



CHAPTER 1 INTRODUCTION

1.1. The Realistic Meaning of the Study of Thailand and China's Participation in GMS Economic Cooperation

The Lancang-Mekong River is the only “Danube of the Orient” of Asia, which links up six countries. It is an inland river, boundary river and international river in nature. In addition, it also has multi-functions of trade, tourism and passage. In the 1990's of the 20th century, the riparian six countries' political relations, namely, China, Laos, Myanmar, Thailand, Cambodia and Vietnam were in the best period of history, which set a foundation for the cooperative development of the Lancang-Mekong River Basin. Under the pushing forward trend of global economic marketization, internationalization and regionalization, the subregion soon became the hot spot that different countries in the world vied for investment, which brought rare opportunities and challenges for riparian different countries. As riparian countries, both Thailand and China have participated in GMS six countries' economic cooperation. What kind of influence will their cooperation have on both countries' social, economic development in the 21st century is an important topic that both countries are concerned about.

In the past ten years' GMS cooperative process, opportunities and challenges coexist; hopes and difficulties coexist, too. The GMS cooperative mechanism led by Asian Development Bank is the engine and propeller of transportation, energy and environmental protection important cooperative projects. Thailand and China regard participating in subregional cooperation as an opportunity for the future economic development and a chance to strengthen bilateral cooperation. Both countries have participated in a lot of key projects of cooperative development, which have active role to promote their economic growth and social development, and have important meaning to eradicate poverty and protect environment. Consequently both countries can benefit from it.

Thailand is an economic power on the Indochinese Peninsula. China is a developing big nation. Both have played different roles in subregional cooperation. They are

influencing and pushing forward the cooperative process. Thailand is in the center of Southeast Asia and the middle reaches of the Mekong River. The important geographic location has made it become the economic center and transportation hub of subregional cooperation. The subregion is in the juncture of China and ASEAN. It has geoeconomic and geopolitical double characteristics, which has important meaning for China's good-neighborliness, the diplomatic policy to stabilize the neighboring areas and national security. China has participated in different activities of subregional four main kinds of cooperative mechanisms in an active posture and practical actions. Through the construction of sea and land international passages from Yunnan Province to the Indochinese Peninsula, China and ASEAN will be linked up to become a big market, which covers eleven countries and has 1.7 billion consumers (Asian Development Bank Statistics). Bangkok and Kunming will become important transportation hubs and economic centers on the two tips of subregional North-South international passage. People along the line will benefit from it.

1.2. The Current Situation of China and Foreign Countries' Study on the Lancang-Mekong River

The Lancang-Mekong River is the common wealth of the riparian six countries. It is a huge resource, which can promote the cooperative development of the whole river basin. The riparian different countries have urgent desires to comprehensively develop the Lancang-Mekong River based on the huge demand of industrialization for energy. Because the development objectives of each country are different, the complexity of cooperative development is unavoidable.

From 1957 after the establishment of Mekong River Committee (MRC), it has made nearly half a century's special research on the cooperative development of the Mekong Basin, and has accumulated rich materials and information on the comprehensive development of Mekong River water resources. The final purpose of MRC's study is to raise people's living standard of the Mekong riparian area. A few western scholars such as Milton Osborn have made field research and studies on the Mekong River for nearly 20 years and proposed their personal opinions. From the 1980's of the 20th century the Chinese experts started to make research on the

development of the Lancang River Basin. From the beginning of the 1990's onwards, both Chinese and western scholars have been concerned about the progress of six countries' GMS economic cooperation. They have published some comprehensive works early or later.

1.3. The Methodology and Main Content

Yunnan Province is linked with the five countries on the Indochinese Peninsula by mountains and rivers. It has been Southwest China's gateway since the ancient time. Nowadays it is the main body and forward position of China's participation in subregional cooperation.

My hometown is Yunnan Province. Therefore, I am very concerned about the influence of subregional cooperation on our future society, economy and life. I have tried hard to collect materials and data on subregional cooperation, which are closely related to Thailand and China. Then I synthesized and summarized them. By applying the analytical method to combine international politics with economy, this thesis attempts to construct a basic framework of subregional cooperation, which both Thailand and China have participate in and are pushing forward, so that even the common people can know about the background and historical meaning of both countries' participation in cooperation.

This thesis is composed of five chapters. Chapter one is the introduction part. It introduces the realistic meaning of the study of GMS economic cooperation, and the current situation of China's and foreign countries' study on the Lancang-Mekong River. It also explains the methodology, main content of the thesis as well as the meaning of some important concept. Chapter two studies the foundation, motive power and difficulties of GMS economic cooperation. The friendly political relations are the foundation of six countries' economic cooperation. Asian financial crisis is the fundamental motive power to promote cooperation. The main difficulty of cooperation lies in the lack of project funds. Chapter three analyzes the objectives, benefits and roles of Thailand's participation in subregional cooperation. GMS economic cooperation can push forward the development of frontier economy of North Thailand, and make Thailand become the economic center of Southeast Asia. Thailand initiated,

influenced and now is pushing forward subregional cooperation. Chapter four expounds China's active attitude and actions, which deal with concrete matters relating to work in subregional cooperation. GMS economic cooperation is favorable for China in constructing international passages connecting Southeast Asia and South Asia with Southwest China and that part of China's opening up to the outside world, which has realistic and long-term meaning. Chapter five discusses the common interest, objectives conflicts in the development of subregional six countries' key cooperation projects, the environmental influence and the environmental protection.

1.4. The Definition of Some Important Concept

Lancang-Mekong subregion is the special area demarcated by the Asian Development Bank (ADB), which refers to Myanmar, Laos, Thailand, Cambodia, Vietnam and the Yunnan Province of China. The area was abbreviated as Greater Mekong Region (GMS). (See Map 1)

The demarcation of GMS has eight reasons as follows:

- (1) They commonly possess the Mekong River. The Mekong River occupies an important position in the economic life of the six countries. All of the six countries need to strengthen cooperation in the development and exploitation of the Mekong River.
- (2) Except Thailand, the other five countries are in the transition period from the planned economy to market economy.
- (3) The six countries are implementing opening up to the outside world.
- (4) All of the six countries are abundant in natural resources.
- (5) Border trade of each country is becoming more and more prosperous.
- (6) The infrastructure is very backward. Among them, Laos and Yunnan Province of China have no access to the sea.
- (7) The six countries are in great need of development funds.
- (8) The six countries have very similar cultural background.

GMS covers a vast area with large population and huge market potential. There are abundant human resources and natural resources. The economic complement is strong

and the cooperation has a good prospect. It is the hot spot that each country in the world is competing for investment and development in the 21st century.