

Base near Sihanoukville. Quoting unnamed American officials, the report claimed that the agreement would allow China to use the base for 30 years, with automatic renewals every 10 years thereafter. After the publication of the *Journal's* article, the US State Department expressed concern that a Chinese military presence would threaten the centrality and coherence of ASEAN and “disturb peace and stability in Southeast Asia.”<sup>26</sup>

These concerns were fanned by exiled opposition members, including Sam Rainsy, who lobbied Western governments to take a hard line on Hun Sen. He warned of China’s “invasion” of Cambodia and the perils of the nation being snared “by massive, opaque debts to China, which it cannot repay.”<sup>27</sup> In reality, Cambodia’s level of external debt remained moderate, amounting to a manageable 32 percent of GDP in 2016. Even factoring in planned BRI projects, the Washington-based Center for Global Development concluded that Cambodia remained unlikely to be forced into default due to Chinese loans.<sup>28</sup> Nevertheless, as in the past, Rainsy told a simple story that many in Washington and Brussels wanted to hear.

As Hun Sen’s crackdown deepened, Western governments ramped up the pressure on Phnom Penh. The European Union threatened to suspend Cambodia’s tariff-free access to its markets, the destination for more than a third of Cambodia’s exports. US congressmen tabled several bills levying sanctions on senior Cambodian officials. One of them, the Cambodia Accountability and Return on Investment Act of 2019, called for Cambodia to release Kem Sokha, now under house arrest, and dismiss the charges against him. It also demanded that the government “protect its sovereignty from interference” from China. Hun Sen showed no sign of budging. He told Western countries to “stop treating Cambodia as a toy” and announced he was “done taking orders” from foreigners.<sup>29</sup> He also praised Japan, which continued to offer ample infrastructure funding, despite the political conditions inside Cambodia.

To many American observers, Hun Sen’s authoritarianism was now indistinguishable from his embrace of China. Both were proof of just how bad he was, and why he needed to go. But Western policy bore some share of the blame for Cambodia’s eastward drift. Since the 1990s, the country had been seen as small and strategically unimportant, and therefore a place where human rights and democratic issues could take precedence over Western economic or security interests. From Phnom Penh’s perspective, the apparent closeness between Western governments and the Cambodian opposition, and

the more lenient treatment given to its rights-abusing neighbors, made Western “democracy promotion” seem awfully close to a policy of regime change. Far from halting Cambodia’s move toward China, threats of sanctions only stoked Hun Sen’s paranoia and pushed him further down the pariah’s path to Beijing. Nevertheless, the Cambodian leader was playing a dangerous game, letting his resentments and fears lead him into a worrying over-reliance on China. As Washington and Beijing settled into a period of protracted tension, Cambodia risked once again being trapped between the pestle and mortar of dueling superpowers.

Although Cambodia presents an extreme case compared to the other Southeast Asian countries, it showcases China’s main appeals to the region’s governments: its deep pockets and broad adherence to the norms of national sovereignty and “non-interference.” This is especially the case for small developing nations, which often fail to command much attention in far-off Western capitals. The Sino-Cambodian relationship also highlights the divergent ways in which ASEAN states see China. What for one is a threatening presence is for another a protective giant from the distant north. For small countries like Cambodia, for which dependency has been an historical norm, choosing the form of one’s dependency—one’s patron—was one way of exercising agency in a dangerous world. With some notable differences, much the same is also true for Laos, the other small satellite being drawn into close orbit around the red planet.

In mid-2016, the town of Boten in northern Laos was falling apart. On the main drag, weeds rose where bustling shops and restaurants once stood. Old nightclub signs blistered and peeled in the tropical climate. Around town, abandoned multi-story hotels rose into the mist: totems of this small town’s rapid rise, and equally sudden fall.

Enfolded by the Chinese border in a landscape of jungle-clad hills, Boten has spent most of its history cut off from the outside world. Even when the border with China was opened in 1993, to reach the town required a bone-rattling two-day drive from the capital Vientiane. One journalist who braved the journey in 1995 described it as a “village of thatched huts and wooden shacks” where traders smuggled second-hand Japanese cars over the border into China.<sup>30</sup>

In 2003, however, change came to Boten, in the form of a Hong Kong-registered company, which signed a deal with the government of Laos to set

up a tourism development zone called Boten Golden City. Concrete was poured and colorful buildings rose in the hills. Virtually overnight, the small Lao village became a gambling boomtown, drawing in thousands of visitors a month from across the border in Yunnan. Casinos and gaming rooms, run by mainland Chinese concessionaires, spawned a satellite economy of brothels and nightclubs, and even a cabaret show featuring *kathoey*, transgender performers from Thailand. With the Lao customs office placed a few miles inside Laos to make crossings easier, Boten became a 1,640-hectare entertainment annex, running on Chinese time, Chinese electricity, and Chinese money.

