

From Tributary Ties to BRI Connectivity: Historical Continuity and Asymmetric Relation in China-Laos Cooperation

| Tania Adarani^{1*} | Tuty Nur Mutia Muas² |

Faculty of Humanities,
Universitas Indonesia,
Depok, Indonesia

tania.adarani@ui.ac.id
tutymuas@ui.ac.id

ABSTRACT

Laos-China relations have evolved for centuries, beginning with a tributary system that established economic and security interdependence. Although political ties were disrupted during the French colonial period and the Cold War, cross-border trade and social interactions persisted. Since the normalization of relations in the 1980s, cooperation has deepened and reached a new phase through the Laos-China High-Speed Railway, a flagship project under the Belt and Road Initiative (BRI). Using a qualitative historical approach, this study examines how the Kunming-Vientiane High-Speed Railway illustrates the historical continuity and asymmetric nature of the bilateral relationship. The findings indicate that while the project enhances connectivity and supports Laos's aspiration to become a 'land-linked country', it also reinforces China's dominant position in financing, technology, and regional influence. Despite concerns about long-term dependency, the partnership remains mutually beneficial, demonstrating how BRI projects shape the dynamics between major and small states in Southeast Asia.

KEYWORDS

BRI; historical continuity; Laos-China high-speed railway

INTRODUCTION

Indochina has long been an important region for China. Its location between China and other Southeast Asian countries makes it a buffer zone for China. Beyene, A. D. (2017) states that a buffer zone is identified as a neutral area that serves as a separator and is used to fend off security threats to a region. Therefore, the Indochina region as a buffer zone is essential in China's efforts to maintain national security and strengthen its economic influence. The Britannica website (Indochina – Definition, History, & Maps) explains that "Indochina" emerged in the early 19th century and refers to Vietnam, Laos, and Cambodia.

Historical records of China's last two dynasties, the Ming Dynasty (1368-1644) and the Qing Dynasty (1644-1911), show that the Lan Xang Kingdom, which was the forerunner of the Lao state, had a tributary system with the Chinese empire. Tuty Muas (2015) explains that the tributary system or "tribute relationship" in Chinese history refers to the system where neighboring countries are considered subordinates or vassals of China. These countries paid tribute as a form of respect to the Chinese empire. In return, China granted them a stamp of recognition, titles of nobility, and the right to trade in Chinese ports. This

system reflected China's political and cultural dominance over its neighbors. After China's last dynasty collapsed, Sino-Lao relations became more complex. The relationship between the two countries declined when Laos became part of French Indochina (1893-1954). Laos's foreign policy at the time was entirely controlled by the French Kingdom, which wanted to secure its influence over neighboring countries. Various internal problems in China in the early 20th century also affected China's interactions with its neighbors, including Laos.

China's relations with Laos advanced to a new stage with the launch of a major initiative, 一带一路/*yīdài yīlù*, by President Xi Jinping in 2013. 一带一路 *yīdài yīlù*, hereafter referred to in this article as the Belt and Road Initiative (BRI), is a strategic plan for China's connectivity and cooperation with Eurasia, the Middle East, Africa, and Southeast Asia. Inspired by the splendor of the ancient Chinese Silk Road, the BRI aims to connect Asia, Africa, and Europe by developing infrastructure networks, including roads, railways, ports, and energy projects through investment (Stec, 2018). The Chinese government's official BRI website states that there are six main corridors of the Silk Road Economic Belt¹, one of which is the China-Indochina Peninsula Economic Corridor involving countries in mainland Southeast Asia. Various development proposals have been put forward as a form of implementation of the China-Indochina Peninsula Economic Corridor and have resulted in different responses. For example, Raymond (2021) says that Thailand and Vietnam, more economically stable and sovereignty-protective countries, tend to be cautious in responding to the BRI proposals. In contrast, Laos and Cambodia, as less developed countries, fully accepted the proposal.

Laos' full acceptance of the BRI proposals is evident in a 2023 report published by Xinhua, titled "China-Laos Railway Cross-Border Passenger Service to Boost Laos' Economic Recovery". The news mentioned that Laos was one of the first countries to reach a consensus with China and sign the BRI agreement, while the Laos-China High-Speed Rail project was the main focus of the BRI scheme. The construction of the Laos-China High-Speed Railway is a 414 km railway line connecting Kunming, the capital of Yunnan province, with Vientiane, the capital of Laos. David Arase (2015) noted that Yunnan province, which directly borders Laos, serves as a hub for the overland transportation corridor. However, the construction of this railway came at an enormous cost, prompting Pavličević & Kratz (2017) to argue that such a massive investment could strain Laos' national finances and, in the long term, have negative effects on its economic growth and development. The project cost approximately \$6 billion, 60% of which was financed through loans from the China Exim Bank, known as 中国进出口银行/*zhōngguó jìn chūkǒu yínháng*. Consequently, Laos's external debt to China increased significantly, raising concerns about the country's financial dependency.

Since its construction, the project has created thousands of jobs for local communities. In operation since December 2021, the project has brought economic, social, and strategic benefits to both countries. Travel between Kunming and Vientiane can be done in just over eight hours with this transportation. This has accelerated the flow of goods and people and opened new opportunities for tourism, trade, and investment. The official website of the State Council of the People's Republic of China (PRC) published a speech delivered by the Vice Premier of the State Council of the PRC, Ding Xuexiang, at the "Opening Ceremony of the 21st China-ASEAN Expo" and the "China-ASEAN Business and Investment Summit"

¹ BRI is divided into two main initiatives, namely "丝绸之路经济带/*sīchóu zhīlù jīngjì dài*" (Economic Belt Along the Silk Road), focusing on the mainland, and "二十一世纪海丝绸之路/*èrshíyī shìjìhǎi sīchóu zhī lùjīngjì*" (21st Century Maritime Silk Road). The Six Main Corridors of the Silk Economic Belt include: 1) China-Mongolia-Russia Economic Corridor. 2) China-Pakistan Economic Corridor. 3) China-Central Asia-West Asia Economic Corridor. 4) China-Indochina Economic Corridor. 5) China-Bangladesh-India-Myanmar Economic Corridor. 6) China-Europe Economic Corridor through Eurasia. (Accessed from <https://eng.yidaiyilu.gov.cn/p/0PPN0HMN.html>).

in September 2024. In his speech, Ding Xuexing highlighted that the Laos–China High-Speed Railway had transported over 38 million passengers through 56,000 train services. The data reflects the public enthusiasm, as the high-speed train provides a faster and more efficient transportation alternative, greatly enhancing mobility for the people of Laos. Moreover, many tourists consider the railway a “must-do experience” as it enables cross-border travel within Southeast Asia.

