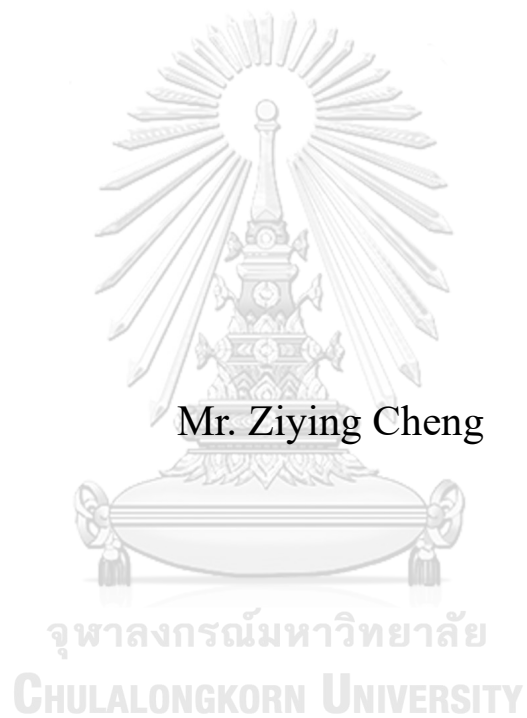


China's Influence on Laos' Infrastructure Investment and Lao
People's Views on It - The Case Study of China-Laos Railway



An Independent Study Submitted in Partial Fulfillment of the
Requirements

for the Degree of Master of Arts in Southeast Asian Studies

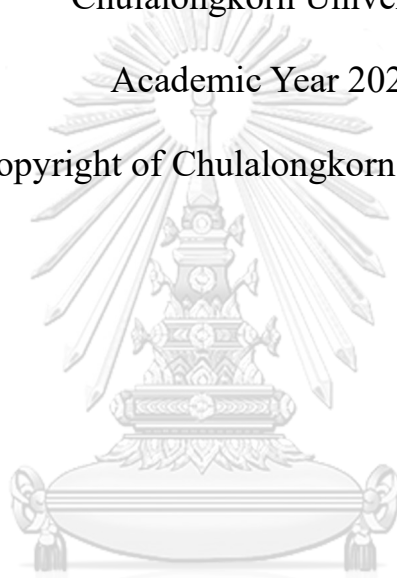
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อิทธิพลจีนที่มีต่อการพัฒนาโครงสร้างพื้นฐานของลาวและทัศนะของชาว
ลาวที่มีต่อเรื่องนี้: กรณีศึกษารถไฟจีน-ลาว



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สาขาวิชาเอเชียตะวันออกเฉียงใต้ศึกษา

สหสาขาวิชาเอเชียตะวันออกเฉียงใต้ศึกษา

บัณฑิตวิทยาลัย จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2565

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย



จุฬาลงกรณ์มหาวิทยาลัย
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Independent Study Title	China's Influence on Laos' Infrastructure Investment and Lao People's Views on It - The Case Study of China-Laos Railway
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ฉียง ฉิ่ง :

อิทธิพลจีนที่มีต่อการพัฒนาโครงสร้างพื้นฐานของลาวและทัศนคติของชาวลาวที่มีต่อ
เรื่องนี้: กรณีศึกษารถไฟจีน-ลาว. (China's Influence on Laos' Infrastructure
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Railway) อ.ที่ปรึกษาหลัก : ผศ. ดร.ธีระ นุชเปี่ยม

การศึกษานี้จะพิจารณาคำถามต่อไปนี้ :

"เนื่องจากจีนมีคุณภาพการทางเศรษฐกิจต่อโครงการรถไฟจีน-ลาวมากกว่าลาว
จีนจะมีอิทธิพลต่อโครงการมากกว่าลาวหรือไม่?" ในช่วงไม่กี่ปีมานี้
จีนและลาวได้พัฒนาความสัมพันธ์ที่ใกล้ชิดกันมากขึ้น นอกจากนี้
ทางรถไฟจีน-ลาวเสร็จสมบูรณ์เมื่อสิ้น พ.ศ. 2564 อันเป็นมาจากการดำเนินนโยบาย
"หนึ่งแถบหนึ่งถนน" หรือ "เส้นทางสายไหมแห่งศตวรรษที่ 21" อย่างต่อเนื่อง
ในส่วนแรกของบทความ มีการอธิบายบริบทนี้โดยละเอียด
ลาวเป็นประเทศที่ไม่มีทางออกทะเลเพียงประเทศเดียวบนคาบสมุทรอินโดจีน
และการก่อสร้างทางรถไฟภายในพรมแดนลาวได้ดำเนินไปอย่างช้า ๆ นอกจากนี้
ยังไม่มีทางออกทางทะเลซึ่งเป็นอุปสรรคต่อการขยายตัวของการค้านำเข้า-ส่งออก
การท่องเที่ยวและโลจิสติกส์ ในส่วนที่สองของบทความ
จะมีการศึกษาทางรถไฟสายแรกในประเทศลาว
พร้อมกับคำอธิบายอย่างละเอียดเกี่ยวกับทางรถไฟจีน-ลาว
และคำอธิบายเกี่ยวกับการรวมองค์ประกอบของจีนเข้ามาโดยตรง
สาขาวิชา เอเชียตะวันออกเฉียงใต้ศึกษา ลายมือชื่อนิสิต

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ปีการศึกษา 2565

ลายมือชื่อ

6388051820 : MAJOR SOUTHEAST ASIAN STUDIES

KEYWORD China-Laos Railway, China, Laos

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Ziying Cheng : China's Influence on Laos' Infrastructure Investment and Lao People's Views on It - The Case Study of China-Laos Railway.
Advisor: Asst. Prof. Theera Nuchpam, Ph.D.

This paper addresses the following question: "Given that China's economic contribution to the China-Laos Railway project is greater than Laos', will China have greater influence in the project than Laos?" In recent years, China and Laos have developed increasingly close relations. In addition, the China-Laos railway has been completed by the end of 2021 as a result of China's continued implementation of its "One Belt, One Road" policy. In the first section of the article, this context is described in detail. Laos has always been the only landlocked nation on the Indo-China Peninsula, and the construction of railways within its borders has progressed slowly. In addition, there is no sea exit, which severely hinders the growth of import-export trade, tourism, and logistics. In the second section of the article, the first railway in Laos will be studied, along with a thorough description of the China-Laos railway and a description of the direct incorporation of Chinese elements. Comparative analysis is used in the third section to compare the economic assistance of the United States to Laos, the help of the Soviet Union to China, and the cooperation between China and Laos. Laos has transitioned from a "landlocked country" to a "land-linked country," and its advantageous geographical location is anticipated to facilitate its continued development. Everything, however, has two sides. China is responsible for a substantial portion of the China-Laos railway project, as evidenced by its economic organization structure. The disparity in the proportion of financial and technical contributions to the project places the Lao side at a disadvantage in the project, and the project may become overly dependent on the support provided by the Chinese side during its implementation. Due to the fact that the China-Laos Railway has been operational for less than a year, this article will also reference the subjective opinions and evaluations of a few Lao bloggers on the We-Media regarding the China-Laos Railway Project. Thus,

Field of Study: Southeast Asian Studies Student's
Signature

Academic 2022 Advisor's
Year: Signature

ACKNOWLEDGEMENTS

Ziying Cheng



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1. Introduction

Background

For every country or region, it is very important that the system of the railway is getting better and more complete. Laos is the only country on the Indo-China Peninsula that does not have a seaport, and there are many mountains in its territory. The closed traffic situation severely restricts the economic growth, the urbanization process of the population, the industrialization process of the city, and so on. But it is precisely because Laos is located in a narrow and long area in the middle of the peninsula, and it is the country with the most borders with neighboring countries on the Indo-China Peninsula. Therefore, opening railways to establish connections with other countries is of great significance to Laos and several neighboring countries.

