



Socio-Economic Impact and the Adaptation of Boten People under Chinese Transnationality

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Abstract— This research paper is about Socio-Economic Impact and the Adaptation of Boten people under Chinese Transnational influences. Its aims are 1. To find out the transnational issues and the influences of Chinese capital in Laos: Boten 2. To study the socio-economic impact on Boten people. This paper uses qualitative research methodology by gathering information from documents and field research. Analyzed the information with Transnational Enclosure theory, Territorialization and Periphery framework.

The research finds out that the transnational enclosure and territorialization were acting and processing parallel at the same time. Chinese capital power spread its influences on economics and politics in Laos which is the strategic country that China can connect itself to South East Asia. China focuses on its national interest in Laos, especially in logistic strategy as the main route for Chinese products. Its influences slowly enclosed Laos local people's authority on their own spaces. Meanwhile, to reach its development goal, Laos' government did not act against these Chinese investments, instead, the government set up regulations to support and facilitate Chinese capital. Reteritorialization is an example. Laos government defined Boten district as a worthy connecting location between Laos and China. Thus, it specified Boten district to be a Special Economic Zone which would be managed by Chinese developers.

With this development plan, Lao government expanded its power over Boten community. Luangnamta province sent a number of officials to deal with Boten people. They had no choice, but to move their community to a new village where it is 10 kilometers apart from the former village. The former land then was an economic zone, not an agricultural land anymore. The territorialization for Boten district was to redefine the value of the location that it could be developed to be a significant economic zone which was better than leaving it unworthy as a paddy field.

Keywords— Chinese capital's influence, Lao, impact of development.

1. INTRODUCTION

Lao's development strategy since the 2nd National Economic and Social development plan (1986-1990) to the 7th National Economic and Social development plan (2011-2015) emphasized on Economic Development by promoting Foreign Direct Investment: FDI. Land-linked strategy and Battery of Asia strategy are important development strategies that attract huge amount of FDI such as Hydro power dam projects and Developing Logistic and Economic Corridors.

Until now, Chinese people are the majority of foreign investors in Lao. It has dramatically increased the investment projects since 1990s as Chinese investors have been investing around 800 projects, valued 3,900 million USD in Lao. The increasing number of Chinese investors in Southeast Asia was the effect from "Go West Strategy", "Go Out Policy" and "Go South policy". These policies aim to develop the periphery and indigent regions of China, especially, the West and the Southern part of China. Therefore, Yunnan and Guangxi are the strategic areas for those policies in order to connect China to Southeast Asia.

Chinese Investments in Lao are mainly in service

sector, logistic, mines industry, hydro power and agro-industry. For example, R3A road, which connected Yunnan and Lao, has a benefit on China in logistic strategy. China investors also invested in hydro power dam to produce electric and export to China to solve the electric deficiency of South China. In service sector, Chinese private investors invested in hotels, entertainment complex including Casinos such as Royal Jinlun in Boten, King Roman in Bokeo and Savan Vegas in Savanakheth. Moreover, they invested in agro-industrial in the model of contract farming. To conclude, China's "Go Out Policy" has been conformed with Lao development strategy in achieving the Lao's vision 2020, a promising year that Lao will be unnamed from Least Develop Countries. According to both countries' development strategies, Lao state and China state gained advantages from the investments of Chinese investors in Lao. Lao GDP indicators are rising, while China's investment abroad policy is reaching its target.

Nevertheless, those areas and lands that were invested by foreigners are not useless or wasted. It was once a living area for Lao people. Until Lao government allowed transnational capital to increase Lao economic development indicators, Lao government has allocated land, both useful and useless, to facilitate these foreign investors. For Boten case, the area was a living area and paddy rice field of Tai Lue people. However, Lao government allowed Boten Dankham Co.,Ltd. by Chinese investors to invest an entertainment complex in Boten in Special Economic Zone model. Boten SEZ will be rented by China developers for 30 years and can be

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extended to 90 years. Therefore, Tai Lue people in Boten were forced by their government to move the village to resettle in a new area, located 10 kilometers from their own land.