Various studies on the Laos–China High-Speed Railway and its impacts have been conducted, including Yeni H Yoshida (2022) writing an article entitled “Laos’ Dependence on China in Economy and Development as an Obstacle to the Implementation of the Reduce Inequality Program”. In her article, Yoshida explains that the Laos–China High-Speed Rail has brought benefits to Laos, which is geographically landlocked. On the other hand, this project has resulted in an increased Laos’ economic dependence on China due to the swelling of its foreign debt. Eva Ermylina (2023), in an article entitled “Future Challenges of China-Lao Railway on Lao’s Economic and Social Development”, explains several points related to the Laos–China High-Speed Rail Project. The article focuses on the benefits, environmental impacts, and challenges that the Lao government must address now that the railway is operational. Chen Xiangming (2023), in the book *Globalization: Past, Present, Future*, wrote a chapter entitled “Corridorizing Regional Globalization: The Reach and Impact of the China-Centric Rail-Led Geoeconomic Pathways across Europe and Asia”. The chapter presents an analysis of the new dynamics of globalization in China, which is increasingly focusing on regional economics. The China-Europe Freight Train (CEFT) and China-Laos Railway (CLR) projects show that these projects not only serve as logistics lines but also serve as drivers for economic and social development along the routes. This is evidence that China’s regional economy is increasingly dominant in the global context.

This article aims to demonstrate why the construction of the Laos–China Railway is a priority for both countries under the BRI scheme. The project not only represents infrastructure development but also serves as an important symbol of the bilateral relationship between Laos and China that has endured for centuries. The research questions raised are: (1) What is the overview of the relationship between China and Laos? (2) Why is the Kunming-Vientiane High-Speed Rail project in the BRI scheme considered a priority project? (3) To what extent has this project impacted the relationship between the two countries? These questions serve as a framework for elaborating on the issues presented in this study.

RESEARCH METHODS

The research and writing of this article used qualitative research methods with a historical approach. Sugiyono (2013) explains that qualitative research methods are used to examine a phenomenon in natural conditions by prioritizing in-depth understanding in search of meaning from the data obtained. Qualitative methods are needed to reveal the meaning of the Laos–China High-Speed Rail project cooperation and its impact on the relationship between the two countries, based on historical sources. Meanwhile, the historical approach is used to examine and analyze historical records regarding Laos and China’s interactions since the last two Chinese dynasties. According to Kuntowijoyo (2005), the historical approach includes the process of topic selection, heuristics, verification, interpretation, and historiography. The heuristic process refers to data collection. Primary data sources regarding Laos and the BRI were mostly taken from the websites “中国一带一路网 /Zhōngguó yīdài yīlù wǎng” and “新华网 /Xīnhuá wǎng”, which are official websites of the Chinese government. Secondary data were collected from books and scholarly articles on the history of China-Laos relations and the impact of the Laos–China High-Speed Rail. Primary and secondary data sources are then verified to ensure their relevance and

credibility. Furthermore, the author interprets the data and presents the findings based on the interpretations derived.

RESULTS AND DISCUSSION

In this section, the results of the analysis are presented, but not discuss their significance. How the results are presented will depend upon whether the research study was quantitative or qualitative in nature. This section should focus only on results that are directly related to the research or the problem. Graphs and tables should only be used when there is too much data to efficiently include it within the text.

An Overview of China-Laos Relations

The historical ties between Laos and China date back to the dynastic era, during which their interactions were shaped by a tributary system. From the perspective of Confucianism, China was considered the “middle kingdom”/中国/*Zhōngguó*. China, as a civilized and advanced nation, has a central role in the world order. Meanwhile, surrounding nations are considered less civilized and will only prosper through proximity to China. Other nations, which are hierarchically inferior, send tribute as a form of legitimization to China’s domesticity. China’s view of itself as the 中国/*Zhōngguó*, which was implemented in the tributary system, played an important role in shaping China’s political relations with other countries, including Laos (Selbitschka, Armin. 2015).

The Lan Xang Kingdom, as the predecessor of the Lao state founded in 1353, had established tributary relations with the last two dynasties of China, the Ming (1368-1644) and Qing (1644-1911) dynasties. Led by the Sinitic (Han) ethnic group, the Ming Dynasty, was concerned about the Mongols, who had previously ruled China. This concern encouraged the Ming emperor to expand their sphere of influence and strengthen national security (Gondomono, 2013). A key effort undertaken by the Ming was sending envoys to neighboring kingdoms, including the Kingdom of Lan Xang, located to the south of the Ming Dynasty. The relationship between Lan Xang and the Ming Dynasty began during the reign of Lan Xang’s first king, Fa Ngum. When King Samsenthai succeeded Fa Ngum in 1402, the Ming Dynasty officially recognized the Lan Xang kingdom as one of its vassal states.

To strengthen control and ease administration in the vassal state, China appointed bureaucratic officials in Lan Xang territories deemed strategically and economically important. This was recorded in the chronicle *Mansi Hezhi* (蠻司合誌)² written by Mao Qiling. The chronicle notes that in 1404, the Ming Dynasty began appointing official positions such as registrar (*jingli*) and regional military commissioner (*dushi*) in several regions, including Hsenwi, Mohnyin, Luchuan Pingmian, Lang Xang, Ava, Lan Na, Meng Ding, and Weiyuan (Sun Laichen, 2000). The appointment of bureaucratic officials in Lan Xang did not only take place during the Ming Dynasty but also continued into the Qing Dynasty.