On 3 December 2021, the Laos Government started to run the Boten-Vientiane Railway. Its opening changed Laos from "landlocked" to "land-linked" ("1st train of China-Laos Railway leaves Vientiane for China," 2021). Boten-Vientiane Railway is a part of the China-Laos Railway, that is, from Yuxi, Yunnan Province to Vientiane in Laos. It is another international railway in Laos and the first high-speed railway (Medina, 2021).

From the map, the Boten-Vientiane Railway, as the middle corridor, occupies a very important position in land transportation. On one hand, if Laos can formulate supplementary policies according to its national conditions and international situation,

it can improve its economy, increase employment, and increase its international influence. For example, the advantages of land transportation being faster than sea transportation can be used to take part of the maritime transportation business in the region, so as to obtain income and enhance the international status, or create a good investment environment to attract foreign investment, and so on. On the other hand, opportunities also bring risks. In terms of transportation costs, although land transportation is faster, the single-speed advantage does not seem to be so important compared to the volume and lower price of goods that can be transported by sea.

Research Question

Will China have a greater influence in the China-Laos Railway project than Laos given that its economic contribution to the project is greater than Laos'?

Research Objective

- ① To study the impact of China having a larger economic share than Laos in the China-Laos railway project on the China-Laos Railway project.
- ② To study Laos' perspectives on Chinese economic share.

Hypothesis

In order to cooperate with the construction and operation of the China-Laos Railway, the supporting policies issued by the Lao government have promoted the

progress of the logistics industry and tourism. The development of the tertiary industry has increased employment and accelerated the urbanization process of Laos.

Methodology

First of all, through a review of the relevant literature, the following topics will be investigated in this paper: the first railway to be constructed in Laos; the historical context of the construction of the China-Laos railway; the current operation of that railway; the assistance provided by the United States to Laos; and the assistance provided by the Soviet Union to China on the economic front. This post will ultimately compare the two aids. Secondly, the Lao people's attitude towards the China-Laos Railway will be obtained by browsing social media.

2. The Story of Laos Railway

(1) The first railway in Laos

Don Det-Don Khon railway is the first Laotian railway, which was made by the French people during its colonial period. It is located in the archipelago of the four thousand islands in Champasak province in southern Laos. The entire railway is a narrow-gauge railway, about 7 kilometers long, connecting Don Det and Don Khon(Hufnagel & Kautzor, 2012). The railway was built around 1897 by the Mekong Exploration Commission and closed in 1940(Keay, 2005).

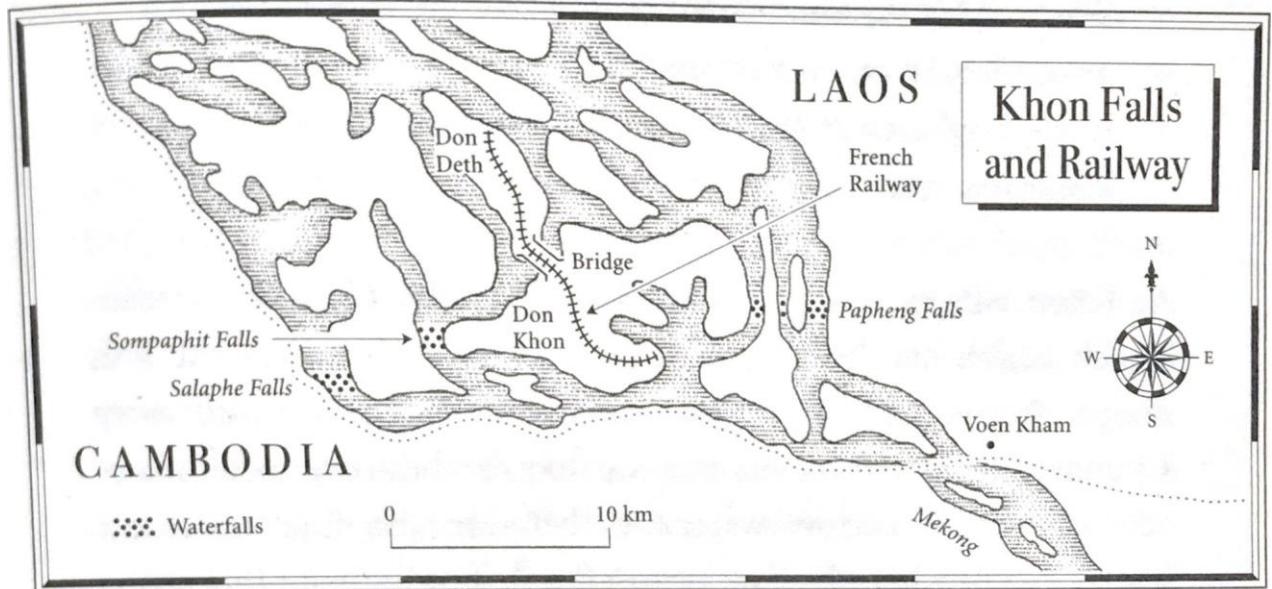
The background for the construction of this railway is relatively complex. In 1862, the Second French Empire forced the Vietnamese government to recognize the "Treaty of Saigon," and Vietnam directly ceded three provinces in the Mekong Delta, named Biên Hòa, Gia Định, and Định Tường. It laid the foundation for the gradual expansion of French involvement in Southeast Asia. Subsequently, French Indochina turned Cambodia into a protectorate in 1964 and included Laos and the Leased Territory of Guangzhouwan(now in Zhanjiang, Guangdong, China) in 1899 and 1898, respectively.

At the same time, on the western Indochina Peninsula, the British Empire was also expanding its power. In the First Anglo-Burmese War in 1824, the British colonial government annexed the Rakhine State. Furthermore, it gained control of Upper Burma in the Third Anglo-Burmese War in 1885. They also used the so-called inconclusive Franco-Burmese treaty to create a pretext to successfully get the French to give up their ambitions to control parts of Burma(Keay, 2005). Myanmar's neighbor Thailand also lost its influence in Laos in the later Franco-Siamese War.

