China's economic integration and new Chinese migrants in the Mekong region

Nguyen Van Chinh

Follow this and additional works at: https://digital.car.chula.ac.th/arv

Part of the Asian Studies Commons

Recommended Citation
DOI: 10.58837/CHULA.ARV.28.2.5
Available at: https://digital.car.chula.ac.th/arv/vol28/iss2/6

This Article is brought to you for free and open access by the Chulalongkorn Journal Online (CUJO) at Chula Digital Collections. It has been accepted for inclusion in Asian Review by an authorized editor of Chula Digital Collections. For more information, please contact ChulaDC@car.chula.ac.th.
ABSTRACT—This paper is based on the findings from fieldwork conducted in Cambodia, Laos, Myanmar and Vietnam (CLMV) in 2013 and 2014, and argues that the movement of new Chinese migration is an integral part of China's capital flow of investment, trade and economic aid. These four Mekong countries are ideally placed to receive Chinese migrants, because capital flow from China has steadily increased in line with the strengthening of ties between China and the CLMV countries, where new Chinese migrants can access the existing social networks created by the local ethnic Chinese. It is important for CLMV countries to establish a legal channel of recruitment for immigrant workers, to ensure a bilateral and inter-state cooperation in labor migration management.

Keywords: CLMV; new Chinese migrants; Mekong region; economic integration; capital flow; labor cooperation.

Introduction

Chinese migration to the Mekong region has increased rapidly in recent years, following the development of a strong economic relationship between China and the region. Early in the 21st century, Chinese companies invested billions of dollars in the Mekong countries, focusing on infrastructure development, resource-exploitation, agricultural sector and cultural expansion, which is accompanied by the opening up of Chinese educational institutions in the region. The flow of human capital from China to the Mekong countries has
evolved in parallel with capital flows.

Although Chinese international migration is interpreted as a succession of domestic migration trends (Kuhn, 2009), the consequence of domestic pressures that occur within Chinese society such as a high unemployment and rural-underemployment and the rapid increase of the “floating population” (Rallu, 2002), there is an increasing trend looking at the close nexus between the rising of China’s economic role and new migration movement and other economic flows as well as the policies that influence them (Xerogiani, 2006; Zhuang and Wang, 2010: 174; Chong, 2013; Nyíri Pál, 2013).

In this article, the new migration from China to the Mekong region is scrutinized in the context of China’s increasing economic-political influences to the region, and the special relations between the Mekong countries and China. The discussion aims to capture the complexity of the new Chinese migration to CLMV countries, the patterns, trends and the local policy responses.

China’s economic expansion in the Mekong region

The economic reform of 1978 turned China from a poor, socialist and isolated nation into the new “workshop of the world,” an accolade previously bestowed on Britain during the Industrial Revolution of the 19th century. The “go-out strategy” launched by the Chinese Communist Party early in the 21st century encouraged the emerging “Red capitalists” to invest abroad, with the aim of exploiting the natural resources and energy to feed the demands of domestic industries. Outward foreign direct investments (FDI) and economic cooperation between China and the Mekong region countries are the driving factors influencing the flow of migration to this area.

For some time China has harbored a strong interest in forging close relations with the Mekong countries, but only in the last decade or so has its leadership been able to push forward a comprehensive cooperation and socio-economic influence in this region. China has promoted and increased its economic and political relations with the CLMV countries since the 1990s and, furthermore, has gradually become their largest economic partner. A report published by China’s National Development and Reform Commission (2011) on the 2008 summit of the Greater Mekong Sub-region (GMS) countries states
that since the establishment of the China-ASEAN Free Trade Area in 2010, bilateral trade between China and the GMS countries has gained a momentum of greater development, with a further improved trade structure and fast increase in bilateral investment. This report further notes that bilateral trade and Chinese investments in the GMS countries have reached the highest levels recorded in 2010. In comparison with 2008, China’s bilateral trade with Cambodia and Thailand increased by just 28 percent, while its trade with Vietnam, Myanmar and Lao PDR increased respectively by 54 percent, 68 percent and 150 percent.

China’s main exports to the GMS countries were textiles, electro-mechanical products, hi-tech products, garments, steel and agricultural products, while its main imports from these countries included raw materials such as natural rubber, garments, timber, coal, crude oil, agricultural products and various types of minerals. Chinese companies also actively invested in the Mekong countries and its main industries are quite similar, including textiles, light industry, machinery, electronics, building materials and chemicals.

Bilateral China-GMS trade grew rapidly from early in the 21st century, with Thailand showing the largest increase in volume (see Tables 1 and 2).

Several GMS countries have had a severe trade deficit with China, particularly acute in the case of Vietnam from 2001 onwards, climbing from $188 million in 2001 to $16.4 billion in 2012. Thailand is no exception. In 2010, Thailand had a trade deficit with China totaling US$13.45 billion (Van Chinh, 2015). While China’s share of each CMS country’s trade is large, ranging from 10 to 25 percent, the share of GMS countries in China’s foreign trade is only around 1 percent.

The general trend in China-GMS trade relations is growing dependence of the Mekong region market on China. If the economic relations between the GMS countries and China were to decline, the effect on the GMS countries would be far greater than the consequences suffered by China.

China officially became the FDI provider to GMS countries in 2000, when the country’s Communist Party launched the “going-out” policy, which actively encouraged and supported investment activities overseas to utilize domestic and foreign resources and markets. By 2012, China had become the largest foreign investor in Myanmar,
Table 1. Bilateral trade between China and GMS countries (1992-2010) (US$100m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cambodia</th>
<th>Myanmar</th>
<th>Lao PDR</th>
<th>Thailand</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>0.13</td>
<td>3.90</td>
<td></td>
<td>13.19</td>
<td>1.79</td>
</tr>
<tr>
<td>1995</td>
<td>0.57</td>
<td>7.67</td>
<td>0.54</td>
<td>33.63</td>
<td>10.52</td>
</tr>
<tr>
<td>1998</td>
<td>1.62</td>
<td>5.80</td>
<td>0.26</td>
<td>36.72</td>
<td>12.46</td>
</tr>
<tr>
<td>2001</td>
<td>2.40</td>
<td>6.32</td>
<td>0.62</td>
<td>70.50</td>
<td>28.15</td>
</tr>
<tr>
<td>2004</td>
<td>4.82</td>
<td>11.45</td>
<td>1.14</td>
<td>173.43</td>
<td>67.40</td>
</tr>
<tr>
<td>2007</td>
<td>9.33</td>
<td>20.6</td>
<td>2.49</td>
<td>346.38</td>
<td>151.15</td>
</tr>
<tr>
<td>2010</td>
<td>14.41</td>
<td>44.4</td>
<td>10.55</td>
<td>529.37</td>
<td>254.0</td>
</tr>
</tbody>
</table>

*Source: Lu Guangsheng, 2012, pp. 5–6.*

Table 2. Trade growth rate between China and GMS countries (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cambodia</th>
<th>Myanmar</th>
<th>Lao PDR</th>
<th>Thailand</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>49.3</td>
<td>25.4</td>
<td>n.a</td>
<td>2.5</td>
<td>122.6</td>
</tr>
<tr>
<td>1995</td>
<td>58.1</td>
<td>49.8</td>
<td>34.4</td>
<td>66.2</td>
<td>97.4</td>
</tr>
<tr>
<td>2000</td>
<td>39.9</td>
<td>22.2</td>
<td>28.8</td>
<td>57.1</td>
<td>87.1</td>
</tr>
<tr>
<td>2004</td>
<td>50.5</td>
<td>6.3</td>
<td>03.7</td>
<td>37.0</td>
<td>45.4</td>
</tr>
<tr>
<td>2007</td>
<td>27.3</td>
<td>40.9</td>
<td>14.2</td>
<td>24.9</td>
<td>51.9</td>
</tr>
<tr>
<td>2010</td>
<td>52.6</td>
<td>53.2</td>
<td>40.3</td>
<td>38.6</td>
<td>20.7</td>
</tr>
</tbody>
</table>

*Source: Lu Guangsheng, 2012: 12-13.*

Laos and Cambodia, and the fifth largest investor in Thailand. In the first 11 months of the 2012-13 financial year, China was leading the FDI inflow in Laos with over $1.33 billion worth of projects. The year-to-year trading figures between China and Laos climbed from 38 percent in 2005 to 174 percent in 2013. By 2013, China had invested a total of $14.1 billion across 52 projects in Myanmar, accounting for 41.7 percent of this newly-liberalized country’s cumulative FDI. This amount excludes investments from Hong Kong, where many subsid-
iaries of Chinese companies are registered. For Myanmar, in 2008 Earth Rights International identified at least 69 Chinese multinational corporations involved in a total of 90 projects in hydropower, oil and natural gas, mining, jade and other natural resources.