Politically, Lan Xang’s tributary relations with the Ming and Qing played an important role in strengthening the kingdom’s legitimacy while providing opportunities for military protection against external threats. China recognized that the security and stability of Lan Xang, which directly bordered Chinese territory, could significantly impact regional stability and security. As a result, when Lan Xang faced military expansion from other kingdoms such as Dai Viet, China acted as a balancing power in the conflict between the two kingdoms.

² *Mansi Hezhi* (蠻司合誌) is a Chinese historical record written by a scholar named Mao Qiling (毛奇齡) in the early Qing Dynasty (1644-1911). (Accessed from Ku, Boon Dar, (2019). Malaysia-Vietnam Relations from the 15th to 19th Century).

This action also served as an effort by the Ming to prevent Dai Viet's dominance in mainland Southeast Asia (Sun, 2000).³

The Qing relations with Lan Xang, the predecessor of Laos, were established through diplomatic recognition, mutually beneficial trade, and military support. Economically, the recognition of the establishment of the Kingdom of Lan Xang by the Ming and Qing Dynasties helped facilitate trade between the two nations. China's last two dynasties saw Lan Xang as an important conduit for trade between China and Southeast Asia. Laos and China were connected via the Southern Silk Road, which facilitated trade in goods such as silk, tea, and salt. Meanwhile, China gained stability and potential access to resources in Southeast Asia (Wade, Geoff, 2008). The relationship between Lan Xang and China reflects a pattern of political interaction, where Lan Xang, as the predecessor of Laos, sent tribute that symbolized the diplomatic relationship between the two.

China- Laos relations underwent significant changes at the end of the Qing Dynasty era. Domestically, China was faced with internal conflicts where various popular movements emerged as a form of popular dissatisfaction with the empire. In addition, since the 19th century, when the Qing Dynasty came to power, Western countries began to carry out military invasions into Qing territory and its vassal states (Li, Ruxiao, 2023). China confronted the British, while Lan Xang, which was previously divided into three kingdoms and became part of the Siamese empire, began to attract French attention. Laos' position by the Mekong River became part of the French expedition to find trade routes to the southern region of the Qing empire. In 1893, France won a victory in the Franco-Siamese War, which led to Laos becoming part of French Indochina until the 20th century. This geopolitical change caused the tribute relationship between Lan Xang and the Qing to be severed. J. D. Celeski (2019) explains that France, which held control over Laos, had an interest in protecting the interests of its colony by preventing intervention from the Qing Dynasty and Siam (Thailand) as stronger neighbors. Despite the political decline of Sino-Lao relations, trade relations between the Chinese community and the Lao people continued. The French colonial government maintained traditional trade routes to expand trade with China.

The Indochina region was under Japanese rule during World War II. With the conflict ended, the emergence of the nationalist movement became a defining moment in Lao history. As with the other Southeast Asian countries, Japan's defeat in World War II led to a power vacuum in its colonies, including Laos. Therefore, through the "Lao Issara/Free Lao" movement led by Prince Phetsarath, Laos sought to gain its independence (Mishara, P, 2001). Lao independence efforts failed when the French regained control of the country and established the Kingdom of Laos under the leadership of King Sisavangvong in 1946. The Lao Issara group that fled to Thailand continued its resistance in exile. Later, the group split and formed a communist faction (Pathet Lao) allied with northern Vietnam. Laos then achieved independence in October 1953 through the France-Laos Treaty of Friendship.

Laos, which had only declared independence in 1953, was facing political instability, and a civil war was inevitable. Cheng Chwee Kuik (2021) emphasized that during the Civil War, Laos served as an ideological battleground between the capitalist bloc, led by the United States, and the communist bloc led by the Soviet Union and China. This geopolitical situation prompted China to become directly involved in Laos' internal affairs. In the Lao Civil War, the Pathet Lao was supported by Vietnam and the Soviet Union, while the monarchist government was backed by the United States. China, a close ally of North Vietnam, helped support the Pathet Lao against the Laotian monarchy. Military equipment, guerrilla training, and resource assistance were provided by China to support the Pathet Lao

³ In 1460-1497, the Dai Viet (Vietnam) Kingdom was ruled by an emperor named Le Thanh Tong. During his reign, Le Thanh Tong carried out various military expansions to expand his territory to the border of Burma (Myanmar). (Accessed from Ku, Boon Dar, (2019). *Malaysia-Vietnam Relations from the 15th to 19th Century*).

to achieve victory in 1975. China's involvement in Laos's internal affairs was not only part of China's efforts to counter the influence of the United States but also an attempt to counterbalance the Soviet Union's influence in the region.

China's foreign policy changed in the late 1980s when President Deng Xiaoping took office, along with the end of the Cold War, and the normalization of relations with Vietnam allowed China to improve its relations with Laos. At the same time, Laos began to introduce economic reforms and reduced its dependence on Vietnam and the Soviet Union by strengthening economic ties with China as a fellow socialist country. Laos' reduced state control over the economy has opened the door for foreign investment. Martin Stuart-Fox (2009) notes that in 1999, China assisted Laos in the face of a financial crisis⁴. The assistance provided by China managed to strengthen the relationship between the two countries. In the 2000s, when China grew as a country with impressive economic development, China's economic influence in Laos became more visible. This was mainly due to the “走出去战略” *Zōu chūqù zhànlüè* or “exit strategy”⁵ introduced by Jiang Zemin at the 14th Chinese Communist Party Congress in 1992 (Cheng, 2021). China made massive investments in various sectors, including road construction, dams, energy, telecommunications, aviation, mining, and agriculture. Data shows that in 2010, more than 70% of mining projects in Laos were controlled by Chinese investors. Special Economic Zones and rubber plantations in the northern region of Laos are also dominated by Chinese investors (Kyophilavong, Bin, et al. 2017).