As mentioned above, in the context of the rapid expansion of the power of Britain and France in Southeast Asia, to stabilize the rule, balance the contradictions within the colony and occupy more territory and resources, the French colonial officials established the Mekong Exploration Commission. This organization exists for two purposes. First, they are called upon to contribute to scientific documentation, mapping, and the civilizing mission(Burrows, 1986). Second, its political ambition is

to assess the Mekong's navigability to eventually approach the French picture of connecting the delta's fertile regions, Saigon port, southern China, and parts of Siam(Keay, 2005). In this way, the colonial government hoped to turn Saigon into a money-making tool, just like the British-controlled Shanghai on the Huangpu River in China(Seno-Alday, 2021). Therefore, a route from Cambodia to Laos has become particularly important. The difficulty, however, is that the region has a monsoon climate, and the river flow is volatile. Some river sections will also remain dry for several months due to the arrival of the dry season(Keay, 2005). Moreover, and most importantly, the Khone Phapheng Falls in this area is the biggest obstacle to crossing the water. Khone Phapheng Falls is the largest waterfall in Southeast Asia("Khone, Chutes de," 2017). It is divided into several sections by several islands from east to west and spans the entire watershed. After the losses caused by the misjudgment of the river by several members of the committee and the failure to cross the waterfall several times, the French colonial government decided to build a railway on Khone Island. The first railway in Laos was also born.

Figure 1: Khone Falls and Railway (Keay, 2005)



(Photo Credit: Mad about the Mekong: Exploration and Empire in South-East Asia, P83)

Technically, rail transportation has been used on Khone Island since 1893, but the rails at that time were very short. People need man-powered assistance to use rail transport to get across the island. Workers must remove the rear rails and lay them on the front while moving the transport trolleys (Keay, 2005). Not only is it very labor-intensive, but also highly inefficient. The French officers used this section to transport two portable Vessels- Steam-powered gun sloops (Keay, 2005)¹.

The railway was discontinued in 1940. It was never used during World War II, and the Japanese control of Laos for a short time and later disappeared due to disrepair (Williams, 2022). Nowadays, Laos has built a museum for the railway, and

¹ Related shipping pictures can refer to this link: <https://www.toutiao.com/article/7105370872076059151/>. Retrieved 2 August 2022.

people can still find the remains of railway tracks and bridges on the island(Hufnagel & Kautzor, 2012).² Although this railway is the first railway in this country, its significance is extraordinary. But its function was not born to develop Laos' domestic infrastructure, and its political purpose is more significant than its practical purpose(Simms, 2020). Hence, after the French government gave up the land, the railway's existence also lost meaning. Ultimately, it was soon abandoned because of the railway's age and disrepair.

(2) Boten–Vientiane railway

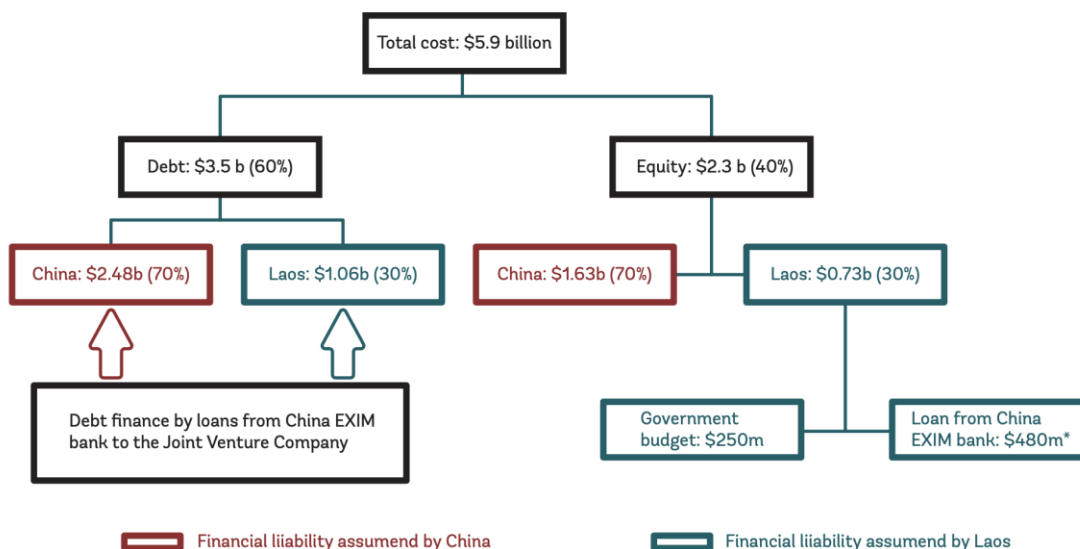
The Boten-Vientiane railway is the Laotian section of the China-Laos Railway. This section is approximately 422 kilometers long (the main line is 414.332 km), more than half of which, about 258 kilometers, is connected by 167 bridges and 75 tunnels("The Lao-China highway will begin trial runs this year," 2021). The railway runs from Boten Station in Luang Namtha province in northern Laos to Vientiane South Station in Vientiane, the capital of Vientiane, through 5 areas in Laos, with a total of 32 stations set up(Yap, 2017). It uses the Chinese train track criterion. Single 1.435-metre standard-gauge track electrified mixed-traffic line is to be built to China's GB Grade 1 standards, suitable for 160-200 km/h passenger and 120 km/h freight trains(Yap, 2017). The train started construction in Luang Prabang on December 25, 2016, and officially opened on December 3, 2021("China-Laos Railway Project,"

² Museum and legacy railway infrastructure construction can refer to 2:07-3:07 of this video: <https://www.youtube.com/watch?v=XajU3jykE2M>. Retrieved 2 August.

2019). In 2001, the plan had already received the attention of bilateral leaders. The relevant contract was signed in 2010 and was subsequently put on hold due to changes in the Chinese leadership(MEGERIAN, 2013). In early 2015, the two parties restructured the project and started discussing the details of the project(JANSSEN, 2017).

The project's anticipated cost is USD 5.965 billion, which is about equivalent to RMB 37.425 billion("The Lao-China highway will begin trial runs this year," 2021). 60% (\$3.5 billion) of the debt finance for the railway comes from the Export-Import Bank of China, while the remaining 40% (\$2.4 billion) derives from a joint venture firm between the two countries("From Landlocked to Land-Linked : Unlocking the Potential of Lao-China Rail Connectivity," 2020). China owns 70% of the company's stock. The remainder of the shareholding is funded by the Lao government using \$250 million from its national budget and \$480 million from the Export-Import Bank of China(ibid). By 2021, it will be the most expensive and largest construction project in Laos(JANSSEN, 2017).

Figure 2: LAO-CHINA RAILWAY PROJECT'S FINANCING STRUCTURE("From Landlocked to Land-Linked : Unlocking the Potential of Lao-China Rail Connectivity," 2020)



(Photo Credit: From landlocked to land-linked – Unlocking the potential of Lao-China Rail connectivity, P 20)

As the only landlocked country in the Indo-China Peninsula, Laos has long relied on the seaports of neighboring countries for its import and export trade. In this regard, companies in Laos need to pay additional tariffs, equipment rental, labor costs, etc., and the transaction cost will be significantly increased. As is well known, shipping has always played a vital role in the global economy and international trade. More than 80% of the world's international trade in goods is carried by Maritime transport(Sirimanne et al., 2021). And most developing countries have an even higher

percentage(Sirimanne et al., 2021). Ultimately, developing railways is another way to compensate for the lack of a seaport.