Former Boten village was just a periphery area which was far from state power and modernization. It was recognized when Lao government has identified a SEZ and a strategic area for trans-border trade and logistic. It is now a stop point of R3A road and the high speed train which will value up the SEZ. Boten then may gain its potential in being the center for trade and product distribution center. The changes are what Boten people have to face with either nowadays or in the future. How Boten people adapt themselves and what their disadvantage in development projects are the main questions for the aim of development in Lao.

2. PURPOSES

To explain the trans-boundary procedure and the expanding of Chinese influences in Lao: Boten village as the case study.

To explain the impacts and adaption of Boten people.

3. RESEARCH METHODOLOGY

This research applied qualitative research method by gathering information from literature review. Sources of information are from primary and secondary data in Thai and English. Collect field information by interviewing Lao officials and local people in Boten. Data has been analyzed to prove the theory and research to find a new conclusion from the area study.

4. THEORY

This article applied 3 theories: transnational enclosure, Reterritorialization and Marginalization. Transnational enclosure is the concept adopted to explain the context of International relations between China and Lao government. It also related to the influence of transnational capital that can expand its power over local community. Meanwhile, reterritorialization is the concept applied for Lao's new development strategy. In other words, reterritorialization is the process of re-identifying the meaning of a space from forestry area or unused area to develop to an economic area. Lastly, marginalization is used to explain the situation and the adaptation of the community which is directly affected by the development project.

5. TRANSNATIONAL ENCLOSURE AND RETERRITORIALIZATION IN THE DEVELOPMENT DISCOURSE

5.1 Lao government and development

Lao main stream development vision is to upgrade Lao from LDCs list. Its aim is modernization. Lao economy was once depressed in 1960s from the socialist strategy which has a pressure on Lao government in order to open the country and revise its economic policy. New Economic Mechanism (NEMs) was launched in 1986; it turned Lao economy to follow capitalism. Private and

Foreign capitals became the main income for Lao economy. Of course, the development after 1986 focused less on economic and social equality which are the cores of socialism, but it gave more attention on the growth and progressivity in Economic Indicators.

"Development" is the main principle for Lao government before NEMs, though the meaning is difference from "development" after NEMs. The former development focused on creating modern and equal society; shorten the differences between social classes by central-planned economy. Private ownership was posed by state as it was criticized in being the source of social classes and privileges. Lastly, socialist way could not reach its aim in economic and social sector because it was in an immediate process and lack of socialist fundamental. For "development" after NEMs, it was defined as modernization under capitalism. This time, private ownership and market-oriented system are the principle of development. This is the effect of development discourse which identified Lao as an underdeveloped country. It was reproduced the definition by the categorization of International organization. For example, UN declared Lao as a Least Developed Country (LDCs), ADB cited in 1986 that Lao was one of the poorest countries in the world. By that definition, Lao was donated over 1.11 billion USD in between 1986-2004 by ADB. Lao's income depended on Foreign Aid over 85%¹. As the definition of an underdeveloped country in development discourse, Lao government changed its strategy to increase modernization indicators and economic development indicators. The discourse also acted in enclosing the opponent knowledge such as local wisdom. Local wisdom is community's holistic perspective which does not categorize daily life from ecology as a part of community's relations. It is the opponent of modernism because wisdom defines ecology as a part of community that people can get advantages from ecology only under the belief (animism) conditions and community's regulations. While modern economy defines ecology as natural resource that should be exploit its usefulness, the development discourse encloses the value of wisdom and redefines the traditional behavior as a useless and demolished activity, such as the slash and burn agriculture. With these internal and external procedures, capitalism development in Lao has been expanded to stand and hegemonize the meaning of "development" in Lao.

New Economic Mechanism was the turning point of economic strategy. Market-oriented system was implied to provoke the slow-down economy. Lao government promoted Foreign Direct Investment and Foreign trade by modern investment laws and regulations. In 1989, Lao state accelerated the country reform which resulted in the increasing amount of FDI and trade. However, the majority of trade and investment in Lao are in natural resources sector which are forestry, mines, and hydro

¹ ADB's Country Strategies and Programs for Lao PDR, 28 June 2006. Source: <http://www.adb.org/news/adbs-country-strategies-and-programs-lao-pdr-rated-successful>. 8 August 2013.

power². Another strategy for Lao economic development is “Land Linked Strategy”. R3A road, R9 route, and high speed train are logistics channels of distribution between Lao-China and Lao-ASEAN. Moreover, mega projects for development, such as contract farming and Land concession in the model of Special Economic Zone and Specific Economic Zone are the latest development projects.