Before long, lurid reports about Boten were surfacing in the Chinese press, foreshadowing those that would later emerge from Sihanoukville. They detailed how casino owners had imprisoned and tortured visitors who racked up massive gambling debts. Chinese officials were sent to Boten to negotiate the release of several “hostages.” Shortly afterward, China’s Ministry of Foreign Affairs tightened border controls and cut the power supply. Deprived of its lifeline to China, the casinos closed. Boten went into steep decline.

When I visited the town in June 2016, it was home to just a few hundred hardy souls, scraping a living amid the collapsing infrastructure of its gold-rush years. At the Jingland Hotel, formerly the Royal, and once the showcase development of Boten Golden City, most of the 271 rooms were vacant. Tropical damp spread through the upper floors, and the hallways were scattered with translucent insect wings. A jagged hole gaped behind the lobby: the former entrance to a now-demolished gambling annex.

As a gray twilight settled in, orange streetlights caught falling rain, expanses of wet concrete, forlorn empty buildings. Deng Jie, 25, the Chinese owner of a bare-walled restaurant and karaoke bar on a strip of shuttered stores, lamented the lack of passing trade. “I’ve been here a year, but business isn’t great,” Deng said. In fact, it was so bad that he was now thinking of selling out and moving back to Mengla, his hometown in southern Yunnan. He added, “I can’t keep going on like this.”

Deng might not have realized it, but Boten’s fortunes were already starting to turn once again. In 2011, investors from Yunnan announced a plan to plow more than \$1.5 billion into a new development that they called the Beautiful Boten Specific Economic Zone (BBSEZ). This time, the plans were all about connectivity. Once an isolated backwater, Boten now occupies a strategic position as the border crossing for the Kunming–Bangkok Expressway,

completed in 2013, which arrows south from Jinghong through a landscape of crumpled green mountains. It will also be the crossing for a planned \$6 billion high-speed railway linking Vientiane to Kunming—the largest infrastructure project in Laos's history.

Boten is “like the door to China,” said Vixay Homsombath, a Lao official who sits on the board of the BBSEZ development. Marooned in a mildewed office building near a shuttered duty-free mall, Vixay was happy to discuss the project that occupied most of his waking hours. He predicted that the railway would jolt Boten back to life. “It will create a lot of jobs,” he said. A prospectus for the Boten project showed renditions of sleek bullet trains nosing into a modern town bristling with office buildings, apartments, hotels, and duty-free arcades.

The plans have been slow to eventuate, but by the time I visited in 2016 there were some stirrings of recovery amid the decay. Construction had begun on a series of 18-story towers along the highway through town, which was lined with billboards of Xi Jinping shaking hands with Choummaly Sayasone, then president of Laos. Not far away, an old casino was being converted into a jade emporium, its chandeliers aglow as workers in flip-flops hauled cans of paint. Even the *kathoey* cabaret was preparing for a grand reopening. Ai Hanyen, the head of the Vientiane office of Yunnan's Haicheng Group, which is coordinating the BBSEZ development, was full of confidence when we met a few days later in Vientiane. “In ten or twenty years we'll make Boten into a small Hong Kong,” he predicted.

Boten's rise, fall, and impending resurrection is indicative of the rapid changes being wrought by Chinese investment in this small, communist-ruled nation of 7 million. Since the early twenty-first century, sleek new roadways have breached the northern mountains that once kept the Chinese empire far away. As Laos has gone from “landlocked” to “land-linked,” as the Lao government likes to say, Chinese money has poured over the border, into mining, hydropower dams, massive agricultural plantations, and skyline-altering real-estate developments. This investment has drawn in tens of thousands of workers and “new migrants” from China, whose presence has transformed the face of Vientiane and the northern provinces, and is slowly spreading south.