In 2011, Chinese investments accounted for 60 percent of the total approved FDI for Cambodia. The size of the approved FDI from China continued to rise by 62 percent, reaching $427 million in 2013, compared to $263 million in 2012. By 2013, China had become the largest investor in terms of cumulative FDI in Cambodia, which stood at $9.6 billion in total from 1994 to 2013 (Xinhua Agency, 2014). The majority of large-scale investments are from the Chinese Central Enterprises targeting infrastructure, energy and mining sectors, coupled with projects in the manufacturing and agricultural sectors. Besides outward FDI, China is also the largest source of loans and aid. In April 2013, the visit of Cambodian prime minister Hun Sen brought home $2 billion of loans and aid from China, followed by a further interest-free loan of $33 million. Chinese companies are very active in tapping the hydropower market in Cambodia, which is expected to generate 77 percent of Cambodia’s total electric generating capacity by 2030 (IHLO, 2014).

Chinese companies began expanding their investments in Thailand early in the 1990s. For the 1995-2003 period, the Bank of Thailand (BOT) registered FDI inflow of $114.9 million from China. As reported by Thailand’s Board of Investment (BOI), 161 investment projects by Chinese companies were approved for the 1987-2005 period, with a total value of 31,505.7 million baht (Suvakunta, 2007).

FDI from China to Vietnam is not as large as inflows from other international investors, although it has been constant. Over the 2002-2009 period, Chinese investments into Vietnam increased from $2.5 billion to $56.5 billion (Huang and Wilkes 2011). Most of these investments consist of funding for large-scale engineering, procurement and construction (EPC) projects. EPC projects can also be seen as a special investment from China, which appear as a form of governmental support for its national investor. This is the method preferred by Vietnamese investors since the Chinese government has created a special policy of preferential buyer’s credit and concessional loans for EPC projects, which stipulates that the necessary equipment and technologies must be sourced from China. By the end of 2009, Chinese
engineering companies were involved in projects worth $15.42 billion, making Vietnam their largest EPC market in Southeast Asia (Le Hong Hiep, 2013).

Although Chinese investment activities in GMS countries are diverse, they tend to converge on three major sectors: mining and resource extractions; land concessions; and infrastructure construction.

Taking advantage of low infrastructure development in the Mekong region, Chinese companies applied the policy called “land for infrastructure” and were welcomed by local authorities. Typical example for this practice is the case of Lao PDR. When the decision was made for Laos to host the XXV Southeast Asian Games in December 2009, the Lao government sought aid from the China Development Bank by applying for a loan to fund the necessary sporting facilities. The $100 million loan was awarded on the condition that the Chinese company Suzhou Industrial Park Overseas Investment would be given a 50-year lease to develop 1,640 hectares of central Vientiane into a “modern town,” complete with business centers, hotels, factories and tourism facilities. This is perhaps the largest amount of tied aid linked to the Chinese government and may have led to the most well-known case of trade-offs that Laos has made in the name of development (Kenney-Lazar, 2012). Consequently, it was agreed to bring 50,000 Chinese nationals into Lao PDR to populate the new satellite city. Together with this “New City Development Project,” the China Yunnan Construction Engineering Company Group Corporation also imported thousands of Chinese workers to build the SEA Games stadium in Vientiane. The Lao government estimates that about 30,000 Chinese nationals already live in Laos, but “most analysts believe the real figure to be perhaps ten times higher. Stores owned and operated by Chinese people have sprung up across northern Laos, while other Chinese have settled into remote villages as foremen and workers on commercial agriculture projects” (McCartan, 2008).

The relationship with the Mekong region countries bordering with China—Laos, Myanmar and Vietnam—is strategic and important for China. China enjoys a long border with these countries and has easy access by road to natural resources. Chinese companies in the CLMV countries have gradually shifted their focus to the energy, resource extraction, infrastructure and agriculture sectors in areas close to the
border with China. Chinese financiers have also moved into the region to take advantage of the favorable investment climate and the abundance of natural resources. Vietnam and Laos, and to a lesser extent Cambodia, are experiencing an unprecedented interest in exploiting their bauxite resources. The Lao mining industry (bauxite, copper, gold, lignite, tin, iron, zinc, gypsum), in particular, has been the main interest of Chinese investment over the last decade, responsible for more than 50 percent of Chinese FDI into the country. In 2008, there were 113 foreign companies operating in this sector, of which 33 were from China (Lazarus, 2009). Much of the demand is driven by China's need to feed its growing industry, and these Mekong countries are perfectly situated to bring the product to the market (Lazarus, 2009).

From the 2000s onwards, Chinese companies became particularly interested in land concession projects, many of which were granted to Chinese companies in order to increase agricultural and mining production. Concessions for 2-3 million hectares of land were granted (including domestic projects), representing up to 13 percent of Lao PDR's total land area, in which the main investors are neighboring countries like China, Vietnam and Thailand (GTZ, 2009).

The economic relationship between Laos and China is expanding. Currently, numerous provinces in the north of Laos function as economic zones for the southern Chinese province of Yunnan. Contract farming, especially for rubber plantations, forms a considerable part of the business ventures between the two countries. The massive expansion of rubber plantations by Chinese companies in north Laos stems from a mix of market demand and land constraints in China, as well as political incentives from both the Lao and Chinese governments (Haberecht, 2009). Many new Chinese investors supplied Lao farmers with seeds and inputs for commercial production of sugarcane and rubber crops. As a result, competition for swidden (slash and burn) and fallow forests intensified, altering not only upland communities' customary relationship with land and resources, but challenging the resource management framework established during the 1990s.

A similar situation is happening in Cambodia. In 1995-2009, the Cambodian government granted 186,935 hectares of land to Chinese companies for 17 agricultural projects. The largest project took possession of an area of 10,000 hectares of land, 18 percent of a total 1,024,639 hectares of land granted to the economic organiza-
Capital flows from China into the Mekong region through bilateral trade, outward foreign direct investments (OFDI) and EPC projects, are facilitating the inflows of new waves of Chinese migrants into the Mekong region, as will be discussed in the next section.

**New Chinese migrants in the Mekong region**

Southeast Asia may be home to as many as 40 million people of Chinese descent (New World Encyclopaedia, 2003), whose ancestors migrated to the area mostly from Guangdong and Fujian provinces. The statistics vary according to the sources and definition of “Overseas Chinese.” The New World Encyclopaedia, for instance, defines Overseas Chinese as people of Chinese birth or descent “who live outside the Greater China region, which includes territories administered by the rival governments of the People’s Republic of China (PRC) and the Republic of China (ROC)”  

The same source estimates that the overseas Chinese population is 7.1 million in Thailand, 1.3 million in Myanmar, 1.2 million in Vietnam, in excess of 150,000 in Cambodia and around 50,000 in Laos. The ethnic Chinese, therefore, constitute more than 10 percent of Thailand’s population, which World Bank figures put at 67.9 million for 2015. For the CLMV countries, the ethnic Chinese constitute 1-3 percent of the total population (SyCip, 2001). Notwithstanding their minority status, people of Chinese descent are known to play a dominant role in the economies of the region.

Recent waves of Chinese immigration into the Mekong region, particularly in Cambodia, Myanmar and Thailand, are playing an important role in China’s economic engagement with the GMS. From the 1990s to the present, the Chinese community in Cambodia has grown to over 2 million, out of a total population of approximately 50 million. In Myanmar, 40 percent of the population in Mandalay province is identified as ethnic Chinese. The recent immigrants to the region are thought to have close link with the Chinese mainland and its capital inflow. In their *Migration and Trade* (2010), Chinese researchers Zhuang and Wang from Xiamen University claim that in the last 25 years, the number of Chinese migrant arrivals in the Mekong region has reached 2.3-2.6 million, most of them labeled as
“floating people.” These temporary residents tend to work as hawkers, traders, farmers, technicians, laborers, staff, teachers, artists and investors, with hawkers and traders representing the majority.

The Mekong region countries are China’s neighbors, historically the place of origin of large ethnic Chinese communities, which could be construed as a factor that draws interest from the new Chinese migrants. With the much improved infrastructure connecting the Chinese economic centers in Yunnan, Quangxi and Quangdong with the Mekong region, new Chinese migrants can reach these countries with fewer logistical challenges, particularly in an economic climate stimulated by increased commercial interaction between China and these neighboring countries.