“Development” in capitalism does not only increase the economic indicators, it also supports and legitimizes the state authority expansion. As Lao was suffered from war period for a long time and, historically, the country was never been united. In the past, Lancang was separately governed in three kingdoms; Luangprabang, Vientian, and Champasak. They were assembled when France occupied all Lao into French Indochina. After the independence, Lao was in the proxy war period and had to face with the conflict between Liberalists and Communists until 1975 when communist could control the country. However, Lao government still could not use its absolute power in some areas and some groups of people such as border area and high land area. The socialism ideology in nation state building period emphasized on the conflict among minorities. Though, when the government initiated capitalism development in 1986, “Development” became the tool of the government in strengthening state authority among minorities and periphery areas. Constructing a road was modernization and it was also a tool to spread state power to access the remote area. Dam building did legitimize the state to take possession on natural resources management in the name of state resources. Boten village is a case study for the state authority legitimization. Declaring Boten Special Economic Zone is an excuse for Lao government to legitimize the government authority in order to manage Boten area.

The development of capitalism in Lao is the specific model as in other socialist countries, such as China and Vietnam. These countries use market-oriented system in economy while they are also insisting rules in socialism regime. Therefore, Lao economic development model is liberal capitalism under state control or half centralized – liberalized economy. Nevertheless, state interference does not cause any anxious to foreign investors because they are protected by investment laws. In controversy, one party government gains more benefit in facilitating private investors. As the government is in an absolute power to allocate natural resources, those democratic countries have a pro-long public hearing process. To sum up, “Development” in Lao is benefit those foreign investors and to Lao state in legitimizing its power.

5.2 The influence of Chinese capital in Lao

China is one of the most rapid economic growth countries in these 2 decades. 4 modernization policies and liberal capitalism were launched in late 1970s.

² Bank of Thailand. 2554. Annual Report PDR 2553 and Outlook for 2554 (online). Source: http://www.bot.or.th/Thai/EconomicConditions/AsianEconomies/Laos/EconData_Laos/Pages/Economic%20condition.aspx, 28 September 2555.

Chinese economy drastically increased from two hundred billion USD in 1978 to 5.7 trillion USD in 2010³. China became the second largest amount of import-export value country⁴. Moreover, Chinese government changed the economic strategy to export investments instead of import foreign investors. As a result, China claimed as ranking up to the 9th investment country of exporting in 2011 with 6.5 ten billion USD.

Yunnan and Guangxi are assigned to act like a linkage between western and southern part of China with Greater Mekong Sub-region and Southeast Asia. Conforming to “Go South policy” that Chinese government promotes Chinese investors to invest abroad with low-rate interest loan, China is splendidly positioned in the high rank of foreign investors in Southeast Asia, including Lao. Until now Chinese Investors have invested in Lao around 3,900 million USD or 800 projects in mines industry, agro-industry, forestry, electric industry, garment industry and other service sectors. King romans of Laos Asian Economic and Tourism Development Zone is a good example of Chinese investment in Lao. It located in Tonphung district, Lao PDR, and it is planned to develop to be a distributing center. It is invested by Jinmumen group with 86 million dollars⁵. Moreover, recently China’s cumulative investment in Laos stands at \$5.1 billion, edging out Thailand and Vietnam from railroad linking which cost of \$7.2 billion.⁶

5.3 Chinese capital’s influences in Boten: Transnational enclosure and reterritorialization

There are two national interests for Chinese capital in Boten; the interest in Boten Special Economic Zone and the interest in logistic sector. The second interest is in developing process. These logistic projects will upgrade Boten to be a strategic connecting point between China and Lao. Moreover, China local government had defined Xisuangbanna to be Xishuangbanna Border Free Economic Cooperation Area, thus, Boten is now a valuable area for Chinese developers. Golden City Group Co.,Ltd is the developer and investor who receives the concession in developing Boten Special Economic Zone. It is approved by the National Planning and Cooperation Committee on 9th December, 2003. It has been specified

³ UN National Accounts Main Aggregates DATABASE. 2012. Comparison of China’s historical GDP Perra rankings in the world.(Homepage on internet). Available from: http://en.wikipedia.org/wiki/Historical_GDP_of_the_People's_Republic_of_China. 4th October 2012.