Laos–China High-Speed Rail under the BRI scheme as a Priority Project

In the early 2000s, long before President Xi Jinping introduced the BRI in 2013, Lao leaders saw an opportunity to collaborate with China on constructing a railroad (Kelly & Lu, 2021). Laos is a Southeast Asian country with no oceans. The “land-locked” geographical condition encourages Laos to revolutionize its country from a “land-locked country” to a “land-linked country” through the construction of railways. In this case, the Lao government saw China as the right partner to build a cross-border railroad in Laos. Meanwhile, China considered that the timing was not suitable for constructing a railway line to connect the two countries, preventing the plan from being implemented. In 2010, the Lao government proposed the project again, and it took four years for China to conduct a feasibility study in Laos and come to an agreement that the project could be carried out under the BRI scheme planned by China's leader, Xi Jinping, in 2013.

Under the BRI scheme, the Laos–China High-Speed Rail is part of the Pan-Asian Railway project, which plays an important role in improving connectivity in mainland Southeast Asia. Chen & DiCarlo (2021) explain that the Pan-Asian Railway project, which will connect Kunming with Singapore, has three main routes. It comprises a western corridor passing through Myanmar and Thailand, a central corridor traversing Laos and Thailand, and an eastern corridor extending through Vietnam, Cambodia, and Thailand. The central corridor through Laos is the fastest route to connect China and the Southeast Asia region. The following figure illustrates the Pan-Asian rail route in the BRI scheme.

⁴ In 1997, there was a financial crisis that hit various countries in Asia, especially Southeast Asia.

⁵ “走出去战略” *Zōu chūqù zhànlüè* or ‘exit strategy’ is a strategy introduced by Jiang Zemin in the late 1990s to encourage Chinese companies to expand their operations into international markets. The concept emerged in response to excess production capacity and the need for overseas resources. (Accessed from Cheng, Chwee Kuik, (2021). “Elite Legitimation and the Agency of the House Country Evidence from Laos, Malaysia, and Thailand's BRI Engagement.” Global Perspectives on China's Belt and Road Initiative: Asserting Agency through Regional Connectivity).

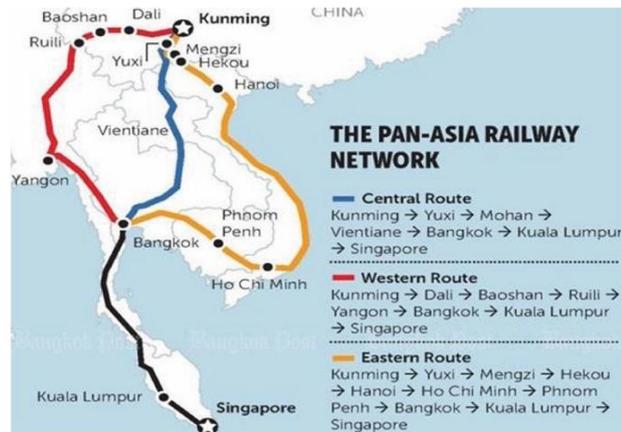


Figure 1. The Pan-Asia Railway Network

Source: Pavličević, D., & Kratz, A. (2018). Testing the China Threat paradigm: China's high-speed railway diplomacy in Southeast Asia, p.154.

The picture shows that the Pan-Asian Railway route in the BRI scheme planned by China will be built through Laos, Myanmar, Vietnam, Thailand, and Cambodia. Of the five countries, Laos became the first to agree to the Pan-Asian railroad cooperation. The railroad development plan in Myanmar is faced with political challenges in the form of internal conflict and government instability. Greg Raymon (2021) explains that Thailand and Vietnam, as countries that are relatively strong when compared to Laos and Cambodia, are more careful in maintaining their sovereignty. Especially because Vietnam has overlapping claims with China over the South China Sea area. As for Cambodia, there has been no concrete progress on the Pan-Asian train development plan due to obstacles, one of which is the issue of land acquisition. Therefore, the central route through Laos is an important route in China's Pan-Asian railway plan. Laos and China tend to share the same vision in terms of infrastructure development. As such, the two countries can easily reach a consensus and make this project a priority project under the BRI scheme.

In August 2015, Laos and China successfully signed the Laos–China High-Speed Rail construction agreement. Later, in 2016, a groundbreaking ceremony marked the start of the project's construction (Cheng-Chwee Kuik & Rosli, 2021). Despite the COVID-19 pandemic in 2020, the project continued without major obstacles and was completed in accordance with the set completion target of 2021. This shows that the governments of Laos and China are strongly committed to implementing the Laos–China High-Speed Rail project under the BRI scheme.

The PRC government's official BRI website in 2017 stated the following:

中老铁路是第一个以中方为主投资建设、共同运营并与中国铁路网直接连通的境外铁路项目，全线采用中国技术标准、使用中国设备。

“The China-Laos Railway is the first overseas project built with major investment from China, jointly operated, and directly connected with China's railway network. The entire line adopts Chinese technology standards and uses Chinese equipment.”

The 414km Laos–China High-Speed Rail is a line connecting Vientiane and Boten in the border region of Laos. The line is integrated with China's 612km high-speed rail network to Kunming. The entire process of building and operating the train is run by the Laos–China Railway Co., Ltd, a joint venture of the PRC and Lao governments, with China as the main investor. China's role as the lead investor in this project is in line with the Chinese

vision presented by President Xi Jinping in 2017. During the “Opening of the BRI Forum”, President Xi emphasized that 'finance is the lifeblood of a modern economy' (Xinhua, 2017). This vision has encouraged China to provide capital to various BRI projects, including the Laos–China High-Speed Rail project.

The following chart shows China's contribution as a major investor in the construction of the Laos–China High-Speed Rail project.

