiane there are many mini markets. The goods are distributed from Thannalaeng. The research on trade contacts between Laos and Thailand studied some examples in Nongkhai and Savannakhet. The Ministry of Commerce was pleased to help and accompanied us to carry out research in Laos by accompanying us to Thannalaeng and Savannakhet in Laos and Nongkhai in Thailand. The difference between Thannalaeng and Savannakhet is that Thannalaeng is close to the capital city of Vientiane and from Savannakhet it takes around five hours by car to Vientiane. It is predicted that Savannakhet will soon be the biggest city after Vientiane, since there will be built a bridge connecting the Lao and Thai borders. The local people welcome the building of the bridge since this will create many job opportunities and economic chances which will be able to develop the local people. To cross will take around 10 to 15 minutes; at present a passenger pays 10,000 KIP to cross the River from the Lao to the Thai border. Until now there have been around 45 trucks which came to and left Savannakhet daily. When the bridge is

finished, it is predicted that there will be an additional 50 trucks or even more, that is, 200 trucks crossing the border between Thailand and Laos every day.

In addition to this, Australians will help Laos to build up the region in the context of gold production. In the meantime, Laos (Savannahket) and Thailand are reached by using boats which belong to certain local people of both the two areas. When the bridge is finished the question is: What will be done by the people, since the passengers will not use the boats, but buses from both countries?

In Thannalaeng in many of the duty free shops, the traders sell a special beer, made by the Lao. The price of a bottle of beer is around Baht 40. This beer is very famous among western people and it is thought that producing this beer can attract a number of tourists to visit Laos. From the 100per cent of the beer made in Laos, only around 10per cent is exported to western countries while the rest is drunk by local people with dinner in a shop or restaurant. If they have guests, they never forget to offer the Lao beer. It is noted that this beer is not exported to Thailand since the country already has its own beers. Savannahket is located around 700km from Vientiane. The road from Vientiane to Savannahket is quiet, but its quality is very good. There are not many cities between the two cities. There is limited transportation and many regions are still undeveloped economically and investments seem few. However, in comparison with other Southeast Asian countries, Laos has more traffic accident victims since the people have not been taught how to use the roads safely, particularly in the main cities of Laos.

There is an interesting point to show here that someone who works in Thailand will monthly earn Baht 6000 or working on a farm, Baht 2000. That is more than he would get in Laos, if he worked in the same fields. If he goes across illegally they sometimes he has to pay the police Baht 3000. These people usually have their own boats and live near the Mekong River. To cross legally, the local people need to have border passes and must pay Baht 50 for one crossing of the border.

The majority of people in Laos are shifting cultivation employing farmers and agricultural and forest products are brought and sold to Thailand. It is interesting to show the procedures for the people crossing the borders. The traders usually show their products to the checkpoint immigration officials, to make sure that there are no pro-



hibited products.

There are many reasons why the people come across the border between Laos and Thailand. One of the significant ones is that the people of Laos in general are dependent on Thai industrial, trade and even agricultural products, like vegetables, particularly in the southern provinces. In addition to this the Lao believe that if they work in the Thai border areas they will get higher salaries than in Laos itself. They do not really care about the price for crossing the borders.

To cross the border the people need to have passports. The Lao people need 60.000 KIP for the border passport which is valid for one year. There are two kinds of permits for crossing the borders between Laos and Thailand. Firstly: a single crossing for Baht 100, and secondly: the valid passport for one year which costs Baht 200. If they have the annual pass it is cheaper than paying for the single pass. The pass is very useful for the local people, because without having these kinds of passports it is impossible for the local people to come across to Bangkok. In addition to this, the Lao people must have three kinds of money such as KIP (Lao money), Baht and US Dollars. The Lao KIP is often subject to inflation when compared with other currencies.

The importance of cross border relations can be seen in the intensity of human movement in the border regions. There are, of course, increasing numbers of Lao people crossing to Thailand for job opportunities. However, there are not many Thais crossing to Laos. Of the Thais crossing to Laos, they do so not to visit Laos, but to visit Vietnam; they must pass through the Lao region to come to the first checkpoint on the Vietnam border in Danang. This unwillingness to visit can be understood since Laos is less developed than Thailand in terms of economic and trade sectors. It can be seen that the Thai and Vietnamese buses are of better quality than the buses from Laos itself.

It is calculated that 1500 people come across the borders every day with fewer Thais than Lao crossing. It is assumed that there are many people who come across the borders illegally. But until now nobody knows the exact number of illegal workers crossing the Thai borders. It is calculated that the total number of Lao people who stay illegally in Thailand is around 180.000. Some of them, particularly Lao girls and women work as prostitutes. However, the Lao government is trying to prevent or at

least to minimize the involvement of people in the illegal business activities. In this context the government also is trying to protect the Lao people against human trafficking.

There are around twenty boats coming and going across the Thai borders every day. Trucks and containers carry goods from Thailand to Laos and vice versa. When the cost of the transportation is calculated; if it is not acceptable, the local authorities will assign the products to the domestic markets.

In Savannhaket for instance, there is a traditional market, where the local people sell certain Thai products like, soap, other industrial products, construction products, stone for craft use and traditional medicines from forest products. The price of textiles, for example, is from Baht 200 to Baht 350. The Thai people who visit Laos usually take back handcraft products or gold which can be sold in Thailand to the tourists.

**Table 6.1**  
**Import Tax to Laos**

		<b>Fiscal Year 2003-2004</b>	<b>Fiscal Year 2004-2005</b>
1	TON	398.374.899.98	226.728.516.81
2	US \$	279.457.339.92	241.907.496.20
3	KIP	3.215.029.945.167	6.519.469.465.149
4	CUSTOM TAX	213.576.623.450	278.984.040.800
5	IMPORT TAX	222.443.347.382	537.547.497.302

**Table 6.2**  
**Statistics for Passengers and Cars (in and Out) in Thannalaeng (Laos)**

Month	In					Out			
	Passgr.	Car	Trailer	Very big car	Value in Baht	Passgr.	Car	Trailer	Big trailer
10/2004	46.042	1.926	857	2.062	2.642.680	39.682	5.840	812	632.500.000
11/2004	40.663	1.757	822	2.117	2.342.990	34.974	5.414	511	562.060.000
12/2004	46.102	2.118	1.014	2.605	2.402.700	50.794	7.771	582	808.470.000
01/2005	48.076	2.000	812	2.074	2.353.880	48.015	6.875	338	736.335.000
02/2005	39.756	2.100	903	2.257	2.064.940	42.058	6.077	311	645.590.000
03/2005	45.844	2.300	1.035	2.916	2.415.670	46.575	5.200	518	716.555.000
04/2005	57.012	2.200	844	2.469	2.831.180	45.152	6.565	637	690.100.000
05/2005	48.347	2.500	1.008	2.871	2.494.620	49.100	7.125	591	754.320.000
06/2005	36.332	2.400	972	2.723	2.892.520	47.900	6.400	770	718.400.000

**Table 6.3**  
**Imports of Lao PDR from 2000-2003**

No	Major import items	2000/2001	2001/2002	2002/2003	2003/2004
1	Agriculture and animal equipment	18.066.577	8.801.632	16.819.120	16.500.000
2	Office and sport equipment	2.027.131	4.423.992	3.959.489	4.500.000
3	Commodities (food, vegetables)	16.919.515	16.339.630	22.692.166	17.500.000
4	Clothes (garment stuffs)	10.432.795	13.254.406	13.523.229	8.240.000
5	Electronic and spare parts equipment	2.794.732	3.223.917	3.690.201	5.150.000
6	Construction equipment	29.894.211	28.090.341	21.357.510	19.000.000
7	Fuel and gas	98.831.196	79.605.822	107.000.000	110.000.000
8	Medicine and equipment	4.200.657	2.679.247	1.845.718	2.000.000
9	Vehicles and spare parts	19.334.063	18.678.147	28.542.193	28.000.000
10	Luxury products	741.540	1.534.235	4.163.545	2.000.000
11	import of electricity	4.108.656	6.788.270	7.552.440	7.550.000
12	Other products	18.092.553	14.099.427	6.984.326	6.180.000
13	Import of raw materials	80.173.333	73.685.033	55.596.961	70.000.000
14	Informal trade	76.404.240	80.224.452	21.338.065	10.000.000
15	Goods for exhibition and sale			2.000.000	6.180.000
16	Other raw materials			43.036.907	49.000.000
	Total imports	382.021.199	351.428.553	360.101.870	361.800.000
	Imports of foreign investment projects	146.250.000	182.154.549	191.017.517	200.500.000
	Total imports of Lao PDR	528.271.199	533.583.102	551.119.387	562.300.000

The Canadian government donated US\$ 30,000 to Laos to support the agricultural sector. The Canadian government agreed to contribute to the project, which covers many services in Laos. The cooperative project covers training in and support for organic farming practices, training courses for women and equipment for libraries in the three provinces in the program in ethnic languages. This covers also minority ethnic groups, who are the primary target group of the project ('Canada funds projects in three provinces', in *KPL News*, 11 July 2005).

**Table 6.4**  
**Exports Fiscal Year 2001-2002 by country and by group of products**

	Value- US	Wood & its processing	Rattan/ Bamboo	Mining	Forestry Produced	Agriculture products	Coffee	Handicraft	garment	Other industries	electricity	other	Grand total
Grand Total													
ASEAN													
1	Brunei												
2	Cambodia	1,960				53,949							55,909
3	Indonesia												
4	Malaysia	44,678								24,145			68,823
5	Myanmar			2,000	7,500		15,240						24,740
6	Philippine						15,120						15,120
7	Singapore	24,000			10,246		95,652		37,446	3,622,404			167,315
8	Thailand	41,008,759	1,265,086	2,798,750	5,958,409	4,977,154	277,213		1,125,957	2,344,275	92,694,000		156,727,723
9	Vietnam	17,531,239	811,738	1,044,429	713,438	1,913,113	155,010		314,009	6,190,321			25,030,252
10	Total	61,613,636	2,076,824	3,845,180	6,689,584	6,890,268	612,184		1,477,412		92,694,000		182,089,911
	China	9,170,454	853,396		1,329,708	538,212	13,365		6,020				11,911,155
	South Korea	1,959,920										39,560	1,999,280
	Japan	733,489						1,045,345	48,988				1,827,822

In Laos, wood processing industries could become key exporters to the EU market. The Lao National Chamber of Commerce and Industry (LNCCI) have joined forces with the European Union to launch a project to upgrade wood processing companies to improve for the European market. Laos started by exporting to neighbouring states and then targeted the EU market. Wood exports to the EU are low because of the lack of market research and high transportation costs. However, wood products rank fifth among Lao exports. Local project partners include the LNCCI, the Lao furniture Association and the Lao Handcraft Association. The two partner organizations from Germany are Handwerkskammer Koblenz (the Koblenz Chamber of Trade and Craft) and the Foundation from the Economics Department and Vocational Training. The project is a part of the Asia Invest program, a European Union initiative that aims to promote and support business cooperation between the EU and Asia for increased trade and investment flows between the two regions ('Bright prospects for wood exports to Europe', in *Vientiane Times*, Wednesday 8 June 2005).