⁴ United Nations International Merchandise Trade Statistics, 2012. 2011 International Trade Statistics Yearbook volumeI. (Homepage on Internet). Available from: <http://comtrade.un.org/pb/>. 30th September 2012.

⁵ Laos data center Khon Kaen University, Fall 2551, Thailand 3 years 50 Chinese investment in Laos - Vietnam overtake sign (online). Source:

http://laos.kku.ac.th/index.php?option=com_content&task=view&id=160&Itemid=88. 2 October 2555. See more lean and strategic excellence. 2012. Keep an eye on China’s capital plan remediation project in Burma, China - ASEAN (online). Source: <http://prachatai.com/journal/2012/06/40827>. 2 October 2555

⁶ Adam Pasick. 2014. China just became the biggest investor in Laos, and Laos’s neighbors are worried (online). Available from: <http://qz.com/172350/china-just-became-the-biggest-investor-in-laos-and-laos-neighbors-are-worried/#/h/44076,3/>. 20th May 2014.

that the company is allowed to manage and develop on a 1,640 hectares under the contract of 30 years which can be renewed to 90 years⁷. The developer company has the authorities in managing and developing the area. Boten SEZ is planned to be the center of entertainment complex, casinos and hotels which are the main income for the first phase. Boten SEZ is rapidly well known by Chinese, Thai, and Lao gamblers.

However, the Special Economic model raised some issues about national sovereignty and the legitimacy of Lao government in approving foreign investors to develop the concession zone and drive out local Lao people. The distinctly sovereignty of Lao government was reduced by SEZ and replaced by Transnational Chinese capital. The state sovereignty, once the sacred principle of nation, has been ambiguous in some parts under this development discourse⁸.

The Chinese private investors promoted by Central China Government were the result of the transnational enclosure procedure, compromising between private sector, state, and local people. On the other hand, Chinese private investors invest correctly under the Lao investment law and regulation. With the positive bilateral relations between China-Lao, the investors smoothly start to develop real estates and business in Boten SEZ. Meanwhile, the western and the southern region of China gain the advantage from this relationship and the border development.

As quoted before that both states gain advantage from the Chinese investments, for Lao, it is invaded under some particular conditions. Lao referred the ADB's development discourse to reterritorialize the space. It is the process on defining a space, whether it is utilitarian or not. If not, reterritorialization will follow its process, starting with re-drawing a new territory line, called Special Economic Zone, then defining the aim to conform development strategy. Therefore, the reterritorialization process of Lao government is properly fixed with the Chinese capital's requirement. The benefit for China is the chance to spread its economic and politic influence to Lao and Greater Mekong Sub-region. Besides, the SEZ in Lao can be the channel for Casino business which is not allowed in the main land of China. Lao government also gains some benefit from the concession's income, tax revenue and cash flow from business in SEZ. To conclude, the reterritorialization is the process that eases Chinese investors by referring national and local economic development, meanwhile, it drove out those local people to a new village. The

transnational enclosure process therefore can be introduced as a cooperation activity between Lao government and Chinese government, enclosed the local people authority on their former land and push them to be the absolute marginal people.

Even the hotels and casinos had been closed down in 2011 by Lao government. Lao government announced that casino in Boten broke the regulation by allowing Lao people to gamble. Moreover, there are a lot of violence and drugs reports in the area. Central Chinese government also agreed with Lao government to close down casinos. The other reasons are the reports on deceiving Chinese tourists to become indebted and because the casino location is close to Chinese border. As a result, those casinos had closed down immediately and it affected the effort to develop Boten for a while. Later on, Golden City Group had sold its shareholder to Yunnan Haicheng Industrial Group Stock Co.,Ltd which is proficient in developing tourist attraction and trading area. However, from the former problems, Lao government gave more attention to security issue. The Special Economic Zone model was changed to Specific Economic Zone and Namtha local government had to take part in Boten Specific Economic Zone administration in term of security issue. For economic issue, the developer still has fully right to administrate.