Cambodia

In Cambodia, people of Chinese descent are referred to as Khmer kat Chen or simply Chen. Under French colonial rule, the largest Chinese groups were from Hokkien and Canton, but Teochiu had become the largest group by the mid-20th century. Though the ethnic Chinese community in Cambodia experienced both abuse and assimilation, it displayed remarkable resilience in adapting, responding and contesting the forces that tried to marginalize its members (Chan, 2012).

Until 1970, the overseas Chinese were the largest minority in Cambodia, numbering an estimated 425,000, a figure that by 1984 had dwindled to 61,000. Recently, however, the Chinese bilingual magazine Khmer Economy Magazine estimated that about one million ethnic Chinese may reside in Cambodia. A portion of these ethnic Chinese are descendants from settlers who migrated from southern China centuries ago, while others are arrivals from recent waves of migration.

Following the establishment of the State of Cambodia (SOC) as a transitional period until the restoration of the monarchy (1989-1993), Chinese education was restored in Cambodia, which was considered a step towards improved Sino-Cambodian ties. In December 1991, the Cambodian National Assembly accepted the re-establishment of the Khmer-Chinese Association in Cambodia, the first time that an Overseas Chinese Association had been officially recognized since 1973. This event could be seen as a turning point for the Khmer-Chinese of
Cambodia, who can now count on state legislation for their business and cultural activities, as well as education opportunities. Since then, the Overseas Chinese Association of Cambodia has grown rapidly. Presently, it has 22 branch offices in 24 provinces and around 140 offices at the district and commune levels (Siphat, 2015). These organizations are authorized to form their own associations, and to build temples, schools and cemeteries for the Chinese community. In 2000, overseas Chinese in Cambodia set up Chean Fra Media, a Chinese newspaper headed by Oknha Duong Ch’hiv, Chairman of the Khmer Chinese Association. The newspaper’s aims are to promote Chinese culture and education in Cambodia. In his position as a prominent figure in Cambodia, Ch’hiv collected funds from the Khmer-Chinese communities to build schools and to raise support for the poor and victims of natural disasters in Cambodia and China. The Chinese-language teachers were invited to come and teach Khmer-Chinese students at the schools run by the association. Chinese culture and education was also supported by the Phnom Penh branch of the Bank of China, through a special fund set up for this purpose, to “not only contribute to developing the Cambodian economy but also [to] assist the country’s education.” This level of political support by the Cambodian government can help explain why Cambodia absorbed a high number of new Chinese migrants, which contributed to the revival of the local ethnic Chinese community.

New Chinese migration into Cambodia began around the 1990s, particularly after the Khmer-Chinese Association was set up. Although new Chinese migrants into the country are diverse, they can be categorized into two major groups: namely, spontaneous migrants and organized migrants. Spontaneous migrants include petty traders, hawkers, traditional healers, farmers, marriage migrants and small-scale business people who moved to the Kingdom in search of better opportunities. They travelled to Cambodia by independent means, running their own business and shouldering all risks. Soon enough, Chinese cheap goods and technologies followed them to Cambodia. They set up businesses or obtained employment through networks with local Khmer-Chinese citizens or local Chinese associations. These small-scale business people displayed a high degree of mobility, in that they would remain if their business prospered but did not hesitate to move out of Cambodia in search of better opportunities. Their movements involve
frequent trips between Cambodia and their homeland in China.

The second group of organized migrants includes contracted workers, project managers, technicians, representative office staff, teachers, students and so on. Most of them work as salaried employees for Chinese companies with investment or contract projects in Cambodia. The National Bureau of Statistics of China reported that between 1995 and 2005, in the region of 43,070 Chinese technicians and laborers were brought to Cambodia for work (Zhuang and Wang, 2010). They include two sub-groups: manual laborers recruited to work on the contracted projects or land concessions granted to Chinese companies; and professionals and people with higher education who work for Chinese investments, projects, representative offices and Chinese schools.

By Cambodian law, new Chinese migrants who meet requirements can apply for Cambodian citizenship. Although no official statistics are available, during our fieldwork in Cambodia, at a number of locations we met dozens of recent migrants who had been granted Cambodian citizenship. Among the numerous Chinese employees who successfully applied for Cambodian citizenship, we were impressed by the circumstances surrounding a Mr. Lam, a 38-year old who had arrived in Cambodia from his native Kunming (Yunnan) in 2005. In Kunming, he served as a soldier and upon his discharge from the army, decided to migrate to Cambodia. Once in the Kingdom, for the first two years he worked in a garment factory but left in 2007 when a Chinese company in the Tong Min Group received a concession of 30,000 hectares of forestland for a 70-year lease. Mr. Lam applied for work and was recruited as administrative manager for this large land concession, based in Cambodia’s Mondolkiri province. Mr. Lam enjoys a high salary and the relatively low living costs in Cambodia allow him to make regular savings. He visits his homeland once a year for 15 days. He married a local Khmer woman, herself an employee of the Chinese company, and they now have a child together. Mr. Lam believes that Cambodian citizenship will improve his personal status, enabling him to travel freely between China and Cambodia. In our interview, Mr. Lam stated that new Chinese migrants enjoy good relations in their host country and this is drawing many Chinese investors and workers into the Kingdom. In his opinion, though life and work in Cambodia are easy and less competitive than in China, to
succeed in Cambodia a business person needs a powerful local backer, and must embrace certain unofficial local practices renowned for their ability to oil the wheels of business.

We argue that the greater the number of Chinese companies to be awarded projects by Cambodian investors, the greater the number of Chinese migrants likely to move into the country to find jobs as project managers, workers and brokers for Chinese investors. With the increasing flow of Chinese capital under the name of investment and aid, there is high demand for materials and equipment for construction projects to be managed by Chinese companies, and consequently, large groups of Chinese workers and technicians are likely to follow this flow of capital into Cambodia. By way of example, in 2007, hydroelectric power accounted for less than 4 percent of Cambodia’s 386 MW of energy-generating capacity, a level expected to rise to 77 percent by 2030 (U. S. Energy Information Administration (2013). To date, much of Cambodia’s hydroelectric power expansion has been financed by China. In December 2010, Sinohydro, a Chinese state-owned hydropower engineering and construction firm, completed the construction of the 184 MW Kamchay Dam project at a cost of $280 million, with financing from the Export-Import Bank of China. Separately, at a cost of $1 billion, China is sponsoring the construction of two mega-dams, Stung Tatay and Stung Russey, which upon completion will be among Cambodia’s largest hydroelectric power projects.10 Cambodia plans to build ten dams between 2010 and 2019, adding 2,045 MW of capacity. Chinese entities are providing financing for six of these dams.

Since entry of new Chinese migrants into Cambodia is facilitated by Khmer-Chinese associations, this organization plays an important role in connecting new and old Chinese migrants on Cambodian soil. A society named Oknha was established by Khmer Chinese citizens, named after an honorific title bestowed by the Cambodian monarch to honor a chosen few. The title of oknha can be acquired by means of a donation of $100,000 and a commitment to devolve funds towards the greater good. A recent estimate puts the number of oknha in Cambodia at just over 700, a significant increase from the 20 such titles recorded in 2004.11
Lao PDR

The Chinese population in Laos has historically been smaller than the Chinese communities in other GMS countries. Although Laos shares a common border with Yunnan province, most of today's ethnic Chinese in Laos originate from the southern provinces of China, including Guangdong, Fujian and Hainan, and settled in Laos around the second half of the 19th century. The Chinese accounted for 32,500 individuals in 1955, most of whom were Teochiu, followed by Hakka, Hainanese and Cantonese. They owned around 50 percent (749 out of 1550) of the companies registered in Laos in 1959, although their economic influence carried more weight, as many were operating in Lao-Chinese joint ventures or under false Lao ownership (Halpern, 1961: 12-13; Tan, 2012: 61-94). By the 1980s, the Chinese population in Laos had fallen to around 10,000 but is now on the increase. The Overseas Community Affair Council, Republic of China (Taiwan) gives a figure of around one hundred and fifty thousand Chinese living in Laos. This estimate may include both older generations of ethnic Chinese, who settled in Laos in the mid-19th century, as well as new arrivals from the 1990s. Other sources indicate that the number of long-term Chinese residents could reach 30,000 for the whole of Laos, of which up to 4,000 are in Vientiane, the capital city. The number of new Chinese arrivals has been estimated at between 200,000 and 300,000 (Chang and Cheng, 2015). It is hard to obtain reliable data on the real figure of Chinese people in Laos, since new arrivals are highly mobile, with large numbers returning to their native China after crossing into one of the northern Lao provinces for short periods of time. Lao administration systems, at all levels, are experiencing difficulties in obtaining official data and reports from local authorities. The revival of the overseas Chinese community in Laos is believed to stem from the new waves of immigrants arriving in the late 1990s on a scale that "the country had never experienced before" (Evans, 2008). Most of these new Chinese migrants arrived and settled in the north of Laos and in the capital Vientiane, where many construction projects were granted to Chinese companies. An ADB (Asian Development Bank) research project places the figure at 80,000 Chinese nationals working on Chinese-led projects (ADB, 2010). Available sources of information on specific locations also show that the
number of Chinese workers in northern Laos has increased dramatically. For example, in 2002, only 27 Chinese workers were recorded in the construction sector in Bokeo province but by 2007, the number officially registered by the provincial authorities was 1,269 Chinese nationals (Tan, 2011: 154).