Not long after my visit to Boten, billboards started appearing across the north of Laos. They were white and blue, inscribed with Chinese characters and lines of curving Lao script. Some featured a futuristic emblem of a high-speed

locomotive; others bore slogans like “China–Laos friendship is everlasting” and “The Belt and Road will be built into a road of peace.” Within the year, more substantial developments were underway. A concrete rail bridge was extended over the Mekong River outside Luang Prabang, the serene former royal capital. Chinese earth-boring machines set to work beneath the northern mountains. In the dusty flatlands north of Vientiane, concrete pylons marched through an other landscape of fallow paddy fields.

“More than any other technical design or social institution,” the late historian Tony Judt once wrote, “the railway stands for modernity.”<sup>31</sup> And nothing symbolizes China’s vision of modernity quite like the technology of high-speed rail, or HSR. Since the construction of its first HSR line ahead of the 2008 Beijing Olympics, China has installed 25,000 kilometers of track, a network projected to expand to 38,000 kilometers by 2025.<sup>32</sup> Since then, the export of HSR technology has become a key pillar of the BRI. HSR lines have been proposed for at least six Southeast Asian countries, and Chinese officials frequently use the bullet train as a metaphor for the benefits of economic partnership with Beijing.

While the Laos–China railway project, which broke ground in December 2016, is not technically a “high-speed” line—passenger services will have a top speed of 160 kilometers per hour, well below that of standard HSR systems—it is nevertheless a striking example of Chinese technical prowess. The standard gauge single-track line will slice through 417 kilometers of rugged terrain from Boten to Vientiane, including 198 kilometers of tunnels and 61 kilometers of bridges.<sup>33</sup> These engineering challenges have done much to contribute to its controversial \$6.2 billion price tag, equivalent to around 37 percent of Laos’s GDP in 2016—or around \$15 million per kilometer.

In its overweening ambition and tremendous cost, the rail project, scheduled for completion in late 2021, encapsulates the promise and peril of China’s brash arrival in Laos. On the one hand, Chinese investment could bring prosperity to one of Asia’s most impoverished countries; on the other, it could turn Laos into a mere outpost of a new Greater Yunnan, a way-station on China’s long march to the sea. In Boten, the town’s few remaining Lao residents were undecided. “I’m not sure,” said Chanphon, 49, a Lao restaurant owner. “If it just passes through, we don’t know if it will be any good for us.”

Laos is the quintessential land between. It is landlocked and mountainous, except for a ribbon of rich alluvial terrain running along the Mekong River,

which forms most of its border with Thailand. Like Cambodia, it has always found itself pressed between more powerful neighbors: China to the north, Vietnam to the east, and Siam and Burma to the west. The nation that came to fill this negative space was imagined by the French, who created a unified Lao state in the 1890s to act as a buffer between their territorial claims in Vietnam and those of Siam and British Burma. So constructed, Laos was “more a cartographic reality than a social or historical one.”<sup>34</sup> Even today, many more ethnic Lao live in Thailand’s northeast than live in Laos itself.

Before the arrival of the Europeans, the kingdoms of mainland Southeast Asia existed not as delineated territorial entities, but as blurry constellations of power lacking fixed boundaries. The historian O.W. Wolters described them as *mandalas*. In this system, smaller *mandalas* paid tribute to larger ones by providing them with resources like food and soldiers to fight the region’s endemic wars; in return, the larger *mandalas* offered them protection from rival powers. These states existed in a constantly shifting tributary relationship, and “would expand and contract in concertina-like fashion” as the regional balance of power changed.<sup>35</sup> The historian Victor Lieberman referred to them similarly as “solar polities,” in which “provincial planets” revolved around a “sun” whose gravitational pull diminished with distance.<sup>36</sup>

Laos’s closest pre-modern progenitor was the Buddhist kingdom of Lan Xang, founded by the semi-mythical King Fa Ngum in 1353. Sitting at the crossroads of the region’s caravan trade, the “Land of a Million Elephants and the White Parasol” flourished. At its sixteenth-century height, it exercised power over most of Laos’s present-day riparian provinces—a period in which its kings constructed the jewels of classical Lao culture, including the golden-spired That Luang stupa in Vientiane, the country’s most important Buddhist monument. Thirty-four kings ruled Lan Xang before it divided in the early eighteenth century into three small *mandalas*—the kingdoms of Vientiane, Luang Prabang, and Champassak—that the French eventually patched together and called “Laos.” Whereas in Cambodia the French safeguarded a kingdom from the incursions of its neighbors, in Laos, they effectively conjured a new nation into being.