In conclusion, Boten case reflected the expansion of Chinese capital influence that rapidly has accessed to Lao. The growth of economic indicators is increasing, but the economic and social equality issue are decreasing. Local people as stake holders of the development were forced and were pressed from state authority to become a periphery group. Therefore, it can be concluded that Boten development is run by state and capitalist in the model of reterritorialization and transnational enclosure process.

6. MARGINALIZATION IN LAO'S DEVELOPMENT PROCESS

6.1 Problems from development

The mega-investment projects and the concessions are a model for Lao's economic development. Social and economic problem defined in the 5th national social and economic development plan (2001-2005) are tended to terminate shifting cultivation, decreasing opium agriculture and decreasing poverty to 50% in 2005. Continuingly to 7th national plan (2011-2015), the plan aims to distribute fundamental infrastructure such as electricity, roads, and telecommunication. These national development plans take part in increasing Lao people's quantity of life, including their opportunities in general⁹.

Though Lao economy development is precisely growing, long term problems are also discussed repeatedly. For example, environmental issues, inequitable problems among minorities and the foreigner's migration. Environmental issue in Lao is an international problem, such as Sayaburi dam project or the contract farming in agro-industry which are

⁷ Special Economic Zone is an important developing strategy of Lao government. The SEZs recently permitted for 5 zones; Savan Seno (2002) Boten Beautiful Land Specific Economic Zone (2003) Golden Triangle (2007) Phoukhiao (2010) and Vientiane-Nonhthong Industry-Trade SEZ (2011). There are another 5 zones which are on the negotiation processes, another 12 zones which are now on the process of feasibility studies and 24 zones are announcing for the interested developers. Available on: <http://www.sncsez.gov.la/index.php/en/>. 26th August 2013.

⁸ Research Fund, 2012. Scholars warn China Relations - ASEAN / Mekong be "Extraterritoriality new era". (Online). Source: http://pr.trf.or.th/index.php?option=com_content&view=article&id=1014:-qq-&catid=37:2010-06-10-02-36-14&Itemid=55. 5 October 2555.

⁹ UNESCO country report, Laos 2008.

questioned about the losses in ecology in long term. Another important issue is the inequitable problems among minorities which last for a while and reflected in the unequal indicators. For example, the number of educational opportunity of Lao Lum is higher than those from highland and the great proportion of poverty people are Lao Teung and Lao Sung¹⁰. Moreover, a new problem which is the result of promoting FDI is the migrating of foreigners in Lao.

These immigrants who came to work in Lao under Lao investment law have also settled down their business. In many cases, they pushed local people to a second class labor, though these local people are Lao citizen. For example, Tonphung Special Economic Zone where local people had been moved out to another location while most of the employees in the SEZ are Chinese people. Chinese investors earn a lot of money and the employees are hired in a high rate salary, while Lao local people are still suffered from the lack of occupation and from the community's migrating.

For Boten case, the transnational enclosure is a continuous procedure which relate to legitimacy in development. The government relies on state authority to negotiate and compromise with local people who have to move out. The migrant was preceded under a condition that Lao government will pay for rice field, house and moving cost compensations. The fact is local people receive an opportunity to negotiate, however, it is a discussion on a restricted condition that Boten community must move out. Furthermore, the following problem is that some villagers do not receive the compensation as agreed upon, and they cannot request a call for further discussion with state regarding any responsibility. It is because they already moved out and because the protest and requirement are not being responded. Boten SEZ still kept its progressive and earned a lot of money. Lao government reached its aim in increasing economic indicator. It is just former Boten villagers who are duplicated suffering from the negative impacts. They moved out from their familiar and fertility land and ended up with a limited land in the new location. They lost their agricultural life because they are not capable to buy any paddy field in the new village. Moreover, they are not properly reckoned by the government. This power structure reflects the government's aspect in separations of people from consideration process, development process, and land management process. It is a sample of a phenomenon that Lao government and Chinese capital occupied the authority while pushing local people to be marginal people in their homeland.

¹⁰ The number of Lao children between 11-16 in each ethnic minority who never attend school; 5.8 % of Lao-Tai ethnic group, 21.9% of Mon-Khmer, 41.3% of Tibeto-Berman and 20% of Hmong-Yao. (Richard Noonan. Ethnicity and Participation in Primary Education: Some statistical results from the 2005 census (Homepage on internet). Available from: <http://www.scribd.com/doc/60131647/Ethnicity-and-Education-in-Lao-PDR>. 2nd October 2012).