Rattan is among the oldest natural furniture materials in use today. Unlike bamboo, which is hollow, rattan is a solid timber vine that grows in the jungles of Laos. All rattan is cut in Laos and the raw rattan is then boiled with a special liquid chemical to protect the rattan from damage by insects. The rattan is then put in the hot sun for at least a month to dry. ('Rattan Furniture a hit with foreigners', in *KPL News*, 1 July 2005:5).

**Table 6.5**  
**Imports of fiscal year 2002-2003 by country and group of products**

	Brun.	Camb.	Ind	Malay	Myan.	Philip	Singapore	Thailand	Vietnam
Agrt machinery		83.687	36.240				27.158	112.962.402	1.988.683
Office equip.							154.170	1.795.966	
Clothing							54.209	7.483.252	212.007
Food			70.000	135				19.181.539	2.797.853
Elec							2.974	1.900.835	154.176
Medicine						14.296		891.481	171.144
Petroleum								103.677.058	3.322.942
Luxury goods							1.541.356	1.006.201	72.069
Construction				8.561			6.893	15.840.089	3.259.771
Vehicle			59.887	66.171				13.799.025	128.067
Raw material			29.500				2.892	16.926.300	1.900.210
Informal trade								11.836.291	7.750.887
Imp. Ele								7.009.440	543.000
Imp.project								95.508.759	24.832.277
Ind goods		16.000					98.569	15.372.310	2.554.749
Item on display								508.576	1.090.235
Other goods								1.325.890	737.081
Grand total			195.627	74.807		14.296	1.888.220	327.025.414	52.333.474

**Table 6.6**  
**Exports of fiscal year 2003-2004 by countries of destination and by groups of products**

	Brun.	Cambodia	Ind.	Malay	Myan.	Philip	Sing	Thai	Vietnam	Total ASEAN
Wood products		372.169		10.490			6.288	47.901.586	19.838.294	68.128.827
Rattan/ Bamboo								80.884	902.761	963.645
Minerals							576.874	2.333.261	2.910.145	2.945.144
Gold										
Forestry Products							1.564.013	1.023.540	2.687.553	3.237.036
Live animals							2.720.110	1.272.507	3.982.617	4.082.409
Coffee				9.000		10.980	310.698	385.551	824.790	1.640.987
Other agr. Products				9.000		10.980	4.196.576	775.942	4.990.496	3.877.258
Handicraft							198.437	14.396	212.823	341.121
Garment				6.779		2.175	94.623	3.271	62.165	189.773
Other ind. Goods				18.800		134.100		1.150.475	296.236	1.833.858
Flect								36.295.857		36.295.857
Others								176.257	254.588	1.988.910

There is an increasing number of expatriates, like Americans, who have fallen in love with rattan furniture while in Laos. They decide to bring it back to their hometowns so that they have something to remember Laos by. Sometimes tourist buses from Thailand also stop in Laos. Customers usually walk in with empty hands, but go back with bags of products from the shops.

The busiest time for the shops is during the Lao New Year and the international New Year. During these two festive seasons, people like to give their houses a new look either by painting or by purchasing new furniture. On the other hand, the rainy seasons means a dip in incomes, because tourist numbers drop considerably

Rattan handmade furniture is exported to Thailand and Vietnam. The spacious shops house more than 100 items for sale, including furniture sets, tables, chairs and beds which are all selling like hot cakes. Prices start at 4,000 KIP (less than US\$1) for a clothes' hanger to 10,000,000 KIPkip (more than US\$ 900) for a set of rattan furniture. Products are produced in a factory located in the Thoulakom district in the Vientiane province where the furniture and other products are all handmade, adding to the exquisiteness of the products ('Rattan Furniture a hit with foreigners', in *KPL News*, 1 July 2005:5).

**Table 6.7**  
**Statistics for passenger (in -out)**

Country	Men		Female		Children		Total		Official		Visit		Business		Travel		Passenger		other
	In	out	In	out	In	Out	In	Out	In	out	In	out	In	out	In	out	In	Out	
Australia	5	3	1	0	0	0	6	3	0	0	0	0	4	3	2	0	0	0	0
Italy	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0
French	3	1	3	1	0	0	6	2	1	1	0	0	0	0	5	1	0	0	0
England	3	0	0	0	0	0	3	0	1	1	0	0	1	0	1	0	0	0	0
Indonesia	0	0	1	1	0	0	1	1	0	0	0	0	1	1	0	0	0	0	0
India	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0
Japan	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0
Laos	11	25	22	20	0	0	33	45	27	33	0	0	6	12	0	0	0	0	0
Holland	3	0	2	0	0	0	5	0	5	0	0	0	0	0	0	0	0	0	0
New Zealand	2	0	0	0	0	0	2	0	0	0	0	0	2	0	0	0	0	0	0
Papua Nuiginea	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0
Switzerland	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0
Thailand	28	30	13	9	0	0	41	39	1	0	0	0	12	12	28	26	0	0	1
USA	2	0	4	4	0	0	6	7	1	1	0	0	0	0	5	6	0	0	0
IN	9	27	6	11	0	0	15	38	0	0	0	0	0	2	15	36	0	0	0
Islandia	0	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0
S.Korea	0	1	0	1	0	0	0	2	0	0	0	0	0	0	2	0	0	0	0
Singapore	0	1	0	1	0	0	2	0	0	0	0	0	2	0	0	0	0	0	0
Total	71	91	52	49	0	0	123	140	36	35	0	0	0	32	59	72	0	0	1



#### **IV. Laos Government Policies in Managing the Trade and Economic Dimensions with Southeast Asian and other countries**

The Lao economy is currently integrating more and more with the regional and international ones. The international trade exchange is a key factor in the country's bid to graduate from its 'least developed' status by 2020. In this case, it is stated that any country which only focuses on production and services for its domestic consumption, without international trade exchanges will lower the living conditions of its people. Therefore, the international trade exchange can help accelerate economic growth and can improve the people's living conditions. In other words, the international trade exchange is important for every country's development. Since every country has accepted to be a part of the global economy, no country in the world can develop without trade exchange ('Trade exchange, a key to poverty eradication', in *Vientiane Times*, Tuesday, 21 June 2005).

The Laos government has resolutely promoted democracy and the rule of law as well as the protection and respect for fundamental human rights. As a result, a new constitution was adopted in 1991 and was amended in 2003. The National Assembly has amended laws on the National Assembly, the People's Court, the electoral process and criminal procedure codes, and adopted new laws on the protection and development of women, local administration, and anti corruption. The adoption of such new legislation meets the present needs for political and sociological development in Lao society. The government has pursued a foreign policy of peaceful independence, friendship and cooperation. Policies are based on mutual benefits with all friendly countries ('Laos, EU hold human rights meet', *KPL News*, 16 June 2005). In the past twenty years, Laos has adopted a renovation policy that has brought about comprehensive change in political and socio economic life for the entire Lao society. Since the adoption of the new policy, Laos has made many significant achievements in development and in the implementation of government policies. The adoption of a new economic system has established a market oriented economy, replacing the earlier centrally planned economy. Rural development and poverty alleviation are high priority projects.

In 1996 the Thai government issued policies to list illegal migrant workers in Thailand. Despite that they were illegal migrant workers, the government tried to provide

a temporary amnesty. This kind of policy was aimed at the migrants particularly from Burma, Laos and Cambodia. This was conducted in 43 provinces of the 76 provinces in Thailand for only certain occupations. These illegal workers had to apply between 1 September and 30 November 1996. This effort cost Baht 2500, namely, Baht 500 for a medical check, Baht 1000 for insurance to the Thai government, and the other Baht 1000 for a work permit. After the first year, the workers got work permits for certain years at an additional cost of around Baht 1000 but only if there was no criminal action in the first year. At the end of registration there were around 293.652 illegal workers who got their work permits consisting of 256.492 Burmese, 11.594 Lao and 25.566 Cambodians. More than 20.290 illegal workers failed to get work permits from the Thai government. The policy on registration of 1996, it seems was quite successful due to that more than half the migrant illegal workers had already applied and had, not been accepted by the Thai government (Stern 1998: 83).

### **Thailand:**

Both the Lao and Thai states have a board like the Board of Commerce. Through this institution both of the states have managed their economic and trade issues, so that any problem can be minimized. The significant aspect of the economic cooperation was in relation to garments or textile products which had been in competition from one state to the other state.

If some one wants to go Thailand he does not need to have a visa. Foreign investments come from the top rank of Thailand. As well, the ADB has invested in Laos besides the Japanese and others. Some investors are involved in manufactures and agriculture. It is well known that Laos is rich in certain natural resources such as gold, timber, and agricultural products. However, not all of the overseas influences were paid attention to by the Lao government. For instance, to how the Lao government must pay attention to the Thais regarding 'bird flu' which has spread in certain Southeast Asian countries. Vientiane is setting up decontamination checkpoints for all vehicles entering Laos in accordance with a recommendation by the International Epizootic Organization (OIE) which announced new measures this year to prevent further bird flu epidemics. There are 20 checkpoints in 12 provinces funded by the International Epizootic Organization (OIE) and many of these charge a fee for the decontamination service. All vehicles entering Laos at these checkpoints are sprayed with chemical disinfectant to prevent the spread of flu but when departing Laos. It is

said that they only suspect that the tyres may have come in contact with the virus because these vehicles travel everywhere in the region.

### **Vietnam**

The Border Guard Command in the two northern border provinces of Dien Bien Phu and Son La signed a memorandum of Understanding (MOU) with a visiting delegation from the Military Command of the Lao Phongsaly and Luang Prabang provinces on promoting joint efforts in the management of their common border. Under the MOU, the two sides agreed to educate local communities about the countries' border regulations; inform each other on situations relating to border security, and agreed upon instructing border guard forces at the district level. Hamlets of Laos and border guard posts and communal authorities of Vietnam will increase bilateral patrols of common border areas. The two sides will cooperate to solve the unplanned resettlement issues, crack down on border crossings and other violations of border regulations according to the laws of each country and will together inspect and repair landmarks. An annual meeting between the Border Guard Command of Dien Bien Phu and Son La provinces and the Military Command of Phongsaly and Luang Prabang, aiming to inform each other of the situation and review the results of their cooperation in safeguarding the 385 km border will be held. ('Laos, Vietnam promote border cooperation', in *KPL News*, 7 July 2005: 3).