In many cases, Chinese migration to Laos is investment-linked, ranging from small shopkeepers' investments in their own stock, to Chinese multinational companies' investments in large-scale rubber plantations. From mining to rubber, transport, hydropower stations, and hospitality infrastructure like hotels and casinos, China has now invested heavily in several key economic sectors in Laos. At the smaller scale, Chinese investments in Laos, and their concomitant influx of laborers, since the mid-2000s have also encouraged the arrival of spontaneous migrants who work as small traders, businesspeople, and farmers. They come in search of better prospects in a developing country. To better understand the situation of contemporary Chinese migration to Laos, we analyze three projects: the Golden Boten City, the construction of Route No. 3 on the North-South corridor, and the Hong Yue Market in Vientiane capital, referred to as the “new Chinatown.”

Golden Boten City is located on the border opposite the Chinese town of Mohan. Visitors to Boten may be forgiven for thinking that most of its inhabitants speak Mandarin Chinese as their native language. In 2002, the Golden Boten City “special zone” was built on a 1,640 hectare free-trade zone, developed on a land concession project granted to a Chinese company and leased for up to 90 years. The vision of the Chinese investors for Golden Boten City was of a border town suitable for conventions, entertainment and sporting events, alongside business and transport centers that would become a trade hub in the region. The first project was a casino and hotel complex inaugurated in January 2007, which brought thousands of people from the People's Republic of China (PRC) into Boten every week. A few years later the Golden Boten City turned into an enclave of near lawlessness and was closed down in 2010. Another special economic zone appears to be replacing the Golden Boten City. Located in the Lao district of Tonpheung, Bokeo province, the Ton Pheung Special Economic Zone is built on an area of 867 hectares of land leased for a 50-year period (renewable lease) to the Chinese entity Myanmar Macao Lundun Co.,
which in 2009 employed over 1,000 workers, mostly Chinese (Tan, 2011: 375).

Route 3 is a 246 km road connecting Golden Boten City at the Lao-PRC border with Houayxai, on the bank of the Mekong in the province of Bokeo and opposite the Thai town of Chiang Khong. In December 2002, the ADB approved a $30 million loan to the Lao government, for improvements to this road cutting through north-west Laos and feeding into an international North-South corridor linking Thailand and the PRC, with the Thai and Chinese governments co-financing the project to the tune of $30 million each. The upgrading began in March 2008 and after two years of construction, the road now links two of the poorest provinces in north Laos (Luang Namtha and Bokeo) with the region’s most dynamic economies, the southern region of China and Thailand. The completion of Route 3 has improved goods transportation and increased people’s mobility. The number of people crossing in and out of the Lao PDR at Route 3 border points has increased significantly since the mid-2000s. Research by Lyttleton indicates that “at the PRC-Lao PDR border point of Boten, 13,433 people entered Laos in 1999 and 15,799 people entered in 2003. In 2006, however, 56,507 people (including 51,833 people from the PRC) crossed into Lao PDR at Boten. In addition, travelers and businesspeople from the PRC are increasingly travelling further into the Lao PDR on visas. In 2005, 9,851 people from the PRC entered Laos via Boten on passport visas (compared with 35,473 people on border passes). In 2006, this figure increased by 47 percent, with 14,449 people from the PRC using visas (compared with 37,244 people on border passes)” (Lyttleton, 2009: 6).

Hong Yue Market is another example of the pairing between Chinese money and manpower and the Lao government’s open-door policy to foreign investments. The Hong Yue Market, formerly known locally as “Talat [market] Leng” and now the “New Chinatown,” is located in the town center and was built by the Hong Yue Chinese state company on land leased for 25 years. The market contains 110 shop spaces and was inaugurated in 1996. Up to 1998, the Lao government invited Hong Yue to bring more small entrepreneurs from the PRC and 97 small traders came and settled in Vientiane, taking over shop spaces previously left empty. Most of the traders and shopkeepers were from Hunan, while others were from Zhejiang and Jiangxi. Together
with the Hong Yue market, in 2008 the Chinese company Sanjiang opened the Sanjiang Market, a much larger shopping mall located on the road leading to Vientiane airport. The new shopping mall was built at a cost of $6 million. The new Chinatown has expanded the reach of Vientiane capital further north, and this shopping mall has absorbed more Chinese migrants into the Lao capital.

The new Chinese migrants in Laos hail from different Chinese regions, not only the southern provinces of Yunnan, Guangxi and Guangdong, but also Sichuan, Hunan and Shennan. The new Mekong economic corridor linking Kunming, the capital of Yunnan province, to Bangkok, via the completion of Route 3, has encouraged Chinese investors and businessmen to explore new and potential markets in Laos. Small traders also come to Laos along new paved feeder roads that reach previously inaccessible rural areas, to operate stalls in local markets, transporting their goods (easy-to-carry cheap consumer products) to places where they are likely to encounter less competition, particularly from other Chinese migrants. Chinese migrants have become important economic actors in these localities, as they are often involved in various business activities and create jobs for local people. However, Chinese investments, and their concomitant influx of laborers and traders, are also causing some anxiety and resentment among Lao citizens, particularly in land concession areas where large stretches of land have been granted to Chinese companies, forcing local people to alter their livelihoods.

Myanmar

Myanmar has historically been an attractive destination for Chinese migrants. Throughout the era of British colonial rule, migrants arrived, including nationals deserting China’s political and economic upheavals of the 20th century, such as the Sino-Japanese War and the long civil war. The majority of ethnic Chinese in Myanmar originate from Yunnan, Guangdong and Fujian provinces. For the first half of the 20th century, ethnic Chinese residing in Myanmar enjoyed peace and stability. The anti-Chinese riots of 1967 were followed by a campaign of assimilation under the “Burmese Way to Socialism,” which forced overseas Chinese to integrate more deeply into mainstream Myanmar society. Estimates by Than and Khin Maung Kyi (1997: 118) indicated that by 1983, Myanmar hosted about 234,000 people identi-
fying themselves as Chinese.

The new wave of Chinese migration to Myanmar began in the late 1980s, shortly after the military coup of September 1988, a date that can be regarded as a major factor in the emergence of a new wave of Chinese migrants as well as the acceleration of Myanmar-China ties. The cordial talks to establish Myanmar-China border trade on October 3, 1988, completed on December 1 of the same year, led to the open-border policy which facilitated cross-border business activities and the movement of people from both sides. The reopening of Chinese education, the approval of Chinese-language newspapers in Myanmar and, particularly, the re-establishment of the Chinese Chamber of Commerce that facilitated new business connections with Chinese investors across Southeast Asia, induced Chinese migrants, mostly from Yunnan, to pour into Myanmar in search of better prospects. According to Shannon and Farrelly (2014), the Chinese Embassy in Yangon estimated that by 2008, there were approximately 2.5 million Chinese living in Myanmar, the majority of whom had moved there in the late 1980s and early 1990s. The Chinese traders have played a prominent role in turning Myanmar into a new market, brimming with cheap consumer goods made in China, while Chinese entrepreneurs have become “middlemen” between local consumers and Chinese suppliers. Chinese traders and vendors, mainly from border areas, migrated into Myanmar and made their living by importing and selling cheap Chinese goods to local people. A trade route quickly emerged from southern Yunnan, through the border town of Muse, down to the Chinese hub of Lashio in northwestern Shan State, and then on to Mandalay, the bustling heart of Myanmar (Shannon and Farrelly, 2014).