6.2 New Boten community: Marginalization

Special Economic Zone development strategy has its influence on local people. Kamyod Chaiyawong, vice Boten village headman, referred that Lao government has already notified villagers that the land would be developed and managed in SEZ model. The government would deal with the developer to compensate Boten villagers for house, paddy field, and moving cost. In 2005 and 2008, Boten people which comprised of 3 communities; merchandise community, farmer community, and salt pit community, moved out from their former homeland. Lao government and Golden City Group, the developer and investor, agreed to compensate for families who owned paddy field for 50 million Kip per hectare. However, the price was bargained. It was lower than the expected value at around 100 million Kip¹¹. Families who have no paddy field did not receive any compensation, just a proportion of land for habitation. Nevertheless, some villagers practically did not receive any compensation or not in full amount. At this point, the government failed to compensate and to act in regard of its promise.

The second issue is that Boten villagers lost their occupations because of the lack of paddy field. The new village is not a vacant land but it is occupied by Panna, Lao Sung, who have been settled down there for a while. The land left in the new village is considered inefficient for a new agriculturist community. Families who want to own paddy field have to buy land at Namtha city. Some houses spent the compensation on a rubber plantation at Natoey village. Some adapted themselves and became a merchandise or worker at tariff barrier port. Some bought a truck or a cab for transportation employment¹². Even though Chinese developer has promised the community that they will employ Boten people in casinos, in practice, Boten people cannot speak Chinese and have no skill in service sector. As a result, they frequently failed the probation. Thus, most of the workers in casinos are Chinese or Lao workers who graduated from Vientien.

The effect from development projects in Boten SEZ thus has its influence on Boten people to face the changes and instability in lives. Even though Lao government had paid the compensation, it was not enough for a new settlement. To shortly interpret this phenomenon, "Development" in Boten turns to have a negative effect on local people.

6.3 The adaptation and change of Boten people

Boten development process is stimulated by the reterritorialization and transnational enclosure by Chinese capital. It is proceeding without a proper attention to local people who are negatively affected. Not only losing their paddy fields, Boten people also lost their socio-cultural practices which related to the losses of their agricultural lives. Some Boten people can adapt themselves by changing their occupations from agriculturist to other occupations because most of Boten

¹¹ Kamyod Chaiyawong, vice Boten village headman, 12th February 2012.

¹² Yai Oun, villager, 12th February 2012.

people do not own paddy field anymore. However, some local people, especially elderly, cannot face the rapid change. They are familiar with their circular lives. They spent most of their money in building a new house in a new place. Now, they live on collecting wild products which is not enough to support themselves. Meanwhile, groups of younger generation learn to take advantage from Boten location. They set up a logistic service company. Some own a restaurant, a garage, and a shipping company.

Basically, socio-culture and community relations are declining because Boten people pay more attention to economic issue. Cultural system and its meaning are slowly being diminished. For example, animism is tended to be a marginal belief, only Buddhism remains. Interdependence relationship in community has also been changed. Those middle-age people often show their concern on individualism among community members. The spirit of unity and helpful are faded away. Likewise, social behavior is rapidly changed along with the new way of life. Youth have to work in a big city. Their work progressive depends on their personal abilities and their personal costs such as labor, education, potential, and skill. Stability and certainty have been lost in the way of life.

The adaptation of community reflects the effort in managing lives instead of waiting for government aid. It is because Boten people surrendered to government power that they could not fight or negotiate with. The strength of single party government thus does not come from only government, but also from the weakness of Lao civil society which rarely stand to fight in political activities. Boten is just a case study for the civil society that Lao people have denied their willing to surrender, however, their strength is less to fight against their government.

The future of Boten people are still faced with uncertainty from any upcoming projects. In the near future, Lao government will construct the High Speed Train which will pass through the new Boten. It is certain that Boten people have to move their community again. Villagers have the same opinion that they will confront with the situation if they have to relocate again. Their saving in building new houses is limited and they will not surrender to government power without a proper discussion. However, the strength of Boten people is less to fight against the government. It is possible that the High Speed Train will affect those people again. This time, the compensation will be decided and paid by the government, unlike the last migration which was paid by Chinese developer. So, it may be equal or less compared to the last migration. The future of Boten people seems to be in a difficult condition, both economics and politics. Though development brings a lot of advantages and progressive, for Boten people, it is not worth the stable life they have lost. Most of Boten people prefer their farmer lives than modern life style and civilization.