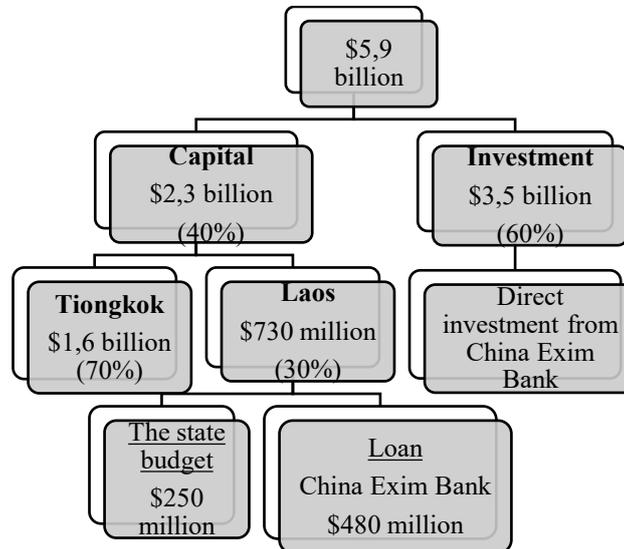


Figure 2. China's Contribution to the Laos-China High-Speed Rail Project
Source: Processed from Eva Ermylina (2023)

The construction budget prepared by the Laos–China Railway Co., Ltd. shows that the project is being built with major investment from China. Cheng & Rosli (2023) also confirmed that the Vientiane–Boten Railway is the flagship project of Laos–China cooperation under the BRI scheme. It is the first project built and funded by China in Southeast Asia.

Karl Yan (2022) explained that since 2009, China has actively applied for patents related to high-speed rail technology and collaborated with various international institutions⁶ to modify global railway standards. The Laos–China High-Speed Train, as part of the BRI, has facilitated China in spreading its fast train technology standards. In the construction of the Laos–China High Speed Rail, the track design, control systems, and technical equipment utilized the Chinese standard “中国标准” /*Zhōngguó biāozhǔn*. As the first project to be built based on Chinese technical standards and equipment, the project became a pilot project in the BRI scheme, demonstrating how Chinese standards can be effectively applied in a small country like Laos.

President Xi Jinping, at the 18th National Congress of the Communist Party of China in 2012, mentioned that the BRI is one of the important pillars in China's regional economic development (Deng et al., 2022). BRI plays an important role in developing China's less developed regions, especially in border areas far from economic centers. The Laos–China High-Speed Rail, as a priority cooperation project of Laos and China under the BRI scheme, plays an important role in the development of the Yunnan region. Yunnan, as a province far

⁶ Since 2019, China has actively cooperated with international organizations such as the Union Internationale des Chemins de fer (UIC) and the International Organization for Standardization (ISO) to modify and promote its high-speed rail standards at the global level. (Yan, Karl. (2022). Rethinking China's quest for railway standardization: competition and complementation).

from the economic center with geographical conditions surrounded by mountains and rivers, still has limited access to other regions. By connecting small towns in the region, the railway can facilitate people's mobility and the distribution of goods, as well as create connectivity between economic centers in China and Southeast Asia via Laos. Yunnan's connectivity with other regions, especially Southeast Asia through the Pan-Asian Railway, including the Laos–China railway, can boost the region's economic growth. Yunnan's position as a gateway to Southeast Asia could strengthen China's role in cross-border trade.

Cheng (2021) argues that the Laos–China relationship in the fast train project is more of a “small state pull” rather than a “big power state push”. Laos as a less developed country has challenges in terms of infrastructure, economy, and human resources. Laos' dependence on the agricultural sector has hindered the expansion of the economic sector, while the development of infrastructure that is essential for the connectivity of the mainland country requires large investments. This has prompted Laos to actively seek cooperation in building the Laos–China railway line. In addition, China, as a major power with comparative advantages in terms of funding, technology, and expertise, sees Laos as an appropriate partner to strengthen its influence in Southeast Asia. The project facilitates China to reach new markets and resources in Laos while facilitating its economic expansion in a strategic region. The two countries' long historical relationship, combined with a modern geostrategic and economic vision, makes the Laos–China High-Speed Rail project a top priority for both countries in the BRI scheme.

High-Speed Rail and Implications for Relations between the Two Countries

The Laos–China High-Speed Rail is an important symbol of economic cooperation between Laos and China. Starting in 2016, the 414 km Vientiane–Boten railway line has been in operation since December 2021. David Arase (2015) explains that the construction of the Laos–China High-Speed Rail in the BRI scheme has provided various benefits to China, both directly and indirectly. The Laos–China Speed Train provides direct benefits through China's connectivity with Southeast Asia, which has an impact on accelerating the distribution of goods between countries. The difficult terrain along the route has shown that China has the technology to build infrastructure.

Since the construction of the Laos–China High-Speed Rail started in 2016, Laos has directly benefited from the project. According to Xinhua news in 2021, the railway line built by China Railway Construction Group Co. Ltd. has provided more than 110,000 job opportunities for Lao people during construction. In Laos, the 414 km railway line not only connects small villages but also integrates with other modes of transportation, such as roads, airports, and logistics centers such as dry ports and cargo transit areas, so that the transportation of goods is more efficient in time and cost. The following figure shows the stations that the high-speed train passes through.



Figure 3. Radio Free Asia. (2021).

Source: Giant China, tiny Laos link up with launch of high-speed train. Accessed <https://www.rfa.org/english/news/laos/china-railway-12022021184641.html>

The BRI portal states that as of November 2024, the volume of goods shipped through Vang Vieng Station, Laos, to China has reached one million tons, an increase of 4.3% compared to the previous year. With a speed of 160km/h, in November 2024, the train reached a record high by carrying 14,912 passengers from Laos in one day. The Lao Ministry of Information, Culture, and Tourism also mentioned that the Laos–China High-Speed Rail has increased the cross-border tourism trend between the two countries (Hu & Yang, 2024). This can be seen from the 51% increase in Chinese tourists heading to Luang Prabang. These data show that the Laos–China High-Speed Rail not only demonstrates the success of the project in strengthening connectivity but also has a positive impact on the economy and tourism.

The positive impact on the Lao economy after the operation of the high-speed train can be seen from the increase in exports of Lao agricultural products. Data from TradeMap websites in 2024 shows that from 2022, the value of products from Laos exported to China generally increased by 25%. In 2023, the value increased again by 12.29%. Insisienmay & Sayavong (2019) explain that the northern region of Laos along the Laos–China High-Speed Rail line is an exporter of agricultural products such as bananas, cassava, and vegetables. The data from TradeMap displays the top 24 product categories of Laos's main exports to China. Among these 24 product categories, there are several agricultural products that have increased from 2021 to 2023. The table below shows some of Laos' agricultural product categories that have increased from 2021 to 2023. The products that have increased are cassava starch products and vegetables and their derivatives.