The close relationship between Myanmar and China has facilitated the expansion of economic relations, particularly bilateral trade through border towns in the two countries, and a massive inflow of Chinese investment which has brought Chinese migrants into Myanmar in its wake. On December 4, 1989, a Memorandum of Understanding for economic and trade cooperation between the two countries was signed during the visit to Yunnan by the Myanmar Ministry of Trade delegation. Under this MoU, Yunnan province would open department stores in Mandalay and Lashio, branch company offices would be opened and Yunnan commodities would be sold in Myanmar, and
tourism between Yangon and Kunming would be encouraged. All these business activities, together with the government's economic liberalization, helped to stimulate Chinese migration into Myanmar (Tun, 2015).

In contrast to the earlier movement of Chinese migrants to Myanmar, many of whom consisted of asylum seekers and down-at-heel citizens eager for resettlement, modern-day Chinese migrants are relatively affluent, with their sights firmly set on buying plots of land, establishing their own business, and engaging in investment projects and trading activities. Most of the gold and jewelry shops in central Mandalay are owned by Chinese or Myanmar-Chinese citizens. Large Chinese corporations and companies who have been awarded major development projects in Myanmar usually bring in their own employees from China, not just technicians but also unskilled laborers, the rationale being ease of communication.

Local people have expressed anxiety. In their view, Chinese investors have brought their wealth into Myanmar and then illegally invested in profitable sectors through Myanmar citizens descended from past generations of Chinese immigrants. In some cases, new Chinese migrants married local women to gain access to local networks, and then registered their businesses in their Burmese wives' names. This may explain why modern-day Chinese migrants make Mandalay their primary destination, where they can take advantage of established social networks created by long-term Chinese residents. Some new migrants have sought to obtain Myanmar citizenship by various means, including approaching officials and authorities through unofficial channels. Some long-standing Myanmar-Chinese settlers are dissatisfied with the new wave of migrants, because, in their words: "We are quite different from them in cultural traditions. Previous settlers pay respect to the native citizens, and live modestly, not in a pompous lifestyle. In contrast, new settlers do not care about the native people. Even they look down on us" (Tun, 2015).

Among the reasons for explaining how new Chinese migrants have been able to move to Myanmar in such large numbers since 1988, many locals believe that loose immigration rules and corrupt government officials are at the heart of the problem, with immigration officials in border towns known to issue Myanmar ID cards to Chinese migrants with relative ease. Some Chinese migrants pose as members
of a Myanmar ethnic minority such as Shan, Shan-Chinese, Wa or Kokang.

The arrival of illegal Chinese migrants has been a cause for concern among members of the Myanmar Parliament. In 2013, a proposal was discussed to weed out bogus new Chinese migrants by means of Burmese language tests. Apart from a formal talk and a new regulation for both Burmese and English to appear on advertising billboards instead of Chinese, no significant other steps have been taken.

In summary, since 1988 the movement of Chinese migration into Myanmar has been supported by good connections with open-door policy, in the absence of effective law enforcement, particularly in areas of cross-border migration between China and Myanmar. The economic liberalization and particularly the facilitation for Chinese capital flow for trade, investment and aid have provided opportunities for Chinese migrants to settle in Myanmar. As in other countries of the Mekong region, temporary Chinese migrants into Myanmar belong to different ethnic groups and places of origin, but the majority are Han Chinese from Yunnan, Guangxi and Guangdong. They are investors, middlemen, project managers, small traders and hawkers, as well as free- and contracted-laborers working in the fishery, mining and construction sectors or other heavy industry.

Vietnam

The population of ethnic Chinese in Vietnam prior to the 1979 China-Vietnam border war totaled 1.5 million, including 300,000 people located in the north of Vietnam (Khanh, 1994). During and after the 1979 war, approximately 300,000 people of Chinese descent left Vietnam for China, or migrated to a third country. According to data published by Vietnam's General Statistical Office (GSO), the Vietnamese-Chinese population in 1999 reached 862,071 (GSO, 1999). About 85 percent of ethnic Chinese live in the southern part of Vietnam. In Ho Chi Minh City alone the Chinese population is thought to be around 500,000.

Historically, Vietnam was a traditional destination for Chinese migrants. The most prominent feature of Chinese communities in Vietnam is their preference for communal living in specific areas, thereby giving rise to their own communities and facilitating business dealings. Vietnamese historical sources, including family records,
show that during the 16th to 18th centuries a number of Minh Huong villages were established along the coastal southern reaches of Vietnam—evidence of Chinese migrants seeking to integrate by settling in new lands. Cho Lon (big market, or Chinatown), the most prosperous Chinese commercial center in the south, emerged in 1782.

The ethnic Chinese population played a significant role in southern Vietnam's economy until the post-1975 reforms. According to Khanh (1994: 41, 43, 56), during French colonial times, Chinese ventures accounted for 21 percent of total foreign investments in the south, falling to 16 percent during the Vietnam-American war, but still the top foreign investor in both periods. Early in the 1970s, approximately half of the enterprises in the south were owned by ethnic Chinese, who controlled most of the processing industries including rice mills, as well as export and import companies.

The new wave of Chinese migration to Vietnam started in the 1990s after the normalization of relations between two countries, and can be broadly categorized into four types. These are general categories and are not always clearly defined. The first are contract laborers brought into Vietnam by Chinese contractors and enterprises. The second are professionals, business people, students at educational institutions, and staff at Chinese representative offices in Vietnam. The third are independent migrants who assume the risks of making their way to Vietnam to engage in small or medium trading, or engage in business in various sectors such as services, street vending, restaurants and traditional herbal medicine. The final type is the daily cross-border circulation along the borderlands. While these four categories are helpful in identifying the specific groups of immigrants, it is important to see them not as separate movements but as a larger and interrelated human flow from China to Southeast Asia.

Aside from those previously recruited by Taiwanese companies, most Chinese workers have been brought in by Chinese contractors since the early 2000s. This form of labor migration is relatively new to Vietnam. The presence of Chinese immigrant workers in the Mekong region reveals the growing economic integration between China and the region. An unpublished MOLISA report (2010) indicates that the number of Chinese workers in Vietnam increased from 21,217 in 2005 to 75,000 in 2010 (3.5 times). These figures are, however, an estimate. Our investigation into nine actual work sites shows that
only 21 percent of Chinese workers are legally registered with the local authorities. Those who are not registered are probably not included in reports (Van Chinh, 2014).

Chinese manual workers are mainly employed in major construction projects granted to Chinese companies. The Chinese contractors interviewed during our fieldwork reported that most of their workers were employed under short-term contracts of 3-12 months or longer, depending on the project. A number of Chinese workers whom we spoke to, however, had overstayed their permits by one year or more. Some workers at the Hai Phong Thermo-Power Plant No. 1 had stayed in Vietnam more than five years, working at various projects across the country. Chinese employers usually move their workers from one worksite to another after 3-6 months in order to save on transaction costs. For instance, Chalieco Company (Chinalco Corporation) was contracted to build an aluminum processing factory in Tân Rai Bauxite Mining of Lâm Đồng. The Chinese contractor brought in 700 workers when the project began in 2008. The number of workers was then doubled to 1,400 in 2009 and decreased to 922 in late 2011. Most of the laborers working in Tân Rai were moved to Nhơn Co aluminum factory in Dak Nong Province between 2011 and 2012, ostensibly on similar tasks. Such shifting of workers ensures the availability of labor for Chinese contractors and saves the latter from reporting to the local authorities of the presence of foreign workers.

The wages and work conditions of Chinese workers in Vietnam vary depending on the type of job and employer. As discussed earlier, most of the EPC projects managed by Chinese contractors were awarded at the government-to-government level, with conditions tied to concessional loans. As a result, Vietnamese investors are not in a position to influence the Chinese workers’ salaries.

Chinese petty traders and workers also cross the border into Vietnam for informal trade. During our fieldwork, we observed that 90 per cent of the kiosks in Mong Cai Trade Center were rented to Chinese traders, most of whom cross over into Vietnam in the morning and return home to China in the afternoon. Interviews with people who live around the border gates reveal that cross-border human mobility benefitted both Vietnam and China, especially the local residents on both sides of the border. Data provided by Mong Cai border gate administration indicate that the volume of Chinese migrants into
Vietnam increased by 33 percent over 1996-2006, while the number of Vietnamese entering China rose approximately by 6 percent.

Cross-border farming is also popular among Chinese immigrants in Vietnam. Chinese immigrants lease land to plant cash crops and maintain aquaculture farms in Vietnam, with the produce shipped to China. It is difficult to obtain statistical data on seasonal migration from China to Vietnam, but mainstream media note that traditional, Chinese, small-scale cross-border cultivation can be found in many places in Vietnam. Along coastal Vietnam, there are also aquaculture farms run by Chinese owners under the names of their Vietnamese wives or relatives.