Laos has never quite shed its *mandala* heritage. Despite possessing all the accoutrements of modern nationhood, the country has remained weak and vulnerable to outside encroachment, especially along its porous periphery. At no time was this truer than during the Cold War, when, like Cambodia, Laos

was sucked into the war in neighboring Vietnam. During the conflict, Vietnamese communist insurgents roamed the nation's eastern provinces at will, and the US dropped more bombs on the country than it dropped on Germany and Japan combined during World War II. This included an estimated 270 million cluster munitions, around a third of which failed to detonate, leaving the Mekong hinterland scattered with deadly unexploded ordnance (UXO). At the top of Phou Si hill, which rises over the spires and tumbling foliage of Luang Prabang, flowers sprout from rusted rocket cartridges. Nearly 30,000 people have been killed by UXO since the war.<sup>37</sup>

Despite sharing a modern border with China, dense geography meant that the empire's proximity historically weighed less heavily on Laos than it did on neighboring Vietnam, with its inviting mountain passes. Chinese chroniclers claimed Lan Xang as a vassal from the late fourteenth century, but in practice it was a land "secluded at the edge of the sky," as the Yongzheng Emperor put it in 1730, too weak and remote to command much attention from the imperial center.<sup>38</sup> To be sure, the Lao kingdoms engaged in constant trade with China, especially in valuable forest products like ivory, aromatic woods, sticklac, and benzoin. But, as in Cambodia, the main threats to its survival traditionally came from countries closer to hand—from the powerful neighboring kingdoms of what are today Vietnam, Thailand, and Burma.

The Cold War drew China more directly into Lao affairs. After Laos gained its independence in 1954, the new People's Republic threw its support behind the communist Pathet Lao (PL) in what became its "Thirty-Year Struggle" to topple the US-backed Lao constitutional monarchy. Kaysone Phomvihane, the young leader of the PL, first visited China in 1959, and from 1967 until 1976, the children of PL leaders (more than 1,000 in total) were educated at a school in Nanning, the capital of Guangxi province. Later, China sent in construction crews to build roads through the northern mountains, down which flowed Chinese economic and military support that helped secure the Lao communist victory of December 1975. In terms of material aid and political influence, however, China always came a distant second to Vietnam. Throughout the war, Vietnamese communist troops fought side by side with their Lao counterparts, and most of the PL's senior cadres, including Kaysone, received military and ideological training in North Vietnam.

The "special relationship" persisted beyond the PL victory. When relations between Vietnam and China soured in the late 1970s, the new communist



government led by the Lao People's Revolutionary Party (LPRP) dutifully mirrored Hanoi's anti-Chinese line, purging suspected pro-Beijing elements from its senior leadership. But the break with China was never total. The two sides quietly reopened talks, and in October 1989, Kaysone paid a state visit to Beijing, the first foreign leader to do so following the Tiananmen crack-down. As relations warmed, senior Chinese officials started showing up in Vientiane, often with large business delegations in tow. In the 2000s, Beijing opened the "soft power" spigot. LPRP cadres started being invited to attend trainings and seminars in China, and the children of high-ranking Lao officials were granted scholarships for postgraduate degrees, which were awarded in suspiciously short order. Beijing bankrolled the construction of the Lao National Cultural Hall in Vientiane, where the LPRP celebrates important anniversaries, and even splashed out for a musical fountain in front of the Patuxai, Vientiane's imposing *arc de triomphe*.

The flowering of Lao–Chinese relations took place against a backdrop of increasing economic integration. At the end of the Cold War, the Lao communist leadership saw an opportunity to escape their country's landlocked geography and become "land-linked," capitalizing on its position at the crossroads of the Southeast Asian subcontinent. In 1993, the Boten border crossing with China was opened to trade; 15 years later, in March 2008, Laos unveiled Route 3, a 197-kilometer section of the Kunming–Bangkok Expressway linking Xishuangbanna to Thailand, via northern Laos. Previously, traveling overland from China to northern Thailand required negotiating snaking dirt roads that turned into impassable channels of mud during the monsoons. The new roadway slashed travel times to a matter of hours.

The result was a sharp increase in trade, migration, and investment from China. Cash-strapped Laos encouraged Chinese investment by offering "land for capital," leveraging access to its bounteous natural resources. Chinese firms started exploiting Laos's mineral deposits, and state-owned companies offered support for dozens of hydropower dam projects, furthering Vientiane's goal of turning itself into the "battery of Southeast Asia." SEZs mushroomed along the borders, including the casino enclaves in Boten and the Golden Triangle, where the government farmed out Lao sovereignty to foreign companies (often Chinese) in order to fire up development in remote regions of the country. Parts of the north were soon carpeted with plantations of bananas, watermelons, corn, and cassava—produce destined mostly for the Chinese market.