Table 1. Import value of Lao agricultural products in China (2021-2023)

Product label	2021 (ton)	2022 (ton)	2023 (ton)
Tapioca starch	25.691	92.004	101.374
Corn	6.895	92.004	23.694
Tamarind, cashew apples, jackfruit, sapodilla plums, passion fruit, carambola (starfruit), and pitahaya	0	2.257	11.177
Plants and parts of plants for perfumery, pharmaceutical, or similar purposes	787	12.650	10.702
Vegetable saps and extracts	4.661	4.730	9.550
Beer made from malt	1.623	1.909	2.533
Fresh or dried lemons and limes	0	124	1.896
Other vegetables, fresh or chilled	212	397	736

Source: Reprocessed from Trade Map (2024)

Data from Trade Map does not specifically show an increase in Lao agricultural product exports to China. However, the data indicates that prior to 2021, products such as cassava, vegetables, and their derivatives originating from the region around the high-speed rail line were not among the top 24 main export products of Laos to China. This means that since the high-speed rail began operations in 2021, products from the region along its route have entered Laos's top export commodities. This shows that the infrastructure is contributing to the development of the local economy in Laos, one of which is agriculture.

Laos has received many economic benefits from the railroad. However, China's increasing economic influence in Laos and the debt burden of development have raised concerns for the country. Fears of foreign debt and economic dependence have led to complex relationship dynamics since the start of the Laos–China High-Speed Rail (Cheng & Rosli, 2023). Himmer & Rod (2022) explain that of the entire construction budget, Laos only contributed 12%, while the rest was financed by China Exim Bank⁷ and other Chinese creditors. The loan is to be repaid with an interest rate of 2.3%, a grace period of five years, and maturity in 25 years. In 2012, when the two countries agreed on this project financing scheme, Laos' GDP was only \$9.4 billion. This meant that Laos was under a huge debt burden. Even the International Monetary Fund (IMF) in 2013 had said that the construction of this project would result in Laos' foreign debt reaching more than 60% of GDP over the next decade (Rana, P. B., & Xianbai, 2020). The need for infrastructure in this landlocked country has pushed Laos to assume huge financial risks. China's dominance, both financially and technically, in the construction of the high-speed rail has demonstrated Laos' dependence on China.

Since the two countries agreed on the construction of this infrastructure mega-project, Laos has been more cautious in maintaining its diplomatic relations with China. This can be seen from how the country positions itself in the South China Sea dispute involving China and several countries in Southeast Asia. Nguyen Cong Tung (2023) argues that in 2016, Laos implicitly supported China's position in the South China Sea dispute. When Laos served as ASEAN Chair in 2016, Vietnam and the Philippines wanted to include the 2016 Hague Arbitral Tribunal decision in the ASEAN joint statement in support of international law. The Arbitral decision stated that China's claims to large parts of the South China Sea were

⁷ China Exim Bank (Export-Import Bank of China) is one of the PRC's state-owned financial institutions that provides financing to support BRI.

inconsistent with the basic law of the sea issued by the United Nations. Meanwhile, Cambodia has firmly rejected any statement criticizing China. This created a dilemma as Laos had to make a statement that would not anger China but still take into account the interests of Vietnam and the Philippines. As a result, Laos chose not to include the Arbitral Tribunal's decision and only emphasized the importance of resolving the dispute through legal processes and diplomacy without reference to China or any court ruling. The approach shown by Laos is considered a form of caution by not provoking China, but still maintaining a balance towards the interests of other ASEAN member states.

Brahma Chellaney (2017) criticizes the BRI proposed by China as a strategy to carry out debt trap diplomacy, a situation where debt is used as a tool to gain both strategic and economic influence in the borrowing country. The debt incurred by Laos as a result of the construction of the Laos–China High-Speed Train has a high risk of default. In addition, there are many other supporting infrastructure projects along the route that are also financed by China. Cheng & Rosli (2023) said that the agreement document on the Lao-Chinese High-Speed Rail submitted to the Lao National Assembly in 2012 stated that the Chinese loan would be guaranteed by all revenues and assets from the railroad, as well as two unspecified mining areas. Should Laos fail to fulfill its obligations, the country would cede a few of its strategic assets to China. This allows China to have greater political influence in the Lao economy.

China's dominance is also evident in the operation of the Laos–China High-Speed Rail. Laos–China Railway Co., Ltd, the company responsible for the operation of the Laos–China high-speed railway, is largely owned by China. The Lao government only has a 30% shares. This means that China, as the largest shareholder, has more control over the operation and maintenance of the high-speed rail network. Karl Yan (2022) argues that the project has reinforced China's role as a key driver of regional connectivity and technology standard-setter in Southeast Asia. China's high-speed rail standards that offer lower costs allow Southeast Asian countries to follow Laos's lead in adopting Chinese high-speed rail technology. The Laos–China High-Speed Rail as a BRI pilot project is also an effort for China to match Japanese or European high-speed rail technology that is more widely adopted by countries in Southeast Asia.

The Laos–China High-Speed Rail has provided many benefits, both for Laos and China. The line has opened up many economic opportunities for Laos, but as a small country, it is not easy for Laos to capitalize on the opportunities that arise. The China Daily website in 2022 said that although the cross-border railway has the potential to increase the volume of trade between the two countries, the capacity and products produced in Laos still do not reach the volume that can be supplied to China. Laos, which adopted Chinese high-speed rail standards, became dependent on Chinese technology, parts, and services for operation and maintenance. In terms of labor, although the Laos–China High-Speed Rail has engaged local labor in Laos, technical training, technology, and operations are still dominated by Chinese operators. As a result, Laos remains dependent on the expertise of Chinese labor. But for China, as the owner of the entire industrial chain in railway technology, this high-speed train has facilitated China to expand markets in developing countries for its manufactured products, including technology exports. China's success in building high-speed trains in less developed countries such as Laos has established a positive image as a leader in railway technology while contributing to the development of less developed countries.