Chinese immigrants offering traditional Chinese medicine and healing services are also very popular in Vietnam. Statistics provided by the Ministry of Health indicate that in 2005-2011 the government licensed a total of 168 Chinese clinics for operation in Vietnam. Chinese clinics are now present in 17 provinces and cities. Most of them are concentrated in Hanoi (52 clinics), Ho Chi Minh City (32 clinics), Cần Thơ (19 clinics) and Đà Nẵng (13 clinics). Among the 684 Chinese staff working at 168 Chinese clinics, we found 158 doctors who graduated from Guangxi Institute of Chinese Traditional Medicine and the College of Vietnam Traditional Medicine.

Most Chinese healing practitioners have been working in Vietnam for several years but are still unable to speak Vietnamese and consequently must work through interpreters. Nevertheless, we did not meet professional interpreters in any medical clinic we visited. More often, we found Chinese-language college students, or medical staff who could command some Chinese, acting as interpreters. The Chinese practitioners running clinics continually bring in their family members as health care assistants to write out prescriptions or work as book-keepers.

Data from the Vietnam Chamber of Commerce and Industry (VCCI) show that bilateral trade between Vietnam and China in 2012 amounted to approximately $30 billion, of which about a third ($10 billion) was border trade. Chinese and Vietnamese petty traders operate through the three main border gates of Móng Cái, Tân Thanh and Hà Khẩu, with Chinese merchants having the dominant role. Their presence is widely felt from small villages in the mountains to large cities in the plains.
In general, Chinese merchants tend to employ trade strategies to maximize their benefit and minimize their tax liability, such as: cooperating with local petty traders to run agencies to collect the goods at the site of manufacturing, for onward transport to the border gates; paying in advance via intermediary agencies or by investing directly in farming households to manufacture the goods they want to buy, in order to keep the right to trade the products in which they have invested; and setting up agencies to collect products at commercial centers located at either border gates or borderlands and trade those products to China. By employing these practices, Chinese traders are able to buy almost all agricultural products available, including fruit, coffee, rice, sweet potato, cassava, seafood, rubber, and medicinal. They also collect small amounts of iron ore, coal and various other minerals mined by family-run businesses or private groups, to be shipped to China for high profit. At border markets, minerals are traded with the same ease that vegetables and other foodstuffs are bought and sold.

Unlike their forebears, new Chinese migrants to Vietnam do not seem to seek long-term settlement. With open policy of migration in China, the new Chinese migrants prefer using a combination of passport and visa for periods of stay, rather than applying for citizenship, even though many of them are not able to determine how long they will remain in the host country. Modern-day Chinese migrants will prolong their stay if conditions are favorable, but will leave for better possibilities in other places or return home to take advantage of new possibilities on the domestic market in China. As one Chinese petty merchant said, “Anywhere we can make money, we stay for long. If not, we go home.”

As discussed earlier, China is a major provider of concessional loans to Vietnam and has won major construction projects in the Vietnamese engineering, procurement and construction sectors (EPC). By the end of 2009, Chinese companies were involved in development projects worth $15.4 billion, making Vietnam their largest EPC market in Southeast Asia. The increase in the number and value of EPC contracts won by Chinese contractors is one of the most important factors driving the increasing flow of Chinese contract labor migration into Vietnam (Van Chinh, 2014).
Conclusion

The opening up of China and its regional economic integration with the GMS has resulted in large waves of new Chinese migration to the region. Since the capital flows from China are expected to continue, the number of Chinese migrants will continue to increase and the Mekong countries will remain the preferred destination for this new movement. However, the new immigrants are not only motivated by employment and business opportunities but are also encouraged and facilitated by the Chinese government through a migration guarantee fund that gives loans to potential immigrants going abroad (Pieke and Speelman, 2013). New Chinese immigrants, together with the long-term ethnic Chinese residents in the region, represent the largest and most economically powerful immigrant group in GMS, supported and encouraged by the Chinese government.

How can we explain the new movement of Chinese migrants into the Mekong region and what could be the factors driving and influencing this movement?

Firstly, China’s political relations with ASEAN in general and the Mekong countries in particular have improved. Since the 1978 economic reforms, the establishment of diplomatic relations with Thailand, normalization with Vietnam and strategic partnerships formed with Cambodia, Laos and Myanmar, China is no longer perceived as a communist threat but instead a friendly neighbor (although China’s recent claims in the South China Sea have marred the relationship with Vietnam and with other ASEAN member states).15 China’s economic aid and concessional loans provided to this region, as well as the propaganda of “good neighbor” policy, also contribute to improving the image of China in the eyes of its neighbors.

Secondly, China’s economic interactions with Mekong countries have expanded rapidly. Total bilateral trade increased more than 20 times in just 20 years. The transportation infrastructure along the economic corridor between China and the Mekong region has been improved. Inexpensive Chinese-made goods, ranging from large machines to daily necessities, can be easily transported to Mekong countries. Chinese traders supplying these goods appear to enjoy a degree of popularity among the local people. Small-scale Chinese vendors are spreading into many cities and towns in the CLMV countries.
Thirdly, Chinese migration is closely related to Chinese investment and contract projects. Chinese enterprises prefer to bring technicians and administrative staff as well as manual labor from the floating population in the Chinese mainland. This policy helps China to solve the problem of domestic unemployment. Furthermore, construction projects in these countries, contracted by Chinese, depend on Chinese technicians along with skilled and unskilled workers from the Chinese mainland. Chinese migrants in CLMV countries play an important role in China’s exports, foreign aid and contract construction projects in the region.

Finally, these countries require coherent national immigration policies that take into consideration their social and economic development needs and interests. To better benefit from foreign workers in the region, and to avoid social problems, this national policy should address issues of the development of human resources, economic competitiveness, demographic transition, and industrial and social development. It is important to obtain accurate estimates of labor and vocational demand from different sectors.

New Chinese migration into the Mekong region is linked with China's investments, trade and economic aid. The immigrants are not only motivated by employment and business opportunities but also spurred by, and facilitated by, Chinese government policies. There is currently no mechanism among CLMV countries and China to ensure the legal status and interests of migrant workers. Steps are needed to institute a Memorandum of Understanding between each country and China on employment issues, and to establish a legal channel of recruitment for immigrant workers.

Notes

1 This paper draws from fieldwork conducted with the support of the Asian Public Intellectuals (API) program of the Nippon Foundation. The author is sincerely grateful to API staff at Bangkok office for its assistance during the fieldwork in the Mekong countries. He also cordially thanks Professor Supang Chantavanich, Dr. Pataya Ruenkaew at Chulalongkorn University, Thailand, and unanimous reviewers and editors for their comments suggestions and corrections.

2 At an exchange rate of $1 = 35 baht, the 31,505.7 million baht amounts to $900.2 million.

3 In an EPC project, the contractor designs the installation, procures the neces-
China’s economic integration and new Chinese migrants

sary materials and builds the project (either directly or by subcontracting part of the work). EPC is a prominent form of contracting agreement in the construction industry; http://www.epcengineer.com/definition/132/epc-engineering-procurement-construction.


6 “Floating population” or liudongrenkou in Chinese, describes a group of people in a given population for a certain period of time and, for various reasons, are not generally considered part of the official census as they no longer reside in the countryside but are not yet city dwellers. See Francesco Sisci and Lu Xiang (2003). Up to 2013, the number of floating people in China exceed 160 million. For more details see Armstrong (2013).

7 Also known as Chaozhou.


9 According to Nyíri Pál (2013), Chinese capital has also placed a premium on fluency in Chinese, which has contributed to a revival of Chinese education in the Kingdom. The largest Chinese school in Phnom Penh now has 13,000 students.


12 Regulations of the Lao PDR allow Chinese citizens to travel to the northern Lao provinces of Oudomxay, Luang Namtha, Bokeo and Phongsaly for a period of ten days, extendable by a further ten days. On payment of a $25 fee, Chinese visitors can extend their stay to a three-month business visa. Alternatively, they can pay a yearly fee of $300 to obtain a 12-month resident’s card for Laos. The cost of a tourist visa is $20 for 30 days and can be collected on arrival at the international checkpoint of Boten, a Lao town bordering Mohan in China.

13 Reports claimed that casino concessionaires were locking up visitors unable to pay off gambling debts, forcing Chinese officials from Hubei Province to travel to Laos to negotiate the release of these captive nationals (“The rise, fall and possible renewal of a town in Laos on China’s border,” The New York Times, July 6, 2016, http://www.nytimes.com/2016/07/07/world/asia/china-laos-boten-gambling.html?_r=1).