Plantation contract farming saw a marked spike in 2012, the year that China halted banana imports from the Philippines in retaliation for its standoff over the Scarborough Shoal (see Chapter 10).

As in Cambodia, China's rapid progress in Laos has been aided by a symbiotic relationship to those in power. While hammer-and-sickle party flags still flutter above Lao government offices, Marxist–Leninist doctrines have been shunted aside in favor of older patterns of patron–client relations. With the party needing money to grease the gears of patronage and sustain the economic growth necessary to shore up communist rule, China stands apart both for the depth of its pockets and the appeal of its “no-strings” approach to governance and human rights issues. Unlike the US, which did not restore normal trading relations with Laos until 2009, Beijing has been ready to offer financing without conditions, helping ensure that economic liberalization does nothing to threaten the party's position as the “leading nucleus” (as the country's constitution puts it) of the Lao state.

By 2013, China's economic gravity had begun to draw Laos out of its tight Vietnamese orbit. That year the cumulative value of Chinese investments in Laos topped \$5 billion, exceeding for the first time that of its traditional patron.<sup>39</sup> Where once Vietnam was the “older brother,” one Asian diplomat explained, “now things have changed. China is the older brother, and Vietnam is maybe the second brother.”

The inflow of Chinese money has profoundly altered the physical landscape of northern Laos. Throughout the hills, quiet roads are now dotted with Chinese-run restaurants, hotels, vehicle repair shops, and furniture stores. In northern towns like Udomxai and Luang Namtha, Chinese nationals make up as much as a fifth of the population. The pull of Chinese migration is so strong, Brian Eyler writes, that new arrivals “need not learn to speak Lao. Upon arrival in northern Laos, Chinese immigrants can interact in a closed-loop system with their compatriots.”<sup>40</sup>

The first of the “new migrants” to Laos arrived in the 1990s as workers or technicians on Chinese infrastructure projects, and then decided to stay. As connections with China improved, they were joined by a flow of traders and entrepreneurs, many pressed south by the increasing economic competition at home. As Ding Guojiang, the head of the China Chamber of Commerce in Laos, explained to me one morning at his office in Vientiane, “In China, there are so many companies doing the same thing, so you can't make much money.”

Ding put the number of *xin yimin* in Laos at around 100,000, although lax regulation and porous borders mean that the real number is almost certainly higher; some estimates run as high as 300,000.<sup>41</sup>

Historically, few Han Chinese came to Laos. The distances were great; the terrain was unforgiving; the economic temptations were small. By 1960, just 30,000 ethnic Chinese were present there, less than a tenth the number in Cambodia.<sup>42</sup> Aside from a small number of Yunnanese Muslims who entered Laos overland and settled in the northern provinces, the Chinese immigrants who ended up in the country were mostly those who had “failed to prosper in Thailand, Vietnam, or Cambodia.”<sup>43</sup> As in many parts of Southeast Asia, they nevertheless occupied a dominant position in the economy. “You saw them everywhere,” one American writer noted of Vientiane’s Chinese in the 1950s, “clipping along on clogs at the market, or smoking outside their small shops and restaurants which never seemed to close.”<sup>44</sup> As in Vietnam, the communist takeover in 1975 was followed by the persecution of the Lao-Chinese, who bore a double stigma: Chinese *and* capitalist. A significant number fled the country, especially those with the closest business ties to the old monarchical regime. By 1997, as few as ten thousand remained.<sup>45</sup>

It was around this time that Ding Guojiang first visited the country. A soft-spoken, fastidious native of Zhejiang province on China’s prosperous east coast, Ding recalled a time when there were “very few” Chinese in Vientiane, and many of the city’s streets were still unpaved. Ding started buying cheap property around the city, and, in 2007, opened the Sanjiang Market in the western suburbs. Sanjiang—its name means “three rivers” in Mandarin—has since become the center of the city’s burgeoning new Chinese community.