### **Malaysia:**

Malaysia and Laos established diplomatic relations on 1 August 1966 at which time the closest embassy was located in Bangkok. In 1990 Malaysia opened an embassy in Vientiane. In 1991 Laos opened its embassy in Kuala Lumpur. Since the exchange visits between the two countries' high ranking officials have been made a part of activities to further the relations and cooperation between Malaysia and Laos. Malaysia provided technical assistance to Laos including 96 scholarships for short term training in Malaysia. Malaysia and Laos have signed an agreement on air cooperation and promotion and protection of the investment made by the two countries. They have also signed agreements on trade, economics, science and technical cooperation, a Memorandum of Understanding on payment through the banking system and an MOU on the Park-shong resort in Champasak province among others. The friendly relations and cooperation between Laos and Malaysia reached a milestone when Prime Minister Sisavath Keobounphanh and National Assembly President Samane Vignaketh

paid goodwill visits to Malaysia in 1992, 1998, and 2001. Meanwhile, high ranking delegations from Laos led by the Prime Minister and Minister for Foreign Affairs Somsavath Lengsavad visited Malaysia recently. On the other hand, Malaysian Prime Minister Dr. Mahathir Mohammad visited Laos in 1994. The Vice President of the Malaysian Information, Communication and Technology Company visited and had a working session with the Lao Ministry of Education in 2002. In 2001, a high ranking delegation from Malaysian National Defence also visited Laos. The exchange visits between the two countries' leaders and high ranking officials is one of the main factors in the further understanding and cooperation between Malaysia and Laos. ('Cooperation between Laos and Malaysia increases', in *KPL News*, 7 July 2005.

### **Indonesia**

Indonesia is careful in facing the political situation in Laos. This means that although there is opposition from western countries against the Lao government, in fact the Indonesian government should act carefully. Indonesia helped Laos to be a member of ASEAN. Among the Southeast Asian countries it is only Indonesia that does not have investments in Laos. This is also one reason, why the Lao government, in this context, the Ministry of Commerce was so helpful in assisting the research which was done by the Indonesian researchers on the trade contacts between Laos and Thailand. In this respect, there was hope that the Indonesian government would take part in looking at business or investment opportunities in Laos in the future, even though the total of Indonesian investment in Laos is still limited, with the Indonesian products still brought across the Malaysian and Thai borders to Laos. On the Indonesian Independence Day on 17 August 2005, there were not many Lao taking part in the celebration.

In comparison to Thailand, on the Lao border there are not many police controlling the borders. This means that the borders are often only controlled by the Thai border police.

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CHAPTER VII  
LAOS: TRANSPORTATION SYSTEM AND BORDER RELATIONS WITH  
THAILAND

*Mayasuri Presilla*

## I. Introduction

Laos is a state located in the Southeast Asian Region. It is a landlocked country since it has no coastline. Laos is surrounded by Thailand (1,754 km) in the west, Cambodia (541 km) in the south, Vietnam (2,130 km) in the east, China (423 km) in the north and Myanmar/Burma (235 km) in the northeast. Hence, this country has 5,083 km of total land boundaries. Among the five countries that surround it, Laos is considered the poorest. ([www.cia.gov/cia/publications/factbook/geos/la.html](http://www.cia.gov/cia/publications/factbook/geos/la.html)). Rivers and mountains dominate the country's topography. The largest river, the Mekong (Nam Khong), runs the entire length of the country, providing fertile flood plains for agriculture and forming the country's border with Thailand. ([www.cia.gov/cia/publications/factbook/geos/la.html](http://www.cia.gov/cia/publications/factbook/geos/la.html)). Thailand and Laos share a common border of 1,810 kilometers (702 km of land boundary and 1,108 km of water boundary). The Mekong River itself serves as a 960 km natural boundary between the two countries.

In economic matters, Laos supplies some export goods not only to its neighbours like Thailand (20.7%) and Vietnam (15.9%) but also to distant western countries, such as France (7.3%), Germany (5.3%), and Belgium (4%). The goods include garments, wood products, electricity, coffee and tin. However, among countries of Southeast Asia, Laos is most closely tied to Thailand. This is due to the interrelatedness between these two countries for centuries. As there are numerous border checkpoints along the border area, what are border relations between Laos and Thailand like? The latest situation and conditions of Laos and the Lao transportation system will be examined, described, and analyzed in this paper.



**Plate 7.1: Map of Laos and its neighbors**

## II. Glimpse of the Laos and Thai Political Antecedents

This part will briefly thrash out the political situation in Thai/Lao border areas over centuries. It was in the fourteenth century when a confederate Thai/Lao state emerged. Tradition says that the Lao people originated in the valley of Dien Bien Phu, from where some of them ‘migrated to Luang Prabang, driving the earlier inhabitants, who came to be known as Khas people into the hills (Hugh Toye 1968: 9). In the mid 14<sup>th</sup>.century, a Khmer sponsored warlord, Fa Ngum, combined a number of scattered principalities around Luang Prabang to form his own kingdom, Lan Xang (‘a million elephants’). The kingdom initially prospered, but internal divisions and pressures from neighbours caused it to split in the 17<sup>th</sup> century into three warring kingdoms centered on Luang Prabang, Wieng Chan (Vientiane) and Champasak [www.lonelyplanet.com/destinations/south\\_east\\_asia/laos/history.htm](http://www.lonelyplanet.com/destinations/south_east_asia/laos/history.htm)).



By the end of the 18<sup>th</sup> century, most of the Lao area came under Siamese (Thai) suzerainty but the territory was also being pressured by Vietnam. Unable or unwilling to serve two masters, the country went to war with Siam in the 1820s. This disastrous ploy led to all three kingdoms falling under Thai control. By the late 19<sup>th</sup> century, France had established French Indochina in the Vietnamese provinces of Tonkin and Annam. The Thais eventually ceded all of Laos to the French, who were content to use the territory merely as a buffer between their colonial holdings and Siam.

A century later the French empire in Indochina was firmly established. Laos had become part of French Indochina in the late 19<sup>th</sup> century after several disputes and treaties between the French and the Thai. It was a Franco/Siamese treaty, signed on 3 October 1893 that brought all the territory east of the Mekong as far north as the Chinese frontier to the French. Afterwards, the French empire extended its territory from the coast of Vietnam to the Mekong through the whole length of Laos. It was rounded off in 1904 and 1907 when Siam handed over its Cambodian provinces and the Laotian provinces, as part of a general settlement with France. In other words, the Franco/Siamese Treaty of 1907 defined the current Lao border with Thailand.

The Laos that was formed by the French was, however, very different from the old kingdom, the greater part of it was now within the frontiers of Siam. Old Laos had been the land of the Mekong. The great river had been the national highway for trade and the Lao people on its banks had been united by their simple industries and seasons. The new Laos was thus not only the same as the old kingdom; it was also critically different from the buffer zone which had separated Siam from the Vietnamese in the nineteenth century. The population of Laos fell thus into two potential hostile sections: the Lao in the valleys of the Mekong and its tributaries, and the hill peoples who had severally in the past resisted Lao rule. In the peaceful era, brought by France, the life of the Mekong valleys revived. The Lao people mingled freely across their great river; the scattered hill people hardly noticed the new boundary posts in the northeast (Hugh Toye 1968: 46-48).

The outbreak of the Second World War made the new Siamese mood look dangerous. In August 1940, the Siamese launched a violent anti French propaganda campaign along the Mekong, claiming the return of Laos to Siam. The Lao people were reminded of their Thai race; of the fact that overwhelmingly more Lao lived in Siam

free from colonial domination than in the country that bore their name. The propaganda had some effect, particularly in southern Laos where people had always tended to look across the river to Siam rather than upstream to Vientiane (*ibid.*, 55-56). In early 1941, Siam (now Thailand) breached the border delimited in 1907 by France and Siam, following which Thailand annexed two provinces (Sayaboury and Champasak) from Laos.

During the 1960s, the relations between Laos and Thailand were completely strained. This is because the gradual improvement between these two countries was covered by border incidents and disputed territories. The war in Laos was the most significant event for Thailand during 1961. It caused great uneasiness and nervousness in government circles and the main concern of the Prime Minister was to meet the real or sometimes only suspected, dangers along the borders. Much of the nation's foreign and internal policies were a reaction to the fighting in the neighbouring country and the determination to protect Thailand from undesirable outcomes. Throughout 1962, Laos was a constant concern to Thailand. Moreover, the United States intervened between these two countries related to preventing communist penetration into Indochina.

In 1964, the Thai government suspected the communist infiltration came from over the 850 mile border shared with Laos. It is known that the Chinese had been building roads in northern Laos, one of which led to the Mekong River which served to divide Thailand from Laos. The people of the northeast are ethnically related to the Laotians, and the area would, therefore, seem a logical place for the entry of Laotian communist activity. This condition continued in 1965 when the Thai government was still concerned over communist subversion from its northeastern neighbour. Thai border police and army units were reinforced along the Mekong while mobile development teams, with American assistance, began operating in this hitherto neglected region. The heart of subversive action was allegedly centered in the province of Nakhon Phanom, 360 miles northeast of Bangkok but only 20 miles from the border with Laos. The Thai government even closed the border with Laos, for two weeks, because of the serious confrontation across the Mekong River when the communists took over Laos. Clashes occurred from time to time along the Lao/Thai border but with lesser intensity (Dawn F. Rooney & Martin Stuart-Fox).

In the 1970s, the Lao rapprochement with Thailand was Vientiane's biggest diplomatic success story. Only the Thai could export the fuel, produce and manufactured goods to Laos at a reasonable price that would placate urban consumers. Furthermore, ties with Bangkok were considered the best hope for Lao maneuverability in foreign affairs. In January and April 1979, the two countries signed communiqués promising a new peace on their borders, strong trade relations and an end to the cooperation each has with the insurgency movement (Elizabeth Becker June 1979: 1-8).