14 The term “Minh Huong” (Ming loyalists) was used to refer to the refugees from the Ming Dynasty after the Qing takeover. Apart from the southern central coast, the Vietnamese Nguyen Dynasty also allowed them to settle in the Mekong Delta.

References


Huang, Wenbin and Andreas Wilkes. 2011. Analysis of China’s Overseas


Van Chinh, Nguyen. 2015. “China’s ‘Comrade Money’ and Its Social-Polit-
China’s economic integration and new Chinese migrants


The Idea of Justice is a mesmerizing, non-fictional account of justice by the 1998 Nobel laureate Amartya Sen. The distinguished Indian-born economist and philosopher offers a critique to his longtime Harvard colleague and interlocutor, John Rawls (1921-2002), author of A Theory of Justice. In his heady metaphysical overtones, Sen has distanced himself from the notion of *transcendental institutionalism* of justice, which he argued is obligated to one of the two divergent stands of the western political philosophers on justice. His analysis on various political, economic and social questions reinvigorates the idea of justice as a broader concept. Sen's approach focuses on the comparative judgments of what is "more" or "less" just, and on the comparative merits of the different societies that actually emerge from certain institutions and social interactions. In his own words "what is presented here is a theory of justice in a very broad sense. Its aim is to clarify how we can proceed to address questions of enhancing justice and removing injustice, rather than to offer resolutions of questions about the nature of perfect justice."

Sen provides two sets of discussion over 18 chapters. The first ten chapters deal with the ethical and political assessment of justice and injustice, which also answer queries on the role of rationality and reasonableness in understanding the demands of justice. Later, he describes the application of justice, with critical assessment of the grounds on which judgments about justice are based, which include freedoms, capabilities, resources, happiness and well-being, among others. Sen's explanation of justice is thought-provoking. According to Paula Newberg, it is "not a theory this time, but an exploration of..."
the ample dimensions of the field – is grand in the best sense of the word, taking on difficult subjects, and respectfully following centuries of philosophical debate while imaginatively rethinking them.”2 This is echoed by Samuel Freeman: “In The Idea of Justice Sen orchestrates his many contributions and achievements into a distinctive position on justice… How the current revival of political philosophy will influence future generations is impossible to predict. But it’s a safe bet that the debates will be of world-historical importance, and that Sen’s ideas about justice, social choice theory, and the capabilities approach to assessing well-being will make a crucial contribution to them.”3

In his extremely powerful writing, Sen explains the issues surrounding justice with very simple references. For example, when recounting the story of the “three kids and a flute.” In the story Anne says the flute should be given to her because she is the only one who knows how to play it. Bob says the flute should be handed to him as he is so poor he has no toys to play with. Carla says the flute is hers because it is the fruit of her own labor. After describing the story he poses the question: how do we decide between these three legitimate claims? The issue of institutional arrangement for ensuring justice cannot apply because there are no institutional arrangements that can help us resolve this dispute in a just manner. Conceptions of what constitutes a “just society” will not help us decide who should have the flute. A one-dimensional notion of reason is not much help either, for it does not provide us with a feasible method of arriving at a choice.

Sen argues that the imaginary social contract theory—which flourished during the Enlightenment and has been proposed by scholars from Hobbes to Kant and Rawls—is not sufficiently equipped to be functional to ensure justice, which he believes to be a pluralistic notion with many dimensions. Sen explains that the social contract, as a way of safeguarding agreement between citizens and society over rights and responsibilities, demands a singular ideal institutional setup, originated from abstract principles. He describes how the shortfall of transcendentalism remains with the quest for perfect standards of justice, regardless of the possibility of comprehending them in the distinctly non-ideal world of the here-and-now. He questions the mainstream approach to justice, including John Rawls’s theory of “justice as fairness,” by focusing on its inability to clarify the assessments of social realization (rather than merely on the appraisal of institutions and arrangements)
and comparative issues of enhancement of justice (rather than trying to identify perfectly just arrangements).

Sen advocates emphasis on comparative inquiries of enhancement of justice in the practical world as well as assessment of wide-ranging social realizations. He abets the "comparative social realization" on the "social choice theory," developed by Nicolas de Condorcet (1743-1794), the French philosopher and advocate of educational reform and women's rights. As it is the second stand of justice of the western political philosopher, some of the great names advocated for it, such as Adam Smith, Mary Wollstonecraft, Jeremy Bentham, John Stuart Mill and Karl Marx. Noting it as an alternative discourse, Sen explains how it was acceptable to share a common interest in making comparisons between different ways in which people's lives may be led, influenced by institutions but also by people's actual behavior, social interactions and other significant determinants. He argues that the notion of "social choice theory" is typically quite technical and largely mathematical, and many of the results in the field cannot be established except through fairly extensive mathematical reasoning; yet the approach and its underlying reasoning are quite close to the commonsense understanding of the nature of appropriate social decisions. However, Sen cautions against any superficial conflation of intellectual and geographic categories in explaining the notion. He noted the brilliant exchange of knowledge among the intelligentsia of various regions. As he amusingly observes, the ancient Greeks were involved in intellectual interactions with people from India, Iran and Egypt, but "seem to have taken little interest in chatting up the lively Goths and Visigoths." He notes that the approach developed in this book is on making evaluative comparisons over distinct social realizations by using "social choice theory."

At the source of Sen's work is an amazingly simple idea: "The role of unrestricted public reasoning is quite central to democratic politics in general and to the pursuit of social justice in particular." Undoubtedly, this is a significant view for a political process centered on human interaction as the essential component. Correspondingly, it is an interpretation for political pluralism as well as for profound disagreement about issues of public life.

Shekh Mohammad Altafur Rahman
1 In June 2008, Anand Panyarachun, one of Thailand's most respected figures, was invited to give the third in the Amartya Sen Lecture Series, delivered in Brussels on the topic of "sustainable democracy."


*Global Rectificatory Justice* is a book on social and political philosophy by Göran Collste, professor of applied ethics at Linköping University, Sweden, and president of Societas Ethica (European Society for Research in Ethics). The book falls under the banner of "global justice," a field in applied and political ethics in which the author has conducted research for 25 years.

The book is "primarily the result of ethical analyses of views and arguments," the fruit of desktop research or the gathering of historical facts and background information from specific literature on ethics, history, economics and international relations. To collect information for this book, Collste travelled widely, including to South Africa, Mozambique, Uganda, Malaysia and China. Occasionally, he draws from his classroom and this transpires to full effect in some of his anecdotes, as when one of his Master's students remarked: "Everything Pakistani is today considered of less worth compared to the West: we consider our own history as shameful and we feel that we are still slaves under the British rulers."

Divided into 14 chapters, the book starts with a detailed introduc-
tion, followed by discussions on global justice, colonialism and claims for justice, rectification for slavery, the meaning of rectificatory justice after colonialism, ways forward, immigration policies in the context of colonial injustices, changing the global order and conclusions/implications.

Since present borders roughly coincide with historical borders between former colonial powers and their colonies, Collste explores the possibility of a connection between present inequality and the history of colonialism. In colonial times, the economies of Asia, Africa and Latin America were adjusted to suit the interests of the colonisers, with European superpowers prospering as a result, while decimating the resources of countries they had subjugated.

The publication is built around the premise that the present global order, from the economy to governance, “mirrors colonialism.” It seeks answers to questions connected to the legacy of colonialism and its implications for a theory of global justice. It delves into the principle of rectificatory justice and what it requires to be enacted in practice. Prominent in the book is the notion that, since the historical colonial era still shapes the global order, there is a strong case for global rectificatory justice to assess and make amends for the legacy of colonialism. The form of the relationship has changed, but not the substance.

Collste makes laudable efforts to strike a balance between historical facts—local rulers courting colonial influence—and the ignominy of colonialism in all its guises. The argument of justice ensuing from colonialism is politically, historically and emotionally charged and demands analysis of countless facets of this historical event. Several of the arguments employ a clear premise based on the “do not harm principle,” modelled on “non-maleficence,” one of the four ethical canons advanced by T. Beauchamp and J. Childress in their *Principles of Biomedical Ethics* (2001), which have had far-reaching influence in medical ethics.

Colonialism is not confined to the physical occupation of a country. The damage to Beijing’s Imperial Gardens, for instance, was caused by Britain and France storming the Old Summer Palace in 1860, when China sought independence, as Western powers occupied settlements and forced trading treaties with China. The French poet and dramatist Victor Hugo (1802-1885) depicted the sacking of the Summer Palace as a despicable act of vandalism at the hands of France and England,
the two “bandits responsible for the looting of a dream from the thou-
sand and one nights, built with “marble, jade, bronze and porcelain,”\textsuperscript{1}
framed with cedar wood, covered with precious stones and draped in
silk. On visiting the summer palaces, Collste’s British travel compan-
ions felt discomfort and expressed remorse for their ancestors’ actions
in burning down numerous castles and mansions.