Entering the Sanjiang district is like stepping into a large town in Yunnan or Guangxi. Mandarin is the lingua franca. The market is packed with goods from mainland China, everything from clothing and karaoke machines to children’s toys and *baijiu* firewater. Travel agents hawk bus tickets to Jinghong and Kunming. The Chinese presence is so strong that signs around the market remind visitors, “When in Laos make your payment in kip.” Ding has since invested more than \$100 million in Sanjiang. With upward of 1,000 shops employing 5,000 people, it is reputed to be the largest Chinese market in Asia outside of China. “It’s like a small world. You can find everything here,” he said. When the main market building was destroyed by fire in mid-2017, Ding

opened a new multi-story mall complex on an adjoining plot. Business is as good as ever.

Chinese businesspeople with whom I spoke in Vientiane told me that Laos's current economic condition resembled their own two or three decades ago, and expressed their desire to help raise it up to China's level. "I really liked the people around here," said the owner of a Chinese restaurant group, "and wanted my generation to do something to help them." The flip side of this is a paternalistic perception of the Lao people as too relaxed to meet the demands of a modern market economy. In 1999, a Chinese report on Laos's economy noted that a "sense of urgency is wanting; the signature phrase of many [Lao] is, 'no hurry, take it easy.'" Or as Ding put it to me, "Lao people are pretty lazy." Views like this offer striking echoes of common Chinese perceptions of the ethnic minority peoples of Yunnan and other parts of southern China.<sup>46</sup> As in China, they diagnose a problem—economic "backwardness"—and prescribe a remedy: state-led modernization.

Popular anti-Chinese sentiment has generally been muted in Laos, a reflection both of the extremely repressive nature of LPRP rule, and the fact that the main threats to the country have historically come from elsewhere. But, as in Cambodia, things are starting to change. Many Chinese projects have come at a significant cost for local communities. "Land for capital" schemes like dams and SEZs have evicted thousands from their land. Chinese monoculture plantations involving the intensive use of pesticides have polluted water sources and impacted the health of thousands of workers, many from upland minority groups. When new roads were built into China, one of the first things that rolled over the border were trucks carrying illegally cut rosewood, destined to be carved into furniture and other luxury tchotchkes for the Chinese market. In Luang Prabang, many local people express fears that the Chinese tourist boom may permanently alter the town's otherworldly charm, and even imperil its UNESCO World Heritage Status. Luang Prabang is now linked by air to a number of destinations in southern China; its new international airport was built and financed by a Chinese contractor, and the town will soon be a major stop on the Laos–China railway.

Criticisms of China are now commonly heard in Vientiane. In 2008, many locals voiced discontent about a planned Chinese real-estate project in the city's That Luang marshlands. Granted to a Suzhou-based firm in exchange

for building a 25,000-seat national stadium for the 2009 Southeast Asian Games, the concession was intended to turn 20 square kilometers of rice fields and peri-urban wetlands into “a modern city.”<sup>47</sup> Rumors quickly spread that the project would become a gated preserve for thousands of Chinese immigrants—a question of added sensitivity given the project’s close proximity to the golden That Luang stupa, a key symbol of Lao sovereignty. In the end, the That Luang Marsh development faltered and construction slowed to a crawl. Today, its rows of hollow concrete towers stand empty, looking out onto an artificial lake and a half-completed marina.

Similar concerns have crystallized around the Laos–China railway project. First proposed by Beijing in 2006, the enterprise was subject to nearly a decade of delays, as the two governments grappled with the terms of the financing, and whether such a costly venture really made sense for a country as poor as Laos. In December 2015, a deal was finally brokered: China agreed to pay for 70 percent of the project, issuing Laos a \$480 million loan to help pay the remaining 30 percent, with five potash mines put up as collateral. Soon afterward, the blue and white billboards began appearing along the planned rail route.

The moving force behind the railway was Deputy Prime Minister Somsavat Lengsavad, believed to be Beijing’s point man on the LPRP Politburo. A relatively urbane figure, Somsavad stood apart from the party’s cloistered gray collective. Born in Luang Prabang in 1945 to parents of Hainanese ancestry, he joined the Lao revolution as a teenager, and served for three years in the ranks before joining the Communist Party. As a protégé of Kaysone, he quickly clambered up the leadership ladder. By 1991, he had gained a position on the party’s Central Committee. Two years later, he was named foreign minister, an appointment symbolizing the revival of Laos’s Chinese community after the hiatus of the 1980s.