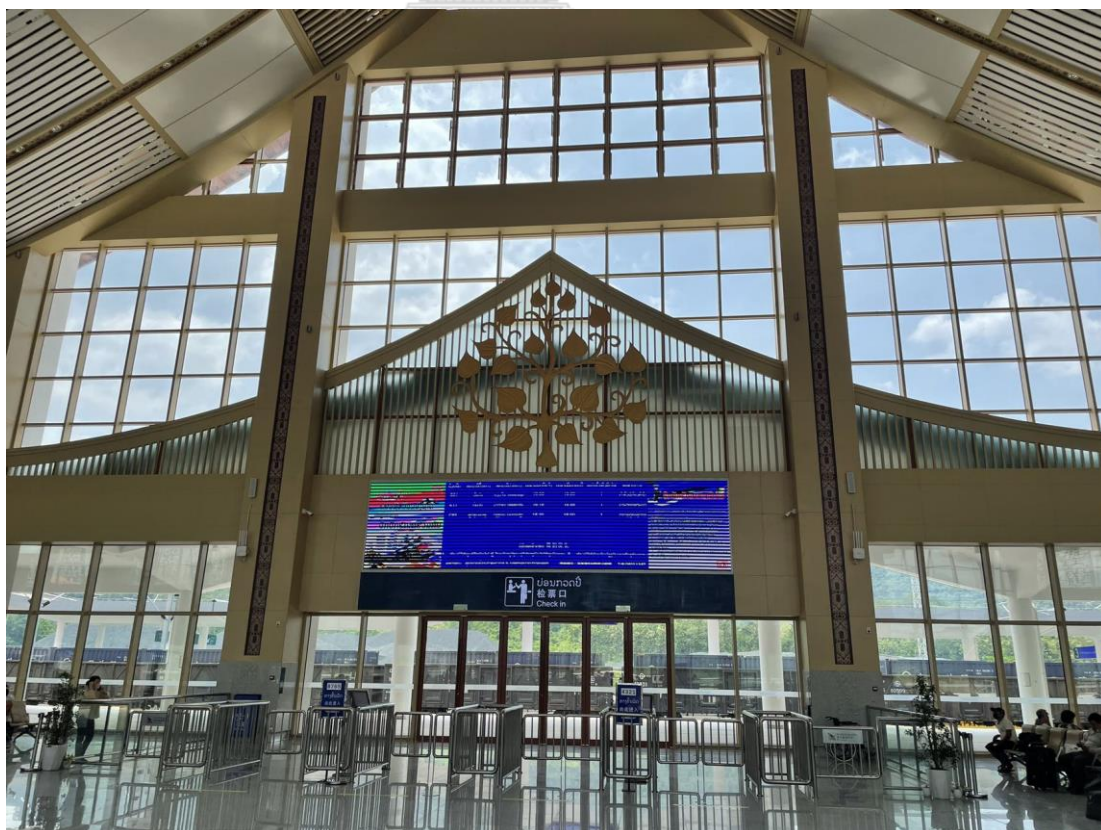
Compared to other countries in Southeast Asia, the Lao People's Democratic Republic is one of the fastest-growing economies. From 2010 to 2018, it achieved the second highest compound annual growth rate (CAGR) in exports after the top one, Vietnam(Seno-Alday, 2021). As it is the only landlocked country in the region, the rapid progress of the country's exports is even more astonishing. Therefore, it is very worthwhile to spend energy on developing railways.

The construction of the China-Laos Railway has significantly increased the efficiency of transportation. From the previous 18 hours, the journey from Luang Namtha, the largest city in northern Laos, to Vientiane, the capital of the south, took only 3 hours and 30 minutes(Clark, 2022). The reduction of time has brought cities closer together, which is very conducive to population mobility and promotes the urbanization and tourism processes. On the other hand, its freight function facilitates the country's import and export trade. According to The Laos-China Railway Co., Ltd. (LCRC) in the capital Vientiane, the cross-border cargo transported by the China-Laos railway has exceeded 1 million tons since its opening in December of last year, with a total value of roughly 9.14 billion yuan (nearly \$1.35 billion U.S. dollars)(Hua, 2022b). After an initial period of difficulty caused by the new coronavirus epidemic, freight is demonstrating an upward trend. Cross-border cargo transportation on the Laos section of the railway was 1,076,500 tons as of August 9, 2022, with an average

monthly growth rate of 16.95%. Of this amount, 263,400 tons were shipped from China to Laos and 813,100 tons were shipped from Laos to China(Hua, 2022a). The most surprising aspect is that the freight cost via the China-Laos railway is nearly identical to that via sea, while the transit time is significantly shorter via sea(Hua, 2022b). And if China's "One Belt, One Road" initiative is expanded, Laos, which is the Indo-China Peninsula's land transportation hub, will usher in more opportunities(Medina, 2021).

As a result of the collaborative efforts of the two nations, Chinese elements can be found easily on the high-speed rail platform and train.

Figure 3: Inside the high-speed rail station



(September 2022 photograph by Zixu He of the China-Laos High-Speed Railway Station)

The high-speed rail station's signs are composed of three languages: Lao, English, and simplified Chinese.

Figure 4: Ticket Window



(September 2022 photograph by Zixu He of the China-Laos High-Speed Railway Station)

The interior design of the office closely resembles that of Chinese high-speed rail stations.