In the 1980s and 1990s, the relationship between Thailand and Laos was still influenced by land disputes and many other incidents. In 1997, Laos entered into the Association of Southeast Asian Nations (ASEAN) in the hope that the country could merge into the harmonious family of nations in the region. However, the relations with Thailand remained tense as the two countries were still unable to resolve the question of ownership of several disputed islands in the Mekong River that forms most of their common border, especially in the wake of the 3 July 2000 attack on the Chong Mek (Thailand)-Wang Tao (Laos) border posts in southern Laos. Laos also accused Thailand of harbouring anti government rebels. The question of the disputed islands continued to mar Lao/Thai relations to the point that an open conflict seemed imminent in September 2000. All three islands lie just off the Thai side of the river, but the Lao government argues that under the 1926 Siamese/Franco Treaty, all islands in the Mekong belong to Laos, no matter how close they are to Thailand. As far as the Thais are concerned, most of the frontier, including the water border, remains to be demarcated (Bertil Lintner 2001: 177-186).

During 2004, the relationship between Laos and Thailand was marred by a number of problems, such as human and drug trafficking, illegal Lao workers in Thailand and vice versa, border determination in several areas, and the anti Lao governmental movement in Thailand (ASEAN Ministerial Meeting 2005: 24).

### **III. The Latest Border Relations between Laos and Thailand**

After briefly investigating the Lao/Thai political relationship from the ancient time, the next discussion will pay special attention to economic cooperation between these two countries. First, the situation and condition of Laos will be given as a back-

ground to discuss further the Lao/Thai border and then the cooperation between Laos and Thailand in the border area..

### **Entry gateways to Laos**

There are three ways to enter Laos. First is overland entry. From Thailand, there are six legal border checkpoints to cross into Laos. Thailand:

1. Nong Khai (Thailand) to Vientiane (Laos);
2. Nakhon Phanom (Thailand) to Tha Kaek (Laos);
3. Mukdahan (Thailand) to Savannakhet (Laos);
4. Chiang Khong (Thailand) to Huay Xai (Laos);
5. Chong Mek (Thailand) to Pakse (Laos);
6. Thai Li (Thailand) to Nam Hueng (Laos).

From Vietnam, there are two: Quangtri to Savannakhet or from Vinh to Laksao. From China, the road spreads out from Jonghong Mengla to Luang Nam Tha. It is now possible to travel to every province in Laos by some form of public road transport. Some routes in the south typically use flat bed trucks equipped with carriages and seats. There are a few taxis in the larger towns, plenty of three wheeled motorcycles and, for shorter distances, pedicabs. In the big towns like Vientiane, Luang Prabang and Savannakhet, the most common transportation aids are small 100cc motorbikes and bicycles that also can be rented. ([www.lonelyplanet.com/destinations/south\\_east\\_asia/laos/get.htm](http://www.lonelyplanet.com/destinations/south_east_asia/laos/get.htm)).

Air entry is through one of the two Lao International Airports: Wattay Airport in Vientiane and Luang Prabang Airport. From Vientiane's Wattay airport, there are flights to Bangkok and Chiang Mai in Thailand, Hanoi and Ho Chi Minh City (Saigon) in Vietnam, Phnom Penh in Cambodia. Yangon (Rangoon) in Myanmar (Burma) and Kunming in China. There is a 10.000 departure tax. From Luang Prabang airport, there is a non stop flight to Chiang Mai on Lao Aviation or to Bangkok via Bangkok Airways. The routes can be seen below ([www.insightguides.com/ig2/places/laos/on\\_the\\_go.asp](http://www.insightguides.com/ig2/places/laos/on_the_go.asp)):

1. Luang Prabang - Bangkok by *Lao Aviation or Thai Airways*
2. Luang Prabang - Chiangmai by *Lao Aviation*
3. Luang Prabang - Hanoi by *Lao Aviation or Vietnam Airlines*
4. Luang Prabang - Hochiminh by *Lao Aviation*

5. Luang Prabang - Khunming by *Lao Aviation or Yunnan Airlines*
6. Luang Prabang - Kuala Lumpur by *Silk Air*
7. Luang Prabang - Phnom Penh by *Lao Aviation or Silk Air*
8. Luang Prabang - Rangoon by *Lao Aviation*
9. Luang Prabang - Singapore by *Silk Air*

An alternative mode of getting around is river transport.. The Mekong River as the longest and most important water route, flows through 2,030 km of the Laos area and provides a natural means of transportation. However, its navigability is limited to 1,330 km, mainly because of rapids between Savannakhet and Pakse, the Khong Falls, and low water levels during the dry season. Besides the Mekong River, the following rivers are also used for water transportation: Nam Ou, Nam Khan, Nam Tha, Nam Hgur, and Se Don. With the increase in road travel, river passenger services are declining every year but there are still long distance ferries and express boats available between Huay Xai and Vientiane.

The main long distance river trip for tourists in Laos is from Huay Xai in the north down to Luang Prabang. This route is covered by large, rusty, cargo boats, taking two days to reach Luang Prabang from Huay Xai; over nighting in the riverside village of Pakbeng, or speedboats, which reach Luang Prabang in six to eight hours. In the southern part, the route from Vientiane to Pakse is mainly used for cargo traffic, but smaller ferries from Pakse to Champasak and Don Khong still run. The best river cruises in Laos are on the River Nam Ou, which flows into the Mekong near Luang Prabang. It is navigable most of the year. ([www.insightguides.com/ig2/places/laos/on the go.asp](http://www.insightguides.com/ig2/places/laos/on_the_go.asp)).

Laos only has a limited infrastructure system, particularly in small towns or in remote areas. The transportation system in the country is divided into three ways, explicitly: highways, waterways, and airways. The highways are in a very poor condition, but are being modernized with aid from foreign governments and international aid organizations. Actually, since the French colonial period, Laos has had its main highways, namely Route 13, which connects Luang Prabang in the north and Savannakhet in the south. This is the ‘backbone’ of the national road system, with a length of 1,370km.. Besides, this there is also Route 9, which leads to the Vietnamese border. Now this route is fully paved. However, most roads remain in poor

condition with less than a quarter tarred ([www.insightguides.com/ig2/places/laos/on\\_the\\_go.asp](http://www.insightguides.com/ig2/places/laos/on_the_go.asp)).

Interprovincial transport by bus and truck is widely available and makes it possible to visit at least part of every province in Laos. Regular buses with a few air conditioned, service Route 13 between Luang Prabang and Savannakhet. For other remote routes, large flat bed trucks fitted with wooden seats, pick-ups, or trucks converted into passenger vehicles by the addition of two wooden benches in the back are the most common forms of road transport ([www.insightguides.com/ig2/places/laos/on\\_the\\_go.asp](http://www.insightguides.com/ig2/places/laos/on_the_go.asp)). In town centres, for short trips, the public transportation consists of tuk-tuks, buses, motorcycles, and motorcar taxis. In Vientiane, the city bus system is of little use to tourists because it only runs between the centre of the city and outlying villages. Motorcar taxis in Vientiane can be found in front of the major hotels, in the morning market, and at the airport. According to data, in 1999, the total length of highways throughout the country was only 21,716 km, with 9,664 km paved and the rest of 12,052 km unpaved. The road network, excluding forest and mining roads (national, provincial and local roads) was 13,100 km. The 3,990 km of national road of which 1,620 was paved, linked major towns and provincial capitals and provided connection to neighbouring countries. The rest of the roads are mostly dirt surfaced, connecting towns and large villages within provinces. (<http://www.laoembassy.com/discover/intro/survival.htm>).

The national highway network is in two parts. One is the highway from north to south and another is from west to east. The highway from north to south is NH13 with a total length of 1,605 km. This is a major route, traversing Laos for 861 km from Muang Khong in the south on the Cambodian border, north through Pakse, Savannakhet to Vientiane, to the old capital of Luang Prabang and Pak Mong. From west to east, there are AH9 (246 km from Savannakhet via Uthomphon to Lao Bao); AH8, AH7, AH6 and NH12 (Tha Khaek) and NH 18 (Pakse) to the Vietnam Border. These roads all pass through mountains and all have steep gradients and tight curves, making it difficult for low powered vehicles to climb and dangerous for heavy vehicles to descend.

The waterways in this country are 4.600 km long, primarily the Mekong River and its tributaries; and 2.897 additional km intermittently navigable by craft drawing less

than 0.5 m in 2003. The Mekong River is used as adequate transport for local trade between river towns of Huay Xai, Luang Prabang, Vientiane, Savannakhet, and Pakse. Meanwhile, international trade along the Mekong River is limited to traffic in the Golden Triangle and the Yunan Province of China. The reason why China is involved in the Lao international trade is because that country is party to the agreement for river access through Laos to Thailand. Consequently, there is ongoing construction of several Chinese junks for trade in the Golden Triangle at the river ports of Luang Prabang and, Tha Luang. (<http://www.dotars.gov.au/transinfra/mekong/lao.aspx>).

Another way of transport is by air. Because of its inaccessible terrain, poor road infrastructure and the long thin shape of the country, air connections that link Vientiane with the provinces are vital, especially for the business and expatriate communities. The public expenditure on this transport system grew fourfold from 1995 to 1998. Laos had 11 domestic and 2 international airports. Now, Pakse has been upgraded to international status with customs, immigration and quarantine facilities completed in December 2000 (<http://www.dotars.gov.au/transinfra/mekong/lao.aspx>).

From the information above, it seems that Laos remains a country with a primitive infrastructure. Additionally, it has no railroads, a rudimentary road system, limited external and internal telecommunication facilities and electricity is available in only a few urban areas ([www.cia.gov/cia/publications/factbook/geos](http://www.cia.gov/cia/publications/factbook/geos)). However, to be more open to economic challenges, in point of fact, the Lao government today allocates more public investment to transportation, in 2004-2005, than to others, that is, 48 %. Funding for inland waterways is a low priority in the Lao budget and is included in the road budget. The budget estimates for road transport and construction can be seen in Table 6.1.

**Table 6.1: Budget Estimates for Transport and Construction**

No	Items	Unit	2002-03		2003-04		2004-05	
			Implemented	Planned	Implemented	Planned	Implemented	Planned
			1	2	3	4	3	4
1	Road-Bridge	Km						
	Paved Road (grade 1 and 2)	Km	3,831	204.2		3,771	4,086	
	Cement Paved roads	Km	80	19				
	Dirt roads (good quality)	Km	1,212	93			101	
	Bridge Construction	Bridge	8	11			23	
2	Transport							
2.1	Volume of goods transport	1000 ton	2,461.90	2,812.10	1,551.60	3,230		
	By land	1000 ton	1,672	2,100	1,226	2,290		
	By river	1000 ton	788	710	325	938		
	By air	1000 ton	1.9	2.1	0.6	2		
2.2	Volume of Public Transport	1000 person	25,410	32,606	18,204	33,308		
	By land	1000 person	22,784	30,500	17,252	30,895		
	By river	1000 person	2,121	1,600	750	2,021		
	By air	1000 person	505	506	202	392		

Source: Ministry of Communications, Transport, Post and Construction, 2005.