Fluent in Mandarin, Somsavad became one of the most vocal advocates of Chinese investment in Laos. He met frequently with senior officials from Beijing and was closely involved in brokering a range of large projects, including Zhao Wei’s Golden Triangle empire, the National Stadium in Vientiane, and the That Luang Marsh project. He oversaw the party’s special Laos–China Cooperation Committee, established in 1996, and chaired it from 2007 to 2015. From its inception, he was also the main advocate of the railway to China, championing its benefits within the Politburo and helping usher the project to fruition.

From the beginning, however, there have been major questions about the railway's utility for Laos. The line forms just one small section of the Pan-Asia railway, a planned network that will stretch from Kunming to Singapore. The idea of a trans-Asian rail project dates back to 1993, and, in some senses, to the high imperial era of the late nineteenth century, when European powers dreamt of linking China by rail with the colonial possessions to its south. The project has since been absorbed into the BRI. For Beijing the benefits of the scheme are obvious: the rail line will connect China's underdeveloped southwest to the markets, ports, and industrial zones of Thailand and Malaysia, as well as giving it much-needed access to the sea. It will also strengthen China's economic hold over the northern provinces of Laos.

For Laos the equation is less straightforward. Proponents argue that the railway will help fulfill the government's "land-linked" goal, freeing it from the prison of its geography. As Ai Hanyen, the Chinese businessman leading the development of Boten, put it when we met for dinner, "Everything will change after the Laos–China train: transport, trade, everything." Others worry that the railway might one day be used by China for military purposes, maybe even to annex parts of northern Laos, while offering the country few economic benefits in return. Kasit Piromya, a former Thai foreign minister, was more blunt. He said, Laos "is going to be a transit country, passing through, a bus station on the way."

Given its cost and scale, the project has prompted comparisons with Sri Lanka's Hambantota port, signed over to a Chinese firm in 2017 after the government failed to meet debt repayments. Indeed, according to the Washington-based Center for Global Development, Laos was the one Southeast Asian country risking significant debt distress as a result of BRI loans from China, in large part because of the railway scheme.<sup>48</sup> There are also worries about the social impact of the project, which has already brought in an estimated 50,000 Chinese workers—many of whom, like their predecessors, could well decide to stay.

In January 2016, two weeks after the railway agreement was signed, Somsavad Lengsavad was removed from the Politburo, and immediately went into seclusion in a monastery in Luang Prabang. Over the years, the 72-year-old had leveraged his Chinese connections to become one of Laos's richest men; some interpreted his religious turn as an attempt to assuage a guilty conscience (though he has since returned to the business fold).<sup>49</sup> Outside the country, the

removal of Somsavad and a wider series of LPRP leadership changes—which also saw the replacement of president and party chief Choummaly Sayasone with Bounnhang Vorachith, who underwent military and political training in Vietnam—was widely interpreted as marking a swing away from China, toward more pro-Hanoi elements in the party.

However, the situation was probably more complex. One source with close links to the Lao leadership described Somsavad's removal as the outcome of internal party politicking. Another person said that he had angered his Politburo colleagues with his tendency to go it alone in brokering investment deals. Still, the leadership change was a reminder that China was far from the only outside influence in Laos. Unlike in Cambodia, pulled into an international orbit by the UNTAC mission in the early 1990s, Vietnam retained much of its former clout in Laos, nourished by the umbilical relationship between the two countries' communist parties. Ian Baird, a professor of geography at the University of Wisconsin–Madison who specializes in Laos, told me that despite China's widening footprint, Vietnam retains considerable political influence. Most of Laos's current leadership studied or trained in Vietnam, and some harbor acrid memories of China's support for anti-government ethnic Hmong rebels during the 1980s. While China has excelled with its red-carpet diplomacy at the national level, Vietnam retains robust ties with provincial and district authorities, where a lot of power resides in the *mandala*-like Lao communist system. “The Lao are taking their money,” he said of the Chinese, “but the level of political influence—you don't see it.”

Shortly after taking office in 2016, the new government under Prime Minister Thongloun Sisoulith announced a campaign against corruption and party extravagance. Thongloun promised to rein in “land for capital” deals, and issued a ban on the establishment of new banana plantations, citing their impact on workers' health. Laos's new leader also moved to diversify his nation's foreign policy away from Vietnam and China by building better relationships with its ASEAN neighbors, Japan, and the US.

Against the backdrop of the LPRP leadership changes and the Obama administration's “rebalance” to Asia, US–Laos relations began to improve after decades of mutual suspicion. In 2009, the administration removed Laos from a Cold War-era blacklist that imposed a ban on Lao companies receiving financing from