7. CONCLUSION

Boten district is a Tai Lue community located on border zone between Northern Lao and Southern part of China.

Before 1980, Boten was just a local border where both states allowed local ethnic traders to trade and exchange under limited regulations. It was until the end of 1980s when Lao activated its open policy and promote the diplomatic relations between Lao and China. Under this circumstance, Lao authoritarian used capitalization as the main strategic to develop the country such as land concession, mining and hydro-power production. According to the intimate relationship between China and Lao, Chinese capital gained the high rank in investment statistic in Laos. Boten district was considered to become more important in the country's development strategic. Being a border economic zone and a connecting location are strategies for this space.

Lao government allowed Chinese developer's company to manage Boten Special Economic Zone since 2003. The contract lasts for 30 years and can be extended twice. This 1,640 hectar space was introduced to be a new tourist attraction with luxury hotels, golf club and casinos. Moreover, under Chinese developer and investors, the usual language used in Boten SEZ is Chinese, Renminbi is the major money and the time there is known as Beijing time. It seems to be a part of China, but it is not. This phenomena can be defined as transnational enclosure which China expanded its power over its territory.

With this development plan, Lao government expanded its power over Boten community by trying to manage the space in the name of Lao government. Boten people had no choice, but to move their community to a new village where it is 10 kilometers apart from the former one. Thus the reterritorialization in Boten case was to redefine the value of the space from an unworthy land to be a potential economic zone.

Both transnational enclosure and reterritorialization procedures directly impact Boten people and push them to the periphery of power. Boten people had to move out of their hometown where they located for more than 200 years. They were forced to move to a new place and they had to adapt themselves with the new environment. They were suffered by the unfair compensation that they did not have power to bargain with the government. They had to adapt their customs and lives because there were limited spaces in the new village for them to cultivate. Some grew up and earned themselves on paddy field, thus, they have no other expertise to afford themselves. Without paddy field, Tai Lue people had to work out of agricultural sector which caused changes in community relations. Although some families could adapt to the new circumstances, they moved from agricultural sector to service sector, but most of the community members felt of the uncertain lives. They wanted a secure and stable life as they used to when they were farmers.

For farmers, migrating is not something simple and acceptable, they rely on land. The first move for Tai Lue Boten was started in 2005-2008 for "National development". They lived with changes along eight years in the new place, and in the near future, they have to move for the second time. This time it is the high speed train project which will first stop in Boten station. Lao government banned every unfinished construction in new Boten because the train railway will pass through the

center of the new village. This time Boten villagers will actively fight for themselves, at least fight for the proper compensation. However, lastly they are still victims of the development and will be forced to surrender to the government and capital power.

What happened in Boten district is just a case study in Lao that reflects the question from periphery people about the disadvantages of development that those with less-power have to face with. With this question, it leads to another suspicion that does development deserve its value as it is praise or not.

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Interview

- [30] Kamyod Chaiyawong, vice Boten village headman, 12th February 2012
- [31] Nang Ping, 30 years old, villager, 6th November 2012
- [32] Pu Saeng Noon, Boten villager, 12th February 2012
- [33] Pa Tong Kam, 40 years old, villager, 6th November 2012
- [34] Pa Bua Jan, 87 years old, villager, 6th November 2012
- [35] Pa Saeng Noon, 89 years old, villager, 6th November 2012
- [36] Hom, 29 years old, villager, 5th November 2012
- [37] Mae Kan Kham Kaewwongpetch, villager, 6th November 2013
- [38] Mae In Kaew and Mae Am Pai, villager, 12th February 2012
- [39] Yai Oun, villager, 12th February 2012.
- [40] Kam Khan, 42 years old, 6th November 2012
- [41] Kam Tun, 50 years old, 6th November 2012
- [42] Mai Kam, 65 years old, 6th November 2012
- [43] Kam Lar, Tai Dam ethnic in Boten village, 12th February 2012
- [44] Tong Sri, head of Luangnamtha investment promotion department, 5th November 2012