CONCLUSION

China-Laos relations have developed through a pattern of historical continuity extending from the tributary era to the Belt and Road Initiative (BRI). This study shows that the

construction of the Laos–China High-Speed Railway is not a sudden cooperation, but a continuation of long-standing relations characterized by Laos’s dependence on China’s political, economic, and technological aspects. Historically, Laos has positioned China as a strategic partner due to geographical proximity and limited domestic resources. Within the modern BRI framework, Laos views the railway as a means to transform its status from a landlocked country to a land-linked one. China, on the other hand, perceives the project as part of its regional connectivity strategy to expand economic and geopolitical influence across Southeast Asia.

The project has become a priority for both nations for different reasons: Laos requires capital, technology, and access to international trade networks, while China seeks overland connectivity to Southeast Asia to support its BRI agenda and strengthen its high-speed rail technology standards. The implementation of the project has generated significant economic and strategic impacts, including increased agricultural exports along the railway corridor, improved cross-border connectivity, and the growth of tourism and logistics sectors. Nevertheless, the project also entails potential risks of financial and technology dependency, as the majority of investment and operational control remains in China’s hands. This situation compels Laos to adopt a cautious diplomatic approach, particularly in addressing geopolitical issues such as the South China Sea.

In sum, the Laos–China High-Speed Railway is not merely an infrastructure project but a symbolic manifestation of an asymmetric yet mutually beneficial relationship. While Laos gains infrastructure development and expanded market access, China consolidates its strategic influence and technological reach. The findings of this study affirm that the project represents a concrete example of how the BRI reshapes the dynamics between major and small states in contemporary regional relations.

REFERENCES

- About the Silk Road Economic Belt.* (2023). 中国一带一路网 .
<https://eng.yidaiyilu.gov.cn/p/0PPN0HMN.html>. Retrieved on July 16, 2024.
- Arase, D. (2015). CHINA’S TWO SILK ROADS INITIATIVE: What it means for Southeast Asia. *Southeast Asian Affairs*, 24-25. <https://www.jstor.org/stable/44112796>.
- Beyene, A. D. (2017). Sovereignty preservation attenuating in elsewhere: The political and security dimensions of buffer zones. *Worldwide Political Science*.
<https://www.proquest.com/dissertations-theses/sovereignty-preservation-attenuating-elsewhere/docview/1914681636/se-2>
- Chellaney, B. (2017, December 20). China’s Creditor Imperialism. Project Syndicate. China’s Creditor Imperialism by Brahma Chellaney - Project Syndicate. Retrieved on August 21, 2024.
- Celeski, J. D. (2019). Fighting in the kingdom of the million elephants. In *Special air warfare and the secret war in Laos: Air commandos 1964-1975* (19-54). Air University Press. <http://www.jstor.org/stable/resrep19555.9>
- “CORRIDOR-ISING” IMPACT ALONG THE BELT AND ROAD: *Is the newly operational China-Laos Railway a game-changer?*. (2022). Trinity College Faculty Scholarship. Trinity College. <https://jstor.org/stable/community.37317654>
- China-financed Laos railway expands Beijing's reach in Southeast Asia.* (2024, June 29). VOA News. <https://www.voanews.com/a/china-financed-laos-railway-expands-beijing-s-reach-in-southeast-asia/7677853.html>. Retrieved on November 09, 2024.
- China Focus: BRI’s global impact beyond flagship projects.* (2023). 中国一带一路网 .
<https://eng.yidaiyilu.gov.cn/p/0HGUPUMQ.html>. Retrieved on September 23, 2024.

- China-Laos Railway cross-border passenger service to boost Laos' economic recovery.* (2023, April 9). Xinhua. <https://english.news.cn/20230409/a84543f1e56442d3ab46ac86e4a0bcab/c.html>. Retrieved on September 17, 2024.
- Chen, W.K., & DiCarlo, J. (2021). *Laos-China railway on the People's map of Global China* [Technical Report]. https://www.researchgate.net/publication/354810579_Laos-China_Railway_on_The_People%27s_Map_of_Global_China.
- Chen, X. (2023). Corridorizing regional globalization: The reach and impact of the China-centric rail-led geoeconomic pathways across Europe and Asia. In M.B. Steger, R. Benedikter, H. Pechlaner, & I. Kofler, *Globalization: Past, present, future* (1, 145-160). University of California Press. <http://www.jstor.org/stable/jj.7794627.13>.
- Cheng, C. Kuik. (2021). Getting hedging right: a small-state perspective. *China International Strategy Review*, 300-315. <https://doi.org/10.1007/s42533-021-00089-5>.
- Cheng, C. Kuik. (2021). "Asymmetry and authority: Theorizing Southeast Asian responses to China's Belt and Road Initiative." *Asian Perspective* 45 (2), 255-276.
- Cheng, C. Kuik. (2021). Laos's enthusiastic embrace of China's Belt and Road Initiative. *Asian Perspective* 45(4), 735-759. <https://dx.doi.org/10.1353/apr.2021.0042>.
- Cheng, C. Kuik & Rosli, Z. (2023). Laos-China infrastructure cooperation: legitimation and the limits of host-country agency. *Journal of Contemporary East Asia Studies* 12(1). <https://doi.org/10.1080/24761028.2023.2274236>.
- Deng, X., Liang, L., Wu, F. et al. (2022). A review of the balance of regional development in China from the perspective of development geography. *Journal of Geographical Sciences* 32, 3–22. <https://doi.org/10.1007/s11442-021-1930-0>.
- Ermylina, Eva. (2023). Future challenges of china-lao railway on Lao's economic and social development. *Global-Local Interactions: Journal of International Relations*, 3(1), 32-58.
- Full text of Presiden Xi's speech at opening of Belt and Road forum.* (2017). Xinhua. http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm. Retrieved on December 2, 2024.
- Gondomono. (2013). *Manusia dan kebudayaan Han*. Kompas.
- Himmer, M & Rod, Z. (2022). Chinese debt trap diplomacy: reality of myth?. *Journal of the Indian Ocean Region* 18(3), 250-272. <https://doi.org/10.1080/19480881.2023.2195280>.
- Hu & Yang. (2024). 中老铁路老挝段单日旅客发送量创新高. 中国一带一路网 <https://www.yidaiyilu.gov.cn/p/0UUV1CML.html>. Retrieved on March 21, 2024.
- Indochina | Definition, History, & Maps.* (n.d.). Britannica. <https://www.britannica.com/place/Indochina>. Retrieved on September 5, 2024.
- Insisienmay, S & Sayavong, V. (2019). *How to maximize the Benefits for Lao Agriculture from Regional Infrastructure Connectivity: A Case Study of Laos-China Railway*. National Institute for Economic Research (NIER).
- Jodhka, S. S., Rehbein, B., & Souza, J. (2017). *Inequality in capitalist societies* (1st ed.). Routledge.
- Kelly, A. S., & Lu, X. (2021). *Critical Landscape Planning During the Belt and Road Initiative*. Springer Nature Singapore. <https://doi.org/10.1007/978-981-16-4067-4>.
- Kyophilavong, Phouphet, Xiong Bin, Bounlert Vanhnala, Piya Wongpit, Alan Phonvisay, and Phanhpakit Onphanhdala. 2017. "The Impact of Chinese FDI on economy and povertry of Lao PDR". *International Journal of Chinese Studies*, vol. 8(2), 259-276.
- Laichen, Sun. (2000). Ming-Southeast Asian overland interactions, 1368-1644. *The University of Michigan*.
- Lieberman, Victor. (2008). Charter state collapse in Southeast Asia, c. 1250-14--, as a problem in regional and world history. *The American Historical Review* 116(4), 937-963. <http://www.jstor.org/stable/23307874>.