The section on global justice and the legacy of colonialism deals
with five case studies: Uganda, Congo, Southwest Africa, Kenya and
India. Collste makes a good case for the significance of these five
former colonies, but he readily admits that local rulers conniving
with European powers made influence from colonial powers less chal-
lenging from a moral viewpoint. Though these five countries receive
substantial treatment throughout the book, other former colonies
are mentioned to varying degrees. Malaysia, for instance, is discussed
in relation to the multi-billion dollar claim lodged in 2007 by the
descendants of Indians (HINDRAF or Hindu Rights Action Force)
transported to Malaysia for “quasi-slave work during [British] colo-
nial times.” Upon independence from Britain in 1957, Hindus found
themselves “unprotected and at the mercy of a majority Malay-Muslim
government that has violated our rights as minority Indians.”\textsuperscript{2} Also
in this region, Collste mentions the dissolution of the Indochinese
Empire, with Vietnam engaged in a long, drawn-out struggle for inde-
pendence from French imperialism and the ensuing war for reunifica-
tion, which left hundreds of thousands dead.

Data collection has been supplemented by visits to museums in
Europe, Africa and Asia, as well as to repositories of stories from the
past and sources of information for what is not on display, “suggesting
a hidden history that has not been narrated.” Some of these journeys
have renewed Collste’s conviction that obligations for rectification are
not extinguished by the passage of time, because they are trans-gener-
ational. For as long as there are identifiable beneficiaries and victims
of past injustices in our times, “a trans-generational continuum of
responsibility” will ensure that the deeds of our forefathers cause
humiliation for our generation. In a situation probably familiar to
many of us born in former colonizing countries, I recall only too well
my overwhelming sense of shame for my ancestors’ atrocities in Libya,
which confronted me in 2006 during my first visit to the National
Museum in Tripoli.\textsuperscript{3} On display in the section on recent history, was
the hangman’s noose used in 1931 by the Italian colonial government to execute Omar Mukhtar, a revolutionary who for twenty years had led resistance to Italian rule.4

Much food for thought is provided by detailed discussions of the different kinds of justice, such as distributive justice, backward-looking justice, compensatory justice, retributive justice and restorative justice. The latter has been tested in Australia (four tests) and the UK (eight tests) by diverting criminal or juvenile cases away from prosecution to restorative justice conferences (RJCs),5 organized and led, for the most part, by specially-trained police officers. Developments were monitored over a period of 18 years for offenders and for up to 10 years for victims. Sherman et al., authors of this study, reported that RJCs “produced substantial short-term, and some long-term, benefits for both crime victims and their offenders, across a range of offense types and stages of the criminal justice processes on two continents, but with important moderator effects.”6

By reference to the theories of “just compensation rule” and “categorization of claims for rectification,” espoused respectively by Renée Hill and David Miller, Collste attempts to address the complex issue of rectificatory justice by asking a number of questions: who or which entity is responsible for rectifying colonial harms and what does this responsibility entail; is it anachronistic and/or fair to blame an entire nation for historical harms; is it fair to claim rectification from former colonizing nations today; what does rectification mean in practice; should there be statute of limitation with regard to rectification; and so on.

Conceptually, rectificatory justice is backward-looking, with a focus on the “correction for past deeds.” Collste does not claim to have coined the term, which has been in existence at least since the 4th century BCE, when the Greek philosopher Aristotle wrote that the judge tries to equalize things between the injured party and the party inflicting the harm, by means of a penalty, by taking away from the gain of the assailant and instituting corrective justice as the mid-point between the loss and the gain, in order to restore equality.

Faithful to the book’s stated aims, it is the principles of rectificatory justice that are scrutinized: from the irrefutable but stern dictum that no innocent individuals need to rectify others’ wrongs, to its connections with colonialism and the proposed amendments to individuals...
and the rights of descendants. The principles in the book resonate with theories of justice proposed by numerous scholars, including Jeff Spinner-Halev, who argues that the emphasis should not be on compensation for past injustices but on the acceptance that some past injustices are still felt today. In connection with three acknowledged historical injustices involving respectively Armenians, Crimean Tatars and Chinese immigrants to the USA, Spinner-Halev argues that calls for the rectification of historical injustice do not satisfactorily deal with these three instances, because: “The Armenians do not want compensation but acknowledgement; the oppressors of the Tatars no longer exist; and it is unclear if and why Chinese Americans deserve compensation for the injustices their ancestors suffered, since Chinese Americans generally no longer suffer from these injustices.”

The author perceives the presence of “a moral obligation to compensate for the consequences of harmful acts,” with the present unjust global structure deemed a legacy of colonialism. Compensation should not focus solely on reparation for past injustices but on the fact that some historical injustices are enduring to this day. As well as discussing the literature and theories from proponents advocating compensation for victims of colonial exploitation and atrocities, Collste also debates the work of authors who aver such claims. In this category we can include Jeremy Waldron, professor of law and philosophy, who disagrees with the concept of redressing historical injustices, on the basis that this process involves problematic counterfactual calculations. In discussing a recent case about Maori fishing rights in his native New Zealand, Waldron mentions “formalism” as the occupational hazard of well-meaning people who use their best endeavors to find a way “of sustaining the business of historic reparations without regard to the human circumstances of those they claim to be benefitting.”

George Sher, another political scientist, questions the right to claim by descendants of victims of oppression and has advocated “a need for trade-offs among right violations or injustices if we wish to accept the framework of rights or justice at all.”

This book does an admirable job of providing a panoramic view of the extensive literature on an introspective examination of our collective past and atrocities committed by colonizing countries. It is a tour de force into the myriad of theories advocating justice for the dark
period of global colonialism and the painful scar of its consequences. It is a well-argued discussion on the emotive topic of colonialism and its legacy. The book also makes extensive references to the work of theorists such as John Rawls’ eight principles for a Law of Peoples, to which Collste argues that a ninth should be added, of historical redress for international justice. Rawls’ theory of “justice as fairness” is also discussed elsewhere in this volume (review of The Idea of Justice).

The overall thrust of the argument would have been strengthened by providing more than passing references on the possible reasons that have set former British colonies like Malaysia and Singapore on the path to first-world status, two notable exceptions in an otherwise long list of former colonies still relegated to developing status or even least developed country. One brief mention is, however, made when Collste admits that, though colonial occupation has been pernicious to entire continents, it has benefited a very small number of former colonies such as Malaysia, whose economy is reaping the benefits of the rubber plantations set up under British colonial rule.

Collste does not accept that historical injustices can lead to closure, unless and until the uncomfortable issue of rectificatory justice has been applied. In his view, the tragic consequences of European colonization are like an open wound that has been allowed to fester.

Lia Genovese

Notes

1 “The sack of the Summer Palace,” letter of 25 November 1861 from Victor Hugo to Capt. Butler at Hauteville House in Guernsey (an island in the English Channel). It appears that Hugo wrote this letter in reply to an enquiry from Capt. Butler, who lived at Hauteville House, where Hugo lived in exile for 14 years. The Old Summer Palace was a vast complex of gardens and palaces, the largest and most luxurious of the royal gardens of the Qing Dynasty (r. 1644-1912).


3 Also known as the Assaraya Alhamra Museum.

4 In 2008, Italy paid reparations of $5 billion (150 billion baht) for the atrocities inflicted on the Libyan population during 30 years of occupation. As part of the
negotiations, Italy also handed over to Libya the Venus of Cyrene, a Roman statue that Italian troops had removed in 1913 from a Greek-Roman settlement on the Libyan coast.

5 The UK's Crown Prosecution Service defines restorative justice as: “a process through which parties with a stake in a specific offence collectively resolve how to deal with the aftermath of the offence and its implications for the future” (http://www.cps.gov.uk/legal/p_to_r/restorative_justice/). At a restorative justice conference, offenders face their victims and directly hear the impact of their actions.

6 Sherman et al. 2015 (un-numbered page in online journal).

7 Spinner-Halev 2003: 575. The Armenians suffered genocide in 1915 by Ottoman troops; Crimean Tatars were expelled from their homeland in Ukraine by Josef Stalin, when Ukraine did not exist as an independent country; Chinese immigrants to the USA suffered large-scale harassment during a wave of anti-Chinese agitation in the 1870s and 1880s.


10 Sher 1984: 212.

References