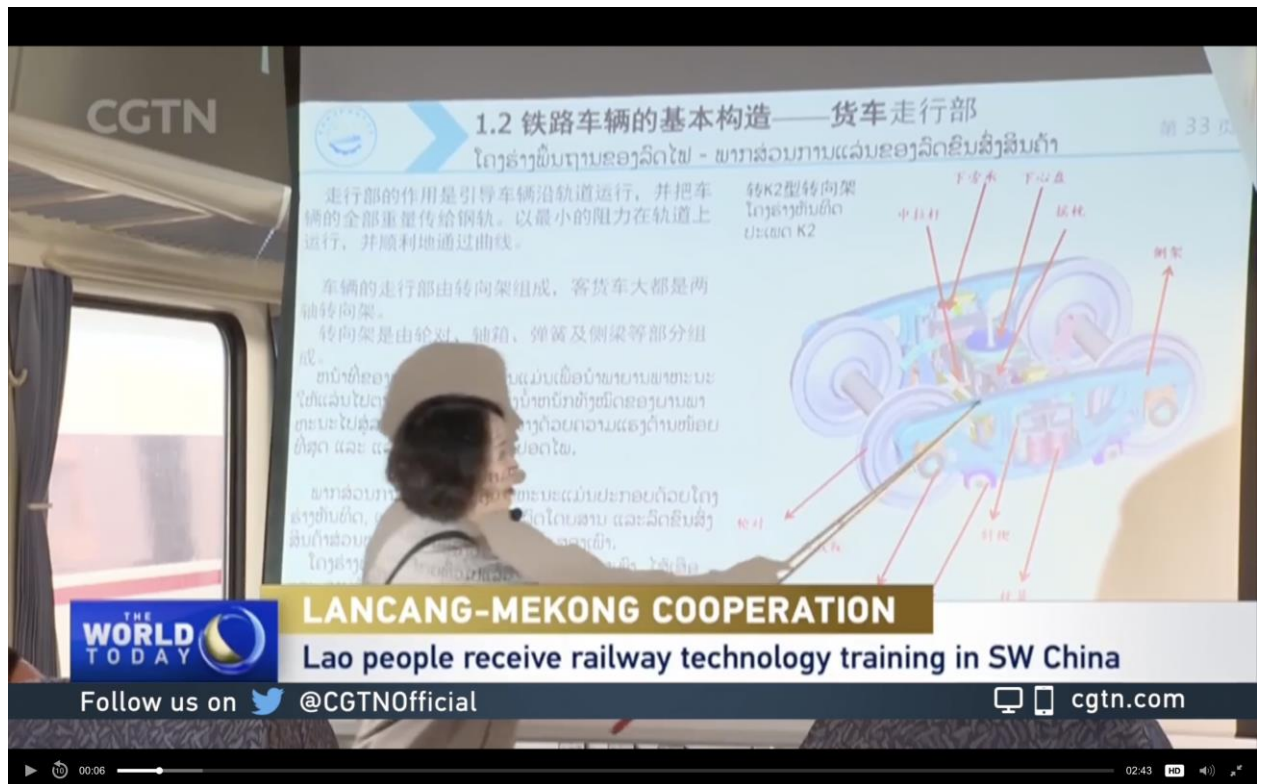
Figure 5: Platform overview



(September 2022 photograph by Zixu He of the China-Laos High-Speed Railway Station)

A Chinese freight train stops at the edge of the platform.

Figure 6: Enterprise training



(Photo Credit: Screenshot from the work of CGTN,

<https://news.cgtn.com/news/2022-07-05/Lao-people-receive-railway-technology-training-in-South-west-China-1bq59m4bjnW/index.html>. Retrieved 31 August 2022)

As seen in the image, the PowerPoint presentation for the address is bilingual. The teacher may be heard instructing in Chinese on the video.

It is evident from the preceding data that China's resources play a significant role in the formation of the project and the organization's structure. Although there may be an excess of Chinese components in the business environment. However, only Lao engineers who can comprehend the difficult Chinese construction principles can

acquire the essential information. It seems that a large number of non-native German-speaking international students study technology in Germany.

3. About Foreign Aid

(1) What did the U.S. Government do during the Laotian Civil War?

① American economic aid

During the Laotian Civil War, the United States gave a lot of aid to the Lao Royal Government. When a country tries to influence the internal affairs of another country, there are many ways to do this. These include sending troops, bilateral trade and loans. In order to get involved in Laos' domestic situation, the United States chose economic aid and military aid. Rather than bolster support for the Vientiane regime, more aid will be spent arming the Royal Lao Army and police to win against the Pathet Lao(Fang, 2019).

After taking office in 1953, U.S. President Eisenhower curtailed economic aid to Southeast Asia. However, with the continuous expansion of aid of the Soviet Union in Southeast Asia, the U.S. government increased its assistance to Southeast Asia in order to prevent Southeast Asian countries from being incorporated into the communism(Fang, 2019).

The United States provided Laos with defense assistance worth more than \$28 million in 1955(Fang, 2019). The United States provided Laos with aid totaling \$48

million 700,000 in 1956. However, just \$1,000,000 goes for technological cooperation(Fang, 2019). The United States provided Laos with assistance of \$44 million, 500 000 in 1957. Then, just 1.5 million were allocated for technical cooperation(Fang, 2019).

The rest is all for defense support. It shows that the US is more focused on defense than helping the central government develop the economy. Transportation construction accounted for nearly half of all spending in 1957(Fang, 2019). Because the project was related to military aid, the army needed to build roads to transport people and weapons.

American economic aid to Laos is mainly achieved through commercial import projects and cash grants. The basic feature of commodity import program aid is that the United States provides US dollars to recipient countries to finance the import of American industrial productions. Because Laotians have very low incomes, the need for imported productions were not high. This method doesn't work very well. That's why the cash grants were added later(Fang, 2019).

Later, in the 1962-1969 aid program, the United States added infrastructures such as public health and the Laos National Road. But economic aid is all about military facilitation. For example, the construction of national road in Laos. In this program, the Americans built roads and trained the Laotians at the same time. With a good road system, not only can the market economy be expanded, but mainly to facilitate military supply.

② American military aid

Since 1954, the main purpose of American foreign policy in Laos has been to assist the Royal Lao Government in order to prevent its defeat by communism. In addition to the consideration of combat, the U.S. government wanted to build an image among the people by expanding the strength of the Royal Lao Army(Fang, 2019). And from 1954 to 1956 the number of troops increased from 15 thousand to 25 thousand(Goldstein, 1973).

Most important of all, Washington wanted to close the Ho Chi Minh Trail to cut off the movement of troops and supplies to the North Vietnamese Army. This would relieve the pressure on the South Vietnamese army.

The U.S. also assigns U.S. military majors and captains to the Royal Lao Army to support the ground force. They are responsible for designing combat plans and logistics arrangements. At the same time, the United States also provided air force support, which was responsible for commanding, repairing, and installing bombs for T-28 bombers(Fang, 2019). At that time, the CIA had more than 300 technicians in Laos, many of whom were all-special forces combatants with combat experience(Hamilton-Merritt, 1999). The CIA tried to isolate the Hmong guerrillas from the Royal Lao Army and the Royal Lao Government. Because the CIA doubted the military's fighting ability and the government's integrity and effectiveness. However, the CIA reported the existence of the secret army to the High Command and

the Royal Lao Government. USAID (United States Agency for International Development) coordinates with the CIA to provide food and supplies to the Hmong soldiers. This part of the material supply is basically by air drop (Hamilton-Merritt, 1999). The effective U.S. military assistance to Laos is reflected in the fact that the Lao army which was supported by the U.S. has occupied two strategically important places in Laos. One is Plain of Jars, and the other is located on the edge of the Ho Chi Minh Trail near Quảng Trị Province (Hamilton-Merritt, 1999). The success of the latter has allowed the United States to strengthen its control along the Ho Chi Minh Trail. Thailand followed the United States in breaking the 1954 Geneva Conference. Thailand allowed the Americans to train Laotian pilots and ground troops in Thailand. After negotiations, Thailand agreed to receive \$100 million a year from the United States to maintain a 10,000-strong armed force (Fang, 2019). The Thai air force is carrying out combat missions in Laos using weapons provided by the U.S. military.

③ What is the impact of U.S. aid on Laos

The assistance provided by the United States to Laos has played a very important role in the development of Laos. Large amounts of US assistance have provided the impetus to the economic development of Laos and avoided a downturn in its economy. Fostered market institutions in Laos, because of the introduction of foreign investment. Domestic infrastructure construction in Laos has been strengthened. At the same time, Laotians were influenced by the American democratic system and social lifestyle, and

they introduced items such as Cadillac car and vacuum cups, which enriched the life of the Lao people.

However, due to the economic assistance provided by the United States to Laos, Laos has become the raw material producing area and dumping market of the United States. Due to the economic imbalance between the two countries, Laos is in a passive position. The presence and dumping of American products has increased competition in Laos' domestic market. Laos suffers from inflation and black market transactions due to its inadequate financial system. The aid program is not going to solve the problems in Laos.