- Lieberman, Victor. (2008). The Qing Dynasty and its neighbors: Early modern china in world history. *Social Science History*, 32(1), 281-304. <https://www.jstor.org/stable/4026797>.
- List of imported products for the selected product, Product: TOTAL All products. (2024). TradeMap. https://www.trademap.org/Product_SelProduct_TS.aspx?nvpm=1%7c%7c%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c1%7c1%7c1%7c1. Retrieved on November 16, 2024.
- Muas, T.E. (2015). Restoring trusts without losing face: An episode in the history of China-Indonesia relationship. *International Journal for Historical Studies*, 6.
- Nguyen, C.T. (2023). Chinese economic statecraft in Southeast Asia and its uneven impact in Laos and Cambodia. *Issues & Studies* 59(4). <https://doi.org/10.1142/S101325112350011X>.
- Pavličević, D., & Kratz, A. (2017). Testing the China Threat paradigm: China's highspeed railway diplomacy in Southeast Asia. *The Pacific Review*, 31. <https://doi.org/10.1080/09512748.2017.1341427>.
- Radio Free Asia. (2021). Giant China, tiny Laos link up with launch of high-speed train. <https://www.rfa.org/english/news/laos/china-railway-12022021184641.html>. Retrieved on January 10, 2024.
- Rana, P. B., & Xianbai, J. J. (2020). China's belt and road initiative impacts on Asia and policy agenda. Palgrave Macmillan.
- Raymond, G. (2021). Jagged sphere: China's quest for infrastructure and influence in Mainland Southeast Asia. *Lowy Institute for International Policy*. <http://www.jstor.org/stable/resrep33507>.
- Ruxiao, Li. (2023). French colonial rule of Laos from the perspective of international relations. *Journal of Political Science Research* 4, 56-6.
- Selbitschka, Armin. (2015). Early Chinese Diplomacy: "Realpolitik" versus the so called Tributary System. *Asia Major*, 28(1), 61-114. <https://www.jstor.org/stable/44742487>.
- Shambaugh, David. 2020. *Where great powers meet: America and China in Southeast Asia*. New York: Oxford University Press.
- Sidaway, J.D., & Chih, Y.W. (2017). Chinese narratives on "One Belt, One Road" (一带一路) in geopolitical and imperial contexts. *The Professional Geographer*, 69, 591-603.
- Stec, G. (2018) China's Belt and Road Initiative is neither a strategy nor a vision. It is a Process. *European Institute for Asian Studies*.
- Stuart-Fox, M. (2004). Southeast Asia and China: The role of history and culture in shaping future relations. *Contemporary Southeast Asia*, 26(1), 116-139. <http://www.jstor.org/stable/25798674>.
- Voon, J. P., & Xu, X. (2019). Impact of the Belt and Road Initiative on China's soft power: preliminary evidence. *Asia-Pacific Journal of Accounting & Economics*, 27(1), 121-131. <https://doi.org/10.1080/16081625.2020.1686841>.
- Wade, Geoff. (2008). Engaging the south: Ming China and Southeast Asia in the fifteenth century. *Journal of the Economic and Social History of the Orient*, 51(4), 578-638. <https://www.jstor.org/stable/25165269>.
- World Insights: China-Laos Railway to turn Laos from landlocked country into land-linked hub. (2021). Xinhua. http://www.xinhuanet.com/english/2021-12/03/c_1310350187.htm. Retrieved on September 25, 2024.
- Yan, Karl. (2022). Rethinking China's quest for railway standardization: competition and complementation. *Journal of Chinese Governance*, 7(1), 111-136. <https://doi.org/10.1080/23812346.2020.1807889>.

- Yang, Han. (2022). Laotian businesses urged to make full use of new opportunities. China Daily. <https://global.chinadaily.com.cn/a/202208/31/WS630eb9ada310fd2b29e75240.html>. Retrieved on September 13, 2024.
- Yoshida, Y. H. (2021). Ketergantungan Laos pada Tiongkok dalam ekonomi dan pembangunan sebagai penghambat terlaksananya program *reduce inequality*.
- 中老铁路加紧隧道施工/ China-Laos Railway Encouraging Tunnel Construction (2017). 中国一带一路. <https://www.yidaiyilu.gov.cn/p/11112.html>. Retrieved on July 5, 2024.