### Lao/Thai Transportation Cooperation

The political tensions of centuries, as previously pointed out, have not lessened the Lao intention to establish border cooperation with Thailand. Although the relationship between the two countries was marred by land disputes and many other incidents in the 1990s, the two governments agreed to build a connecting bridge. The first Lao/Thai Bridge was the Friendship Bridge across the Mekong River. It was opened on 8 April 1994 after three years of construction. The bridge has two 3.5 m-wide lanes for motor traffic and two 1.5 m-wide footpaths. The bridge links Nong Khai (Thailand) and Vientiane (Laos) and was funded by the Australian government. Right now, it is the most important source of visitors to Laos. Border crossings are open from 6 a.m. to 6 p.m.

Because the bridge brought many benefits, principally to Thailand, the Thai government allowed some other Thai enterprises to lobby the Lao government to build other bridges to connect the two countries. Nevertheless, Laos appears reluctant to open its doors too wide to the outside world. That can be seen in the restrictions it applies to the Friendship Bridge. Travelers from Thailand must park their cars on the Thai side and go by bus or taxi to Vientiane, 20 kilometers away (Far Eastern Economic Review 1995: 22-23).



Later, for economic reasons, the Lao government finally signed an agreement with another Thai company to give Laos its first railway. The Pacific Transportation Co. planned to build a line from the railhead at Nong Khai in Thailand across the Mekong to Vientiane, paralleling the route of the Friendship Bridge completed in 1994. Eventually, the line could be extended north beyond Vientiane to an area that has rich deposits of iron ore (Far Eastern Economic Review 1995: 22-23).

Development activation of Laos thus has softened the Lao government's attitude to the outside world. To bring in more of the foreign exchange and investment it desperately needs, Laos is cautiously pinning its hopes on new land links to China and Thailand. The 'Far Eastern Economic Review' in 1995, carried a story about the Laotian Land Bridge in which it was claimed that a Thai company had agreed to build a 250 kilometre tollway across Laos, from the Thai border to Luang Nam Tha. The main reason was of course to carry out intensive business and investment in Laos (Far Eastern Economic Review 1995: 19). The World Bank is helping the north-east province of Luang Nam Tha upgrade its roads.

Apart from the above, a road was being built in the south via Udomaxay to the river port of Pakbeng, where goods could be loaded on barges bound for Luang Prabang and Vientiane. Other significant initiatives were emerging from the private sector. The Lao government and the USA Family Co., a privately held Thai enterprise, agreed to build a 250 km tollway from Ban Huay Xai on the Mekong to Boten, a checkpoint on the border with Yunan. The 78 million Baht (\$3.1 million) project was effectively to link Thailand and China. The USA Family Co. was to be allowed to log on either side of the road (Far Eastern Economic Review 1995: 22-23). Another road from Chiang Khong to Ban Huay Xai, to facilitate traffic on the proposed road from Thailand to Yunan was planned; with Japanese investors interested in financing it.

Although Thailand wanted to build a second bridge across the Mekong, the Lao government apparently wanted to study the impact of the first bridge before approving a second one. Many Lao officials worried about the social costs of rapid growth and economic opening up, such as juvenile delinquency, drug abuse and prostitution, because several international drug couriers were caught in Laos in 1994. The anxiety also included the Lao people. They worried about the environmental impact and social costs of major road building schemes. Others warned that more trade could

bring an even bigger influx of Chinese migrants, who are already present in northern Laos. A security analyst emphasized as well, that opening such routes would have strategic implications and would change the geopolitics of the area. (Far Eastern Economic Review 1995: 22-23).

Nevertheless, the planning of the construction of the second Thai/Lao Friendship Bridge continued. The second bridge links the northeastern Thai province of Mukdahan and the western Lao province of Savannakhet. Scheduled for completion in 2005 the 1.6 kilometre bridge was partially funded by the Japanese government. The bridge is projected to be an important part of the East/West Economic Corridor that will run from Myanmar, across Thailand and Laos to Vietnam. Funded by the Asian Development Bank (ADB), the bridge will link with the main highway in Laos at Savannakhet and beyond to the central region of Vietnam, opening up road access to major cities like the former Vietnamese capital of Hue, a UNESCO World Heritage Site, and the port of Danang.

Unlike the first bridge, the second one will go a long way towards helping tour operators create 'fabulous fly-drive-rail-cruise' packages region wide. It is in line with the Royal Thai Government's plans to make Thailand a centre for trade, investment and tourism throughout the Greater Mekong Sub region (GMS). The bridge will make it possible to reach a number of very important tourism spots in the GMS region, such as the Li Phi Waterfall in Laos, Angkor Wat and Angkor Thom in Cambodia, and attractions in Vietnam.

Mukdahan province is set to play an important role in the Thai government plans to forge stronger tourism and industrial links between northeast Thailand and the GMS countries. The province boasts a richly forested National Park plus a number of important Buddhist shrines and temples. The scenic Mekong River forms its eastern border. The location of the bridge was studied between 1996 and 1998, and the Japan International Cooperation Agency (JICA) completed the designs in August 2000. (<http://www.tatnews.org/emagazine/2089.asp>).

The discussion about connecting border routes between Thailand and Laos via the Mekong River and its tributaries in other areas is currently continuing. At the first meeting between Laos, Thailand, Myanmar, and Cambodia on 12 November 2003 in

Bagan-Myanmar. Laos and Thailand agreed to build a third Friendship bridge (Nam Heuang) to link the two countries. The bridge will connect the northeastern province of Loei in Thailand and Sayabouli province in Laos. The third bridge, the length of 3.3 km is across the Huang River, one of the tributaries of the mighty Mekong. It was due to start in early 2004. Thailand put up 70.75 million Baht (about US\$ 1.8 million) for this plan. The bridge is in line with the Economic Cooperation Strategy (ECS), approved by the regional governments to develop road links. Although the bridge will not immediately have an international immigration checkpoint this is the next step for the governments to discuss after the bridge is opened.

Another agreement took place at the second general meeting on 20 March 2004 in Pakse, Champasak province (Laos) and in Oubon Rachathany (Thailand). The two governments agreed to finance a railway project from Nong Khai in Thailand to Tha Na Leng in Laos (<http://www.tatnews.org/emagazine/2089.asp>). It seems that Laos feels it has experienced some advantages from the progress of its transportation system.

There is yet another bridge across the Mekong River, the Lao Nippon Bridge funded by the Japanese, in the Laotian province of Pakse. This opened in August 2000 but is located entirely in Laotian territory while the other three are cross border bridges.

### **Movement of Goods along the Lao/Thai Border**

To reduce poverty and to increase development, the Lao government has to have available funds and access to efficient transport for goods distribution, both imports and exports. As already pointed out in the previous part, Laos greatly depends on Thailand for trading. The relationship between Laos and Thailand in cross border trade includes two forms: formal and informal. The formal cross border trade refers to trade transactions between Thailand and Laos in accordance with rules, regulations, and agreements of both governments. In contrast, informal cross border trade involves transactions that avoid appropriate custom systems.

Based on the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), at most border checkpoints, movement of vehicles across the border provides a basis for an estimate of cargo movements. Estimates of Lao trans-border flows vary, but in 1994 and 1995 they were 0.5 million tons annually. The major official border point for trading between Thailand and Laos is at Nong Khai

(Thailand) and Thanaleng (Laos) because Nong Khai is the most important province in the Thai/Lao border trade and is the largest town exporting to Laos. Besides, Nong Khai is a place for registering vehicles for delivery within and outside Laos and Thailand. No wonder that the Friendship Bridge was built here across the Mekong River. To cross the Friendship Bridge, a toll is imposed on both sides. The present toll rate is around US\$ 5 for a ten wheeled truck and around US\$ 8 per trailer. A Lao customs official will escort the trucks from the bridge to Thanaleng. Other crossing points for export and import activities are: Chiang Klang (Thailand) and Huay Xai (Laos), Nakhon Phanom (Thailand) and Tha Khek (Laos), Mukdahan (Thailand) and Savannakhet (Laos), and Chong Mek (Thailand) and Wang Tao (Laos) ([www.unescap.org/LDC&Poverty/ESCAP](http://www.unescap.org/LDC&Poverty/ESCAP) case study on Lao PDR.doc).

#### **IV. Conclusion**

Disputes and suspicions, which have appeared and haunted the relationship between Laos and Thailand for years, particularly in the border areas, do not seem to be significant obstacles to good cooperation. The real evidence can be seen by bridges built to connect these two countries, which traverse the Mekong River on the long Lao/Thai border.

Since the opening of its border gates with Thailand, Laos cannot deny that it has obtained some advantages. For instance, improvement of the transportation system in the country and foreign investment in infrastructure construction, especially from Japan, United States, and Thailand. The Lao government itself has tried to progress the transportation facilities to reach a better condition in the interests of the country. It seems that Laos is recently realizing its position in the Indochina region surrounded by five states. Laos has to maximize its potential resources and raise its bargaining position in the future.

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[www.unescap.org/LDC&Poverty/ESCAP](http://www.unescap.org/LDC&Poverty/ESCAP) case study on Lao PDR.doc, "TRANSIT ISSUES FOR LANDLOCKED COUNTRIES: THE CASE OF LAO PDR"



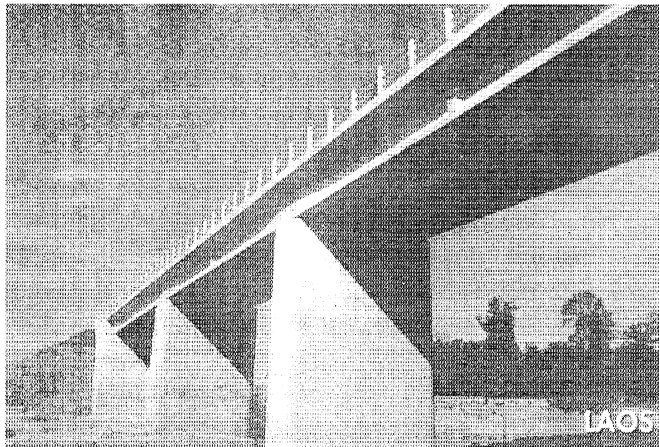
CHAPTER VIII  
CONCLUSION THE BORDER ISSUES BETWEEN LAOS AND THAILAND;  
LOCAL PERSPECTIVE, GLOBALIZATION AND HOPE

*I Ketut Ardhana*

The trade contact between Laos and Thailand is coloured by the dynamics of economic regional development. On the one hand, many factions hope that harmony will be put in the first place since without harmony it is very difficult to create a peaceful and conducive situation in the heart of the mainland of Southeast Asia. On the other hand, some conflicts cannot be ignored since many countries in the region have their own interests. Not only in terms of socio economics or culture but also in terms of other economic aspects such as ideology particularly for Laos, which is a small country with a communist oriented ideology, sometimes oriented to Vietnam and China. For instance, in its education system, Laos often looks to Vietnamese and Chinese education which means that students must learn Vietnamese or Chinese depending on which country they wish to continue their studies. For the Lao it is not difficult to accept learning Vietnamese or Chinese, since as some of them believe that their ancestors came from the two countries, some have an interest in learning either language. However, in terms of the economic aspect, it is impossible for the Lao to ignore the significant role of their neighbouring states in the mainland of Southeast Asia, like Thailand, Malaysia, Cambodia, and even other areas of Southeast Asia like Singapore, the Philippines, and Indonesia (see also as reference: Ardhana, 2004a and Ardhana, 2004b). There are many industrial products like cars and other transportation products from Europe to Thailand and then onto Laos. Although, there are also many textiles from Indonesia transported to Malaysia first, and then brought to Thailand and finally to Laos. It can be understood that the price of the product must be higher than it would be if sent directly from Indonesia to Laos. Therefore, it is very significant to have good cooperation or networking between the two countries.

The economic cooperation among the countries of the region is sometimes related to the issues of human rights. Regarding human rights issues in Laos, it can be said that other countries, for instance, China and Vietnam compete one with the other for power in Laos. In 1997 influences of Beijing and Hanoi increasingly impacted on

Vientiane regarding the economic crisis in Thailand. The relations between Laos and Thailand seem most influenced in the border regions. We can understand this by taking into account that the relations between Laos and Thailand are based on the historic background of the two countries which they have now begun to revise. However, the problems on the borders are much more often caused by the illegal movements of people across the borders. For example, in July 2000, there were 28 Thai people involved in resistance on the Lao border and some local people were killed at the beginning of 2001. As a result the two governments signed an agreement on extradition. The worsening relations between Laos and Thailand we can see were due to the border issues on the Mekong River when one or the other began to suspect the other; Bangkok or Vientiane or vice versa (Jeshurun1977: 1-48; *Regional Outlook: Southeast Asia 2002-2003*. 2002: 34).



**Plate 8.1: Second Friendship Bridge between Savannakhet and Mukdahan**

To minimise the conflict both of the countries began communicating about their problems. The Lao government proposed to accelerate the implementation of the Memorandum of Understanding on Lao/Thai employment cooperation. The MOU is essential to resolve Lao/Thai employment conflicts and to reduce illegal migration of Lao people to work in Thailand. Until the present, Thailand has not permitted Lao labourers to legally work in Thailand because there was no agreement. At present



thousands of Lao nationals are working there illegally. Lao officials need to strengthen cooperation with the International Labour Organizations to bring about benefits for Lao labourers. Officials must implement the laws of the international Labour Convention and the MOU on Lao/Thai employment cooperation. The MOU was signed in 2002, in Luang Prabang by the Lao and Thai Ministries of Labour. It can be noted that there are 9 chapters and 24 articles in the MOU. The aim is to create appropriate steps in the employment process, to provide standard regulations for labourers to return home after their contracts end and also create suitable supervision of Lao and Thai labourers, thereby reducing illegal migration, illegal labourer trade and illegal employment.

The MOU states that the cooperation must be conducted under the supervision of bilateral state authorities. If a single business unit from either country wants to employ labourers from the contracting party, it must inform the relevant authorities of the requirements, such as the number of labourers, duration of work, qualifications, conditions and payment. The workers who wish to take up employment with a contracting party are required to have a work permit, passport and visa, health insurance and to pay income tax in accordance with the laws of the country. The duration of the working contract should be no more than four years. According to labour officials, the implementation of the MOU will provide Lao workers in Thailand with the same rights and treatment as Thai labourers. This includes the same wages and adequate health care insurance. The MOU will give more options for Lao labourers to work legally, thus aiding in reducing the incidence of human trafficking. Lao officials are concerned about the skills of Lao labourers because the MOU states that the contracting party will only employ skilled labourers. Most Lao labourers currently working in Thailand are unskilled and usually work as housemaids or gardeners ('Lao-Thai employment cooperation pushed', in *Vientiane Times*, Wednesday, 22 June 2005).

The Asian Development Bank (ADB) for instance, provided funds to help develop a sustainable agro forestry land use system in Northern Laos through a US\$ 1.5 million grant approved for the Japan fund for Poverty Reduction, financed by the government of Japan, according to a press release from its headquarters in Manila. The Sustainable Agro forestry Systems for livelihood Enhancement of the Rural Poor project will cover nine impoverished communities living in the mountainous areas of north western Luang Namtha province, where traditional slash and burn shifting cul-

tivation is still practiced. The target villages are located in the Nam Ha sub catchments straddling Viengpukha, one of the poorest districts in Laos with a poverty incidence rate of 55.7 per cent (NGPES) and Namtha districts with a combined population of 3,250 villagers. The grant will also finance training of target communities in managing their landholdings and help local government agencies, in collaboration with community based organizations and the private sector, to better deliver essential agriculture and forestry related services. The grant coincides with the upgrading of the GMS: Northern Economic Corridor, or Lao National Route 3, which passes through selected villages thus giving the participating farm families an opportunity to share in the economic benefits anticipated from the Corridor. It is also anticipated that the grants effects will become replicable in other districts along the Corridor thus further contributing to economic growth and poverty reduction in Northern Lao PDR. The UN World Food Programme will contribute US \$226,588 towards the project, while the Lao PDR government will allocate government staff resources valued at US\$ 20,000 equivalent. The targeted communities will contribute the labour component valued at US \$ 59, 347 equivalent ('ADB helps poor villages in northern Laos', in *Vientiane Times*, Tuesday, 21 June 2005). It is said that the total number of the alphabetic people is around 30per cent and the alphabetic Latin is around 60per cent. The problem is that we must also preserve the interests of the local people in the border regions. The Lao government submitted its initial report on the implementation of the Convention of the Elimination of all forms of discrimination against women in 2004. Meanwhile the second periodic report on the rights of the child is being prepared, under the convention. It is important to note that there is an undeveloped region in the border areas regarding the life of the indigenous people as minority ethnic groups. They live in the mountainous areas and in the hilly regions with other groups in certain traditional ways. If a woman is to give birth, she will go to the mountain area where she comes from to follow animist traditions.

In the context of the trade relationship between the two countries, it is noted that there are efforts to improve the living standards of the people. As an illustration it can be said that the Lao government exported to Thailand around 146 million worth of goods in 2004. However, imports were greater than exports. The Lao government imported from Thailand 365 million worth, including electric power. Most of the products brought to cross borders were clothing, food, particularly manufactured food and the usual daily foods which come also from Thailand. The Lao people are

not very involved since most of them seem not very active in comparison with say, the Vietnamese. The transportation in Laos is limited but in February 2005, Taiwan's Eva Air began its first flights to Laos. Eva Air flies three times a week namely, on Sundays, Thursdays and Saturdays. The Lao government expects that there will be increasing tourist visits from Taiwan and other countries to Laos (*ASEAN Ministerial Meet*

Therefore it is important to note that in order to have good cooperation in border regions we need to strengthen the existing friendship between the countries, to promote border trade between the two countries, to facilitate private business activities there by allowing them to acquire reasonable profits and to enhance the smooth flow of commodities (Tupan and Arifah Sismita, 'Kontak-kontak Perdagangan Perbatasan Birma dan Thailand', in *Paket Informasi Khusus 2005*: 103). Border trade on the Thai/Lao PDR cross border, especially in Nongkhai border town tends to increase alongside with the growth of the Thai/Lao relationship, but it still needs to maintain sustained economic development and a high quality of life for local people. It will be realized if there is sustainable promotion of local and indigenous industries in Nongkhai border town, expanding markets for local industries and border town tourism, and increasing government investments in infrastructure. Through this research it is expected that we will have a better understanding regarding the formulation of policies in the context of economic trans-national development in the border region between Laos and Thailand. In addition to this we will have better understanding of the movement of people and goods in relation to the issues of poverty in the border areas. Therefore, this study is hoped to contribute to our understanding of the processes, issues and policies on the trade contacts in the border regions between Laos and Thailand in particular and among Southeast Asian countries in general in order to understand better the border issues in Indonesia (Ardhana 2004c). So it is important to note that we need to change our paradigm from the image that the border is the backyard to the paradigm that the border is a gateway to enter a state, demanding more attention to its development for the benefit of all.

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**KONTAK-KONTAK PERDAGANGAN  
DI PERBATASAN LAOS DAN THAILAND**

**I. Pendahuluan**

Perkembangan perbatasan dapat diamati dari berbagai situasi yang terjadi. Di Asia, rangkaian perkembangan daerah perbatasan telah bermunculan, seperti pertumbuhan segitiga Singapura-Johor-Riau, Hong Kong dan Shenzhen, dan Pembangunan Sungai daerah Sungai Tumen (Chuthapit Maneepong dan Chung-Tong Wu, 2004:135). Beberapa wilayah tersebut, termasuk perkembangan perbatasan Laos dan Thailand di Asia Tenggara, pada mulanya adalah negara-negara sosialis dan lebih berorientasi pada pasar dalam negeri. Dalam beberapa hal, perbatasan merupakan alasan utama mengapa pembangunan muncul di daerah tersebut. Perbatasan menjadi penghalang utama arus pergerakan barang dan manusia. Perbatasan juga menyebabkan adanya perbedaan upah, sengketa tanah, kebangsaan, kepentingan nasional dan berbagai perbedaan lain yang tetap bertahan.

Laos merupakan salah satu negara di Asia Tenggara yang sangat jarang mendapatkan perhatian dari para sarjana di Asia Tenggara, sedangkan Thailand sangat terkenal karena industri pariwisatanya. Laos dan Thailand memiliki ikatan yang kuat, baik secara historis, etnik, agama, bahasa maupun budaya. Kedua bangsa ini dapat berkomunikasi dan mengerti satu sama lain tanpa perlu adanya penerjemah, sehingga kemudian sering diasumsikan bahwa dua negara ini merupakan sahabat yang sangat baik. Namun, sejak didirikannya Lao PDR tahun 1975, hubungan Laos dan Thailand sering mengalami pasang surut. Masih banyak penghalang yang bisa menghambat hubungan kedua negara ini, sehingga perbedaan dan penghalang yang ada perlu dipahami secara lebih bijak dan hati-hati.

Untuk memahami secara lebih baik perluasan kontak-kontak perdagangan antara Laos dan Thailand, penelitian ini terutama menekankan pada beberapa isu: 1.) Bagaimana situasi perbatasan di Nongkhai dan Savannakhet, 2.) Jenis-jenis produk apa saja yang diekspor dan diimpor, 3.) Bagaimana kebijakan Laos dan Thailand dalam mengelola kontak-kontak perdagangan di perbatasan. dan 4.) Bagaimana kita dapat belajar dari

kasus di perbatasan Laos dan Thailand tersebut, terutama menyangkut kontak perdagangan di perbatasan. Melalui diskusi dan analisa isu-isu tersebut, kami berharap bahwa kita akan dapat memahami secara lebih baik tentang kontak-kontak perdagangan antara Laos dan Thailand dan bagaimana seharusnya hubungan antarnegara di Asia Tenggara dipelihara.

## II. Pentingnya Wilayah Perbatasan

Kyoto Kusakabe dan Zin Mar O, mengutip dari Benedict Anderson (1983) mengatakan bahwa pemahaman wilayah perbatasan di negara-negara Asia Tenggara berbeda dengan negara-negara modern. Carsten (1998) menyatakan bahwa di Asia Tenggara, negara tradisional ditetapkan oleh pusat negara itu dan bukan oleh perbatasannya. Dari bukti-bukti sejarah diketahui bahwa sebelum kedatangan bangsa Barat, tidak ada garis perbatasan negara yang jelas di antara negara-negara di Asia Tenggara. Wilayah perbatasan merupakan "*magnet*" bagi banyak orang, terutama pekerja migran. Dalam kasus ini, pergerakan penduduk masih tetap merupakan aspek kehidupan sosial yang paling penting di Asia Tenggara. Wilayah perbatasan juga menjadi tujuan pergerakan kelompok-kelompok orang, termasuk pedagang, bisnismen, dan pengusaha yang membawa banyak pengemudi truk memasuki wilayah itu. Selain itu, tampak juga adanya peningkatan jumlah wisatawan dan kehadiran polisi dan militer di beberapa wilayah perbatasan. Satu hal yang juga tidak boleh dilupakan, bahwa wilayah perbatasan juga terkenal dengan adanya berbagai tindak kriminal, seperti perdagangan obat-obat terlarang, perdagangan perempuan dan anak, prostitusi, dan penyelundupan.

Laos merupakan satu negara di Asia Tenggara yang memiliki perbatasan dengan Thailand, Cina, Kambodia, Vietnam, dan Myanmar, sehingga hal ini berpengaruh pada kondisi sosial, budaya, dan ekonomi Laos. Karena letaknya sebagai "negara yang terkunci" maka dapat dipahami mengapa Laos sangat tergantung pada negara-negara tetangganya. Namun demikian, justru karena posisinya itulah Laos juga menjadi soko guru bagi negara-negara Asia Tenggara daratan, sebab Laos mendapat pengaruh Perancis dan juga Amerika saat perang Vietnam.

### III. Pintu Gerbang Utama antara Laos dan Thailand

Pergerakan lintas batas manusia antara Laos dan Thailand terjadi di hampir sepanjang sungai Mekong yang menjadi batas natural kedua negara itu. Mereka melintas batas dengan menggunakan perahu-perahu kecil dan besar dari perbatasan Thailand dan Laos. Ada sekitar 20 titik resmi perbatasan sepanjang perbatasan Laos dan Thailand, di antaranya Nongkhai (Thailand) - Tha Na Laeng (Laos), Chiang Klang (Thailand) - Huay Xai (Laos), Nakhon Phanom (Thailand) - Tha Khek (Laos), Mukdahan (Thailand) - Savannakhet (Laos), dan Chong Mek (Thailand) - Wang Tao (Laos). Dalam hal ini, Thailand sangat mendorong laju pertumbuhan perekonomian negara Laos.

Sejak menjadi anggota penuh ASEAN pada tahun 1997, Laos semakin terbuka terhadap dunia luar. Pembangunan di Laos juga berkembang dengan signifikan, sehingga profil negara Laos semakin meningkat dan diperhitungkan di mata negara-negara Asia Tenggara. Ada banyak upaya yang telah dijalankan Laos untuk meningkatkan pertumbuhan ekonominya, di antaranya dengan mengadakan kerjasama internasional dengan komunitas internasional dan negara-negara ASEAN. Kerjasama Laos dengan Uni Eropa juga telah mendorong peningkatan di bidang pembangunan institusional, reformasi di sektor administrasi, HAM, dan pemerintahan. Dengan demikian, tidak mengherankan apabila saat ini Laos sebenarnya telah mampu mencukupi kebutuhan dalam negerinya sendiri, terutama karena jumlah penduduknya yang masih sedikit dibanding negara lain di Asia Tenggara.

### IV. Pembangunan Ekonomi dan Saling Ketergantungan

Laos memainkan peran penting dalam aspek ekonomi dan perdagangan di Asia Tenggara daratan. Hal ini disebabkan oleh letak geografinya yang "*land-locked state*". Laos berbatasan dengan Cina di sebelah utara, Vietnam di timur, Myanmar di barat daya, dan Thailand di sebelah barat. Oleh karena itu, Wattay International Airport merupakan pintu gerbang yang terpenting bagi Laos melalui jalan udara. Pemerintah Laos berusaha menghapus paradigma Laos sebagai negara yang terkunci menjadi Laos negara yang terhubung dengan luar, melalui kerjasama ekonomi dan perdagangan yang menguntungkan dengan negara-negara yang berbatasan langsung dengan Laos, supaya terpelihara hubungan yang baik dan kondisi keamanan pun terjaga. Walaupun telah ada kerjasama yang baik dengan negara-negara tetangga bukan berarti tidak

ada isu-isu yang masih bisa membahayakan hubungan tersebut, di antaranya isu pembangunan dam di Cina, yang tentu akan berpengaruh besar pada sektor pertanian Laos karena sebagian besar penduduk Laos menggantungkan hidupnya dari sungai Mekong. Berdasarkan satu contoh isu tersebut, maka inilah pentingnya mempelajari isu-isu perbatasan di wilayah tersebut. Semua negara di sepanjang aliran sungai Mekong memahami dan berpikir bahwa akan ada isu yang lebih besar di masa datang menyangkut wilayah perbatasan, tidak hanya isu keamanan, tetapi juga bagaimana upaya mendorong wilayah ini menjadi zona pembangunan ekonomi yang penting di jantung Asia Tenggara dataran, tanpa merugikan salah satu negara lainnya.

Penelitian tentang kontak perdagangan antara Laos dan Thailand ini mengambil sampel dua wilayah perbatasan. Dua daerah perbatasan terpenting antara Laos dan Thailand adalah perbatasan Tha Na Laeng (Laos) – Nongkhai (Thailand) dan Savannakhet (Laos) – Mukdahan (Thailand). Nongkhai terletak timur laut wilayah Thailand—sekitar 615 km dari Bangkok—dan berada di tepi sungai Mekong, berseberangan langsung dengan Tha Na Laeng di Laos. Nongkhai dan tha Na Laeng dihubungkan oleh *Friendship Bridge* (Jembatan Persahabatan) sepanjang kurang lebih 1,7 km. Jembatan ini dibangun atas kerjasama pemerintah Thailand, Laos dan Australia, dan secara resmi dibuka pada tanggal 8 April 1994.

Nongkhai memiliki peran yang penting dalam kaitan kontak perbatasan dengan Laos sebab Nongkhai merupakan pintu gerbang utama menuju Laos dan negara-negara Indochina lainnya lewat daratan dari Thailand. Di Nongkhai, kita dapat dengan mudah menjumpai berbagai barang import seperti makanan, mebel, kerajinan, dan juga mobil-mobil “*second hand use*” dari Jepang, Jerman, Korea dan negara-negara Asia lainnya. Karena pentingnya wilayah perbatasan ini, maka di sini terdapat kantor bea cukai, di mana setiap orang harus melaporkan produk-produknya yang hendak dibawa ke Laos. Sering terjadi pula orang-orang yang melintas perbatasan berpura-pura sebagai turis, padahal sebenarnya adalah pedagang. Mereka membawa produk-produk makanan, konstruksi, keramik, bahkan juga barang-barang konsumsi dari Indonesia, melalui Malaysia dan Thailand, karena Laos tidak memiliki pelabuhan laut.



**Tabel: 1**  
**Pajak Impor ke Laos**

		<b>Tahun Anggaran 2003-2004</b>	<b>Tahun Anggaran 2004-2005</b>
1	TON	398,374,899,98	226,728,516,81
2	US \$	279,457,339,92	241,907,496,20
3	KIP (mata uang Laos)	3,215,029,945,167	6,519,469,465,149
4	CUSTOM TAX	213,576,623,450	278,984,040.800
5	IMPORT TAX	222,443,347.382	537,547,497,302

Sementara Savannakhet merupakan salah satu kota besar di Laos, di mana sungai Mekong menjadi transportasi utama di daerah ini. Savannakhet berkembang sangat pesat karena pengaruh berkembangnya kota Dannang di sisi perbatasan Vietnam. Savannakhet sendiri berbatasan/berseberangan langsung dengan Mukdahan (Thailand). Savannakhet juga dipercaya sebagai tempat yang sangat penting di samping Vientiane dan Champassak. Di perbatasan Savannakhet, 90 % penduduk lokal memproduksi opium dan hanya 10% yang bekerja di sektor pertanian. Penduduknya sebagian besar menjual obat-obatan. Menurut *World Global Illicit Drug*, tahun 2002 Laos tercatat sebagai negara terbesar kedua pengguna opium. Oleh karena itu, pemerintah Laos masih berjuang keras untuk melawan opium di negaranya.

Untuk mendorong perekonomian antara Laos, Thailand dan juga Vietnam, pemerintah Laos sedang membangun sebuah jembatan yang menghubungkan Savannakhet dan Mukdahan (Thailand), yang disebut sebagai "*the Friendship Bridge II*", atas dana bantuan pemerintah Jepang. Jembatan ini direncanakan selesai Desember 2006 dan diperkirakan menelan biaya sebesar 3.483.016.839 Yen (USD 431 juta). Sebagaimana di Nongkhai, di Savannakhet juga terdapat dua kantor bea cukai, terutama untuk penumpang dan barang.

**Tabel 2:**  
**Statistik Penumpang dan Kendaraan (Keluar dan Masuk)**  
**di Than Na Laeng (Laos)**

Bulan	Masuk					Keluar			
	Penumpang	Mobil	Trailer	Kendaraan besar	Nilai dalam Baht	Penumpang	mobil	Trai-ler	trailer besar
10/2004	46.042	1.926	857	2.062	2.642.680	39.682	5.840	812	632.500.000
11/2004	40.663	1.757	822	2.117	2.342.990	34.974	5.414	511	562.060.000
12/2004	46.102	2.118	1.014	2.605	2.402.700	50.794	7.771	582	808.470.000
01/2005	48.076	2.000	812	2.074	2.353.880	48.015	6.875	338	736.335.000
02/2005	39.756	2.100	903	2.257	2.064.940	42.058	6.077	311	645.590.000
03/2005	45.844	2.300	1.035	2.916	2.415.670	46.575	5.200	518	716.555.000
04/2005	57.012	2.200	844	2.469	2.831.180	45.152	6.565	637	690.100.000
05/2005	48.347	2.500	1.008	2.871	2.494.620	49.100	7.125	591	754.320.000
06/2005	36.332	2.400	972	2.723	2.892.520	47.900	6.400	770	718.400.000

## V. Pergerakan Barang dan Manusia di Perbatasan Laos dan Thailand

Sejak *Friendship Bridge* dibuka secara resmi pada tahun 1994, Nongkhai menjadi pusat kerjasama ekonomi empat negara di utara timur laut Thailand. Nongkhai sebagai propinsi Thailand yang berbatasan langsung dengan Laos telah menarik orang-orang Laos untuk bekerja di Nongkhai dan kota-kota lain di Thailand. Banyak pekerja migran berasal dari Laos, berusia antara 15-24 tahun. Mereka umumnya bekerja di sektor konstruksi, pertanian, pabrik keluarga, dan pembantu rumah tangga. Sejak ditetapkan sebagai tempat tujuan wisatawan dan pintu gerbang utama menuju Indochina, Nongkhai berkembang pesat. Banyak restoran dan hotel bermunculan, sehingga pertumbuhan ekonomi Nongkhai pun meningkat.

Seiring dengan perkembangan wilayah perbatasan antara Laos dan Thailand, ada juga kecenderungan meningkatnya arus pergerakan manusia dan barang di perbatasan. Banyak orang tertarik memasuki wilayah perbatasan. Pada Juni 2005 lalu tercatat ada 26.352 orang melintas perbatasan dari Thailand menuju Laos dan 46.900 orang melintas dari Laos ke Thailand. Kadang-kadang orang Laos mengunjungi Thailand selama tiga hari kunjungan resmi untuk berbelanja, tetapi kemudian setelah di

Nongkhai menjadi pekerja di sektor pertanian atau di restoran. Upah yang lebih tinggi di Thailand dibandingkan di Laos menjadi penyebab utama pergerakan pekerja migran, baik yang legal (*documented*) maupun illegal (*undocumented*) sebagai gambaran, seseorang akan mendapatkan upah sebesar Baht 6000 per bulan atau Baht 2000 kerja di pertanian. Ini jauh lebih tinggi dibanding dengan upah yang diperoleh di sektor yang sama di Laos.

Titik pemberhentian di perbatasan Laos dan Thailand merupakan titik resmi bagi pergerakan barang dan manusia di antara perbatasan dua negara, sehingga orang-orang yang hendak melintas perbatasan harus memegang passpor. Penduduk Laos harus membayar 60.000 Kip untuk mendapatkan passpor. Ada dua cara seseorang diizinkan melintas perbatasan, yaitu: 1). Bagi yang membawa selebar kertas untuk sekali melintas perbatasan dikenakan biaya sebesar Baht 100, dan 2). Bagi pemegang passpor satu tahun dikenakan biaya Baht 200.

Dalam hal pergerakan penumpang di sini perlu pula dicatat bahwa perahu-perahu yang menuju Savannakhet (Laos) membawa penumpang, tetapi ketika kembali ke Thailand tidak diizinkan membawa penumpang. Hal ini terjadi karena tidak ada perjanjian bisnis perahu antara dua negara. Dilihat dari sisi ekonomis, ini tentu tidak masuk akal dan merugikan dua negara, karena akan terjadi pembuangan bahan bakar sia-sia.

## **VI. Kebijakan Pemerintah Laos dalam Mengelola Ekonomi dan Perdagangan**

Ekonomi Laos saat ini telah terintegrasi ke dalam panggung kerjasama internasional. Tukar-menukar perdagangan internasional merupakan kunci terpenting bagi Laos untuk melepaskan diri dari status negara paling terbelakang di tahun 2020. Dengan pertukaran perdagangan internasional akan membantu percepatan pertumbuhan ekonomi dan akan mampu meningkatkan kondisi kehidupan penduduknya. Dengan kata lain, pertukaran perdagangan internasional sangat penting bagi negara berkembang seperti Laos. Setiap negara telah menjadi bagian dari ekonomi global, dan tak satu pun negara di dunia mampu membangun tanpa adanya tukar menukar perdagangan (“Trade exchange. a key to poverty eradication”, dalam *Vientiane Times*. Selasa. 21 Juni 2005).

Pemerintah Laos mempromosikan demokrasi penegakan hukum dan peraturan dan perlindungan hukum dasar HAM. Sebagai hasilnya, sebuah konstitusi baru disetujui tahun 2003 yang menekankan ditegakkannya hukum di bidang peradilan, proses pemilu, perlindungan dan peningkatan peranan wanita dalam pembangunan, administrasi lokal, dan anti korupsi. Pemerintah Laos juga mengeluarkan kebijakan luar negeri yang bebas merdeka, bersahabat dan menjalin kerjasama. Pemerintah Laos juga mengadopsi satu kebijakan renovasi yang membawa perubahan dalam seluruh kehidupan sosial ekonomi dan politik masyarakat Laos. Sejak mengadopsi kebijakan baru tersebut, Laos memperoleh kemajuan yang signifikan dalam pembangunan, di mana pembangunan daerah pedesaan perbatasan menjadi prioritas utama, di antaranya dengan upaya-upaya memperkuat eksistensi fungsi jembatan persahabatan, mempromosikan perdagangan di wilayah perbatasan, dan memfasilitasi aktifitas bisnis swasta dengan mengizinkan mereka mengambil keuntungan yang wajar untuk meningkatkan arus komoditi di perbatasan (lihat: Tupan dan Arifah Sismita, "Kontak-kontak Perdagangan Perbatasan Birma dan Thailand", dalam *Paket Informasi Khusus*, 2005: 103).

## **VII. Prospek Kontak Perdagangan antara Laos dan Thailand**

Kontak-kontak perdagangan antara Laos dan Thailand memiliki prospek yang sangat baik di masa depan. Dalam hal ini pemerintah Laos berupaya meningkatkan kerjasama ketenagakerjaan dengan Thailand melalui MoU. MoU tentang tenaga kerja ini merupakan kunci penting dalam upaya menyelesaikan konflik ketenagakerjaan antara dua negara dan untuk mereduksi jumlah migran ilegal orang Laos di Thailand. Semula, pemerintah Thailand tidak mengeluarkan izin kerja legal bagi pekerja asal Laos karena tidak ada perjanjian antara dua negara.

Setelah ditandatanganinya MoU tentang tenaga kerja antara Laos dan Thailand di Luang Prabang pada tahun 2002 lalu, maka persoalan ketenagakerjaan dua negara berangsur-angsur dapat diatasi walaupun masih banyak pekerja yang masuk ke Thailand secara tidak resmi. Dalam MoU itu di antaranya dimuat kesamaan hak dan kewajiban antara pekerja migran asal Laos dengan pekerja orang Thailand di Thailand, termasuk dalam upah dan asuransi kesehatan. MoU tersebut juga memberikan beberapa opsi bagi pekerja Laos untuk masuk Thailand secara resmi, dan untuk

menghindari dari kejahatan penjualan manusia lintas batas. Sebagian besar pekerja migran Laos di Thailand bekerja di sektor rumah tangga dan perkebunan (“Lao-Thai employment cooperation pushed”, dalam *Vientiane Times*, Rabu, 22 Juni 2005).

## VIII. Penutup

Penelitian tentang Laos sangat jarang dilakukan. Dengan demikian dapat dikatakan bahwa ini merupakan penelitian yang pertama bagi Pusat Penelitian Sumber Daya Regional (PSDR LIPI) di Laos. Laos yang memiliki wilayah tersekat tanpa ada laut menyebabkan negara itu secara ekonomi amat bergantung dengan negara-negara tetangganya, sehingga tidak mengherankan bila hingga sekarang pun Laos tetap menjadi salah satu negara yang “terbelakang” di kawasan Asia Tenggara.

Isu terkini tentang Laos adalah upaya menghapus paradigma Laos sebagai negara yang terkunci “*land-locked state*” menjadi negara yang terbuka “*land-linked state*” dan terhubung dengan negara-negara lain, terutama melalui upaya pembangunan dan peningkatan perdagangan perbatasan. Selain melakukan pertukaran dagang dan internasional dengan negara tetangga dan Uni Eropa, maka Pertemuan menteri-menteri ASEAN pada bulan Juli 2005 juga merupakan upaya nyata Laos untuk dapat menarik investasi ke Laos, tidak hanya regional tetap juga investor internasional seperti dari Jepang, Korea, Rusia dan Uni Eropa. Melalui studi ini, khususnya tentang kontak-kontak pedagangan di perbatasan antara Laos dan Thailand, kita dapat memahami secara lebih baik bahwa studi tentang perbatasan saat ini menjadi sangat penting. Dalam kasus perbatasan antara Laos dan Thailand ini, terlihat bahwa sejak dulu hingga sekarang pun tetap berjalan pergerakan barang dan manusia secara legal dan illegal. Ada beberapa pihak yang menduga bahwa kondisi ini terkait erat dengan adanya korupsi di tingkat mikro, terutama di antara petugas-petugas bea cukai dan titik lintas batas. Kondisi demikian tentu saja mengkhawatirkan bagi pemerintah pusat dalam upaya peningkatan pembangunan wilayah perbatasan. Oleh karena itu, pemerintah kedua negara berupaya bekerja sama untuk meningkatkan dan menanggulangi berbagai persoalan di wilayah perbatasan dengan menerapkan peraturan-peraturan baru yang diharapkan akan mengurangi aktifitas illegal di perbatasan dua negara. Pemerintah Indonesia tentunya harus belajar hal serupa tentang bagaimana menangani masalah perbatasan dan menciptakan pemerintahan yang baik dan bersih.