(2) About Soviet aid to China

China received aid from the Soviet Union from 1951 to 1960. The People's Republic of China and the Union of Soviet Socialist Republics on February 14, 1950 signed 'The Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance'.

China was in the phase of post-war recovery at the time. In addition, against the backdrop of the Cold War between the United States and the Soviet Union, China is one of the socialist countries with the most lagging economic development. China's economic development has lagged behind for a very long time, and the country's modern industry began very late. Industrial output accounted for only 12.3% of the total industrial and agricultural output as a result of the decades-long war. At the beginning of 1950, just one year after the founding of the People's Republic of China,

the lack of electric power industry and the lack of iron and steel manufacturing industry, as well as the defects of China's overall industry itself, inadequate facilities, unreasonable distribution, and unbalanced supply and marketing, hampered the country's development. The shortcomings of the industry have resulted in approximately 1.5 million unemployed workers and intellectuals nationwide, and there are still a substantial number of people who are underemployed. Agricultural output is also lagging. In 1949, the average grain yield per mu was 137 catties and the average cotton yield was 21 catties. In addition, due to the destruction of a vast area of farmland (127.95 million mu), the total agricultural output is only 210 billion cats, which is 75% of the pre-war average. In addition, the transportation sector has been severely damaged. In 1949, the volume of modern transportation goods was only 229.6 ton-kilometers, which was only 52.7% of the volume in 1936. The backwardness and decline of production directly caused the new government's financial difficulties. The fiscal deficit reached 46.4% of total fiscal expenditures in 1949(Shen, 2013).

In such a dire situation, it is impossible for China's economy to develop independently, and reliance on the Soviet Union is the best option. After the agreement was signed, the Soviet Union provided funding for 156 projects in China.

Experts from the Soviet Union were instrumental in the recovery and growth of China's economy. In the early stages of economic development, China lacked first and foremost the ability to design. By 1953, there were only 78 design units in the United

States, and each unit typically consisted of fewer than 500 individuals. Such a weak force could not meet China's comprehensive economic recovery and construction requirements. Therefore, upon request from the Chinese government, the Soviet Union dispatched a large number of design specialists to China. When they visited the Soviet Union in February 1950, Mao Zedong and Zhou En hired the first batch of sixteen Soviet design teams for the first batch of Soviet-aided construction projects. In order to build an industrial base in the northeastern region after the outbreak of the Korean War, the Chinese government hired a second batch of three Soviet design teams. In 1951, the third group of 23 Soviet design teams was hired. In this manner, by the summer of 1951, the Soviet Union had dispatched 42 design teams, 30 of which were stationed in the Northeast. In order to implement the "First Five-Year Plan," the Central Finance Committee decided to request that the Soviet government send five expert groups to China in the second half of 1952 to conduct national planning, configuration, and design work. Plans for the adjustment of existing factories and new factories in the national machinery manufacturing industry, as well as plans for the adjustment, expansion, and new construction of national shipbuilding and railway rolling stock factories. There are currently six geological surveys that require assistance from the Soviet Union. The Soviet side made every effort to meet the Chinese side's design specifications. According to reports by Li Fuchun and Song Shaowen, directors of the Planning Bureau of the Finance and Economics Committee, during negotiations on the coal mine design project at the end of 1952, the Soviet

Union accepted all the design requirements proposed by China to the greatest extent possible, even though geological data were insufficient; they also compromised on the design(Shen, 2013).

These 156 projects have established a solid foundation for New China's industrial and economic growth. In the past, China was regarded as an oil-poor nation. Still, Soviet experts pointed out that "China is in the middle of oilfield countries, and China's underground oil resources are abundant" based on the principle of oil generation and a comparison of China's stratigraphic structure to that of its neighbors(Shen, 2013). Concurrently, Soviet experts taught advanced oilfield exploration techniques to solve the issue of oil production in low-pressure oilfields. With the assistance of Soviet experts, the labor productivity of China's petroleum industry has tripled in the past three years, and crude oil production in 1952 surpassed 19.66% of the highest output before liberation, laying the groundwork for the development of China's petroleum industry.

As Sino-Soviet relations deteriorated in the 1960s, the Soviet Union demanded the immediate withdrawal of all experts from China and the cessation of all ongoing research and development projects. China was also required to repay the 500,000 tons of borrowed cane sugar within five years in 1961(Shen, 2013). The immense benefits of economic aid to the Soviet Union, however, cannot be denied. It was also with the help of the Soviet Union that China was able to cultivate its first batch of scientific and technological talent, which provided a tremendous boost to China's later

development.

(3) About China and Laos

Laos's economic development has entered a period of rapid growth in a short amount of time. Although the country is resource-rich but cash-poor, it requires additional assistance and funding from China for infrastructure and financial engineering projects. Under these conditions, China-Laos cooperation has addressed the situation in Laos.

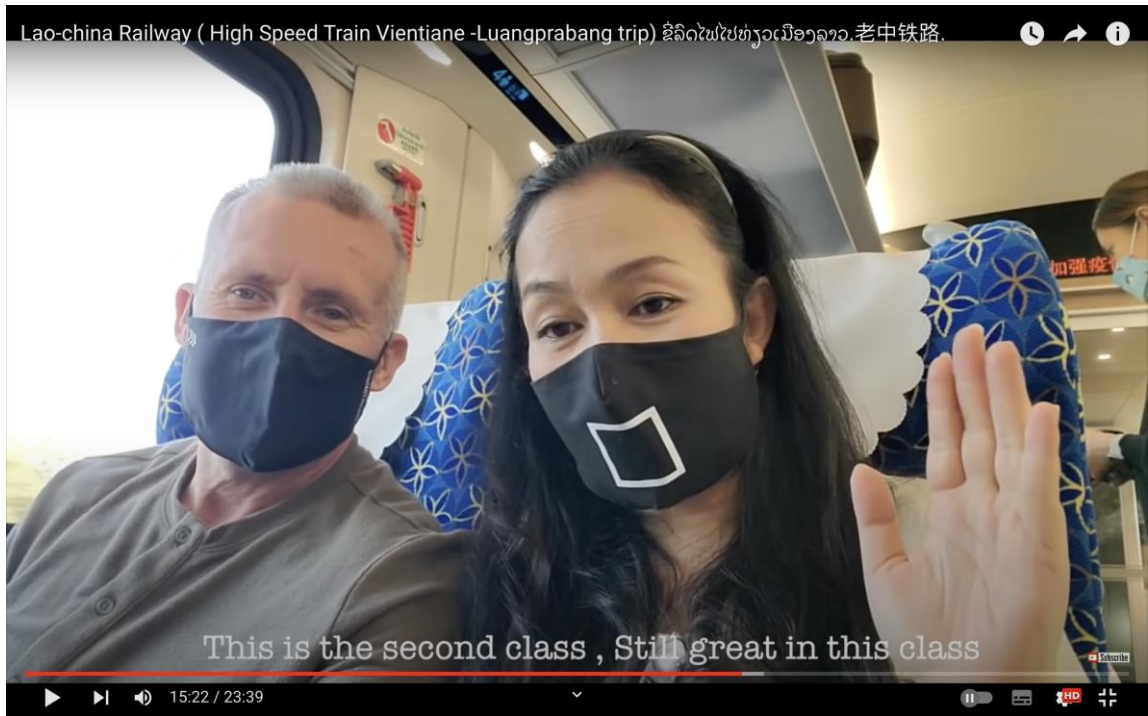
China's economic assistance to Laos can roughly be divided into two phases, the first of which lasted from 1956 to 1978. The world was in the midst of Cold War at the time. Especially in the beginning, the international community tended to divide into two camps. In 1956, China offered Laos assistance, but genuine public aid did not begin until the late 1960s. China's economic assistance to Laos at this time was crucial to the country's anti-colonial struggle and national independence. In the 1960s, the primary purpose of China's economic aid was to assist Laos in constructing its transportation infrastructure, thereby facilitating travel between China and Laos. From 1971 to 1973, a large number of Chinese workers were dispatched to Laos to construct and maintain roads and bridges in support of the country's economic development. China's direct economic assistance to Laos reached 25 million U.S. dollars in 1974. In 1975, China provided Laos with US\$28 million to assist with the construction of roads and the purchase of supplies. In 1977, China provided Laos with

approximately \$20 million in economic assistance to aid in the construction of factories and the development of corresponding technologies. Between 1959 and 1975, China gave Laos a total of 965 million yuan in grants and interest-free loans, according to statistics. The construction of infrastructure is the bedrock of social and economic development. China's economic assistance at this juncture focuses primarily on helping Laos build infrastructure so that Laos can overcome the development dilemma it faced in its early days of independence (Hu & Peng, 2019).

As the situation in Southeast Asia changed in the late 1980s, Sino-Laos relations began to improve and gradually recover, and China's economic assistance to Laos entered its second phase. At this point, it is evident that the Lao people are generally pleased with China's aid projects. Using the China-Laos Railway as an example, in addition to the official media of Laos, Central Radio and Television Station Vientiane FM also produced the song "Go to Laos by Train."³ Internet influencers in Laos have also shared supportive replies on numerous social channels.

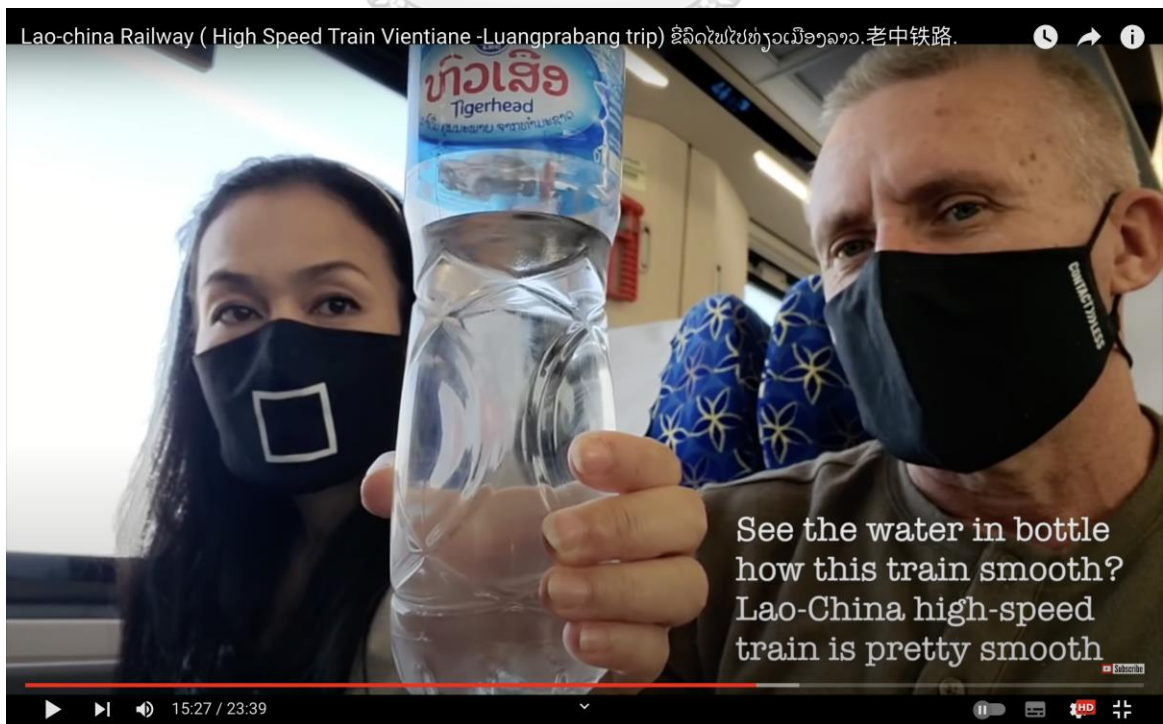
³ Please see Appendix 1 for the lyrics

Figure 7:



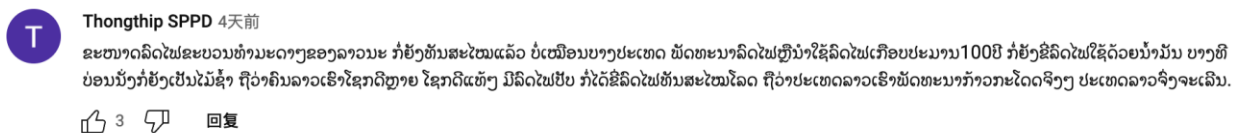
(Photo Credit: Screenshot from the work of Youtuber Neenee Lao Life ນິນິ ວິຖີລາວ, https://www.youtube.com/watch?v=N0UJ2EMd_Sw. Retrieved 31 August 2022)

Figure 8



(Photo Credit: Screenshot from the work of Youtuber Neenee Lao Life [ນິນີ ວິຖີລາວ](https://www.youtube.com/watch?v=N0UJ2EMd_Sw),
https://www.youtube.com/watch?v=N0UJ2EMd_Sw. Retrieved 31 August 2022)

Figure 9: Comments from Lao netizens



Translation: The railway system is very modern, and the trains are the appropriate size. Not as old as the trains used in some countries. Almost a century later, those trains are still primarily powered by fuel oil, and the seats may still be made of wood. I believe that Lao people are extremely fortunate to have modern trains.

(Photo Credit: Screenshot from the work of Youtuber PadubDin [ປະດັບດິນປະດັບດິນ](https://www.youtube.com/watch?v=DvJE7TB7gkU),
<https://www.youtube.com/watch?v=DvJE7TB7gkU>. Retrieved 31 August 2022)

Figure 10



(Photo Credit: Screenshot from the work of Youtuber 2Feet 1Camera <https://www.youtube.com/watch?v=OplUbzl4qSQ>)

Although the international world remains skeptical of China's assistance to Laos. In 2022, for instance, China has become Laos' largest creditor nation due to finance difficulties generated by the development of the China-Laos railway (Jessie, 2022). And because of the short-term failure of the early phase of the project, the current inflation in Laos is severe. On the basis of today's trade volume, however, it is thought that Laos's inflation problem will finally be remedied.

4. Conclusion

The assistance provided by China to Laos is distinct from that provided by the United States to Laos and by the Soviet Union to China. To begin, China does not have any kind of military presence in Laos. Second, although Laos's economic capacity is not particularly strong in comparison to China's, the connection of mutual benefit between the two countries is stronger than the one that existed between China and the Soviet Union, and it is not going to be easily severed. In conclusion, the construction of the China-Laos Railway has made it clear that China's assistance to Laos includes not only financial support but also assistance in the development of the country's human resources, particularly in the area of talent cultivation. It is believed that if Laos continues to implement the "Belt and Road" initiative in its current form, the country will be able to eradicate poverty as quickly as humanly possible. This will be

accomplished through the strengthening of economic bonds and the promotion of the development of domestic special economic zones.



Appendix

lyrics	English translation
<p>ໄປ !ອອກເດີນທາງ!</p> <p>出发啦!</p>	Let's go!
<p>ຂຶ້ນລົດໄຟໄປທ່ຽວເມືອງຈີນ</p> <p>坐着火车去中国</p>	Let's go to China by trains
<p>ກ່າແພງເມືອງຈີນທີ່ຍາວແລະວັງກູກົງທີ່ຍິ່ງໃຫຍ່</p> <p>那里长城延绵故宫巍峨</p>	There is the Great Wall and the magnificent Forbidden City.
<p>ຄຸນໝິງນົກນາງນວນເລີຍເຈີດໄປມາ</p> <p>昆明海鸥翩跹</p>	Seagulls can be seen in Kunming
<p>ສິບສອງພັນນາຊ້າງເຜືອກນ່າໂຊກໄຊ</p> <p>西双版纳吉象成群</p>	There are many elephant herds in Xishuangbanna
<p>ຂຶ້ນລົດໄຟໄປທ່ຽວເມືອງລາວ</p> <p>坐着火车去老挝</p>	And we can also take the train back to Laos
<p>ແດນຈຳປາທີ່ຮຸ່ງເຮືອງທາດຫຼວງສີຄຳເບິ່ງແສງລັດສະໝີ</p> <p>那里占芭盛开塔銓辉煌</p>	Laos has beautiful Champa flowers and splendid Pha That Luang(Temple)
<p>ວັງວຽງທີ່ນ້ຳໃສພູຊຽງງາມອຸ່ມທຸ່ມ</p> <p>万荣山清水秀</p>	The view of Vang Vieng is beautiful
<p>ກິດຈະວັດໃສ່ບາດຫຼວງພະບາງສັກສິດມີກຽດ</p>	Luang Prabang is even

琅勃拉邦风景如画	more fascinating
ຂ້ອຍຢາກໄປທ່ຽວເມືອງຈີນ 我想去中国	I want to go to China
ຢາກໄປຊົມກ້ຽວແລະໝໍ້ຈຸ່ມຈີນ 那里有饺子辣火锅	Want to try Chinese dumplings and spicy hot pot
ຂ້ອຍຢາກໄປທ່ຽວເມືອງລາວ 我想去老挝	I want to go to Laos
ດ້ອນຮັບທ່ານດ້ວຍເຂົ້າໜຽວຈໍ້າບາແດກ 那里有糯米腌鱼酱	Laos is famous for its sticky rice marinade sauce
ຂຶ້ນລົດໄຟໄປທ່ຽວເມືອງຈີນ 坐着火车去中国	Go to china by train
ຍິນສຽງດົນຕີນໍ້າເຕົ້າສຸດທີ່ມ່ວນຊື່ນ 葫芦丝吹响欢聚歌	Use the cucurbit silk to sing the song of reunion
ຂຶ້ນລົດໄຟໄປທ່ຽວເມືອງລາວ 坐着火车去老挝	Take the train to Laos
ໄປພ້ອນລໍາວົງທ່າມກາງສຽງແຄນ 芦笙伴着南旺舞	The sound of Lusheng accompanies traditional Lao dance
ຂຶ້ນລົດໄຟໄປທ່ຽວເມືອງລາວ 坐着火车来老挝	Take the train to Laos

<p>ຊົມໃຊ້ຊີວິດທີ່ຮຸ່ງເຮືອງ</p> <p>日子越过越红火</p>	<p>The days are getting brighter</p>
<p>ຂີ່ລົດໄຟໄປທ່ຽວເມືອງຈີນ</p> <p>坐着火车来中国</p>	<p>Coming to China by train!</p>
<p>ຂໍໃຫ້ມິດຕະພາບໝັ້ນຄົງຂະໜົງແກ່ນ</p> <p>友谊地久又天长</p>	<p>Friendship lasts forever</p>
<p>ລົດໄຟລາວ-ຈີນຊ່ວຍໃຫ້ໄປມາຫາກັນ</p> <p>中老铁路你来我往</p>	<p>The people of the two countries can come and go through the China-Laos Railway</p>
<p>ຮ່ວມກ້າວເດີນສູ່ຄວາມສີວິໄລ</p> <p>一起奔向美好明天</p>	<p>Let's go to a better tomorrow together</p>
<p>ຂີ່ລົດໄຟໄປມາຫາກັນ</p> <p>坐上火车来来往往</p>	<p>Travel by trains</p>
<p>ມິດຕະພາບລາວຈີນໝັ້ນຄົງຂະໜົງແກ່ນ</p> <p>中老友谊地久天长</p>	<p>China-Laos friendship lasts forever</p>
<p>ຍິນດີຕ້ອນຮັບສູ່ບ້ານເຮົາ</p> <p>欢迎来我家</p>	<p>Welcome to my home!</p>
<p>ຕ້ອນຮັບທ່ານດ້ວຍເຂົ້າໜຽວຈໍ້າປາແດກ</p> <p>这里有糯米腌鱼酱</p>	<p>Laos is famous for its sticky rice marinade sauce</p>
<p>欢迎来我家</p>	<p>Welcome to my home</p>

<p>这里有饺子辣火锅</p> <p>ຂຶ້ນລົດໄຟໄປທ່ຽວເມືອງລາວ</p>	<p>Here has Chinese dumplings and spicy hot pot</p>
<p>坐着火车来老挝</p> <p>ໄປພ້ອນລ່າວົງທ່າມກາງສຽງແຄນ</p>	<p>Coming to Laos by train</p>
<p>芦笙伴着南旺舞</p>	<p>Lusheng accompanies traditional Lao dance</p>
<p>坐着火车来中国</p>	<p>Take the train to China</p>
<p>坐着火车来老挝</p> <p>ຊົມໃຊ້ລົດທີ່ຮຸ່ງເຮືອງ</p>	<p>And come back to Laos</p>
<p>日子越过越红火</p>	<p>The days to come will be more and more prosperous</p>
<p>坐着火车来中国</p>	<p>Coming to China by train</p>
<p>友谊地久又天长</p> <p>ລົດໄຟລາວ-ຈີນຊ່ວຍໃຫ້ໄປມາຫາກັນ</p>	<p>Friendship lasts forever</p>
<p>中老铁路你来我往</p> <p>ຮ່ວມກ້າວເດີນສູ່ຄວາມສີວິໄລ</p>	<p>The people of the two countries can come and go through the China-Laos Railway</p>
<p>一起奔向美好明天</p>	<p>Let's go to a better tomorrow together</p>

坐上火车来来往往	Travel by trains
中老友谊地久天长	China-Laos friendship lasts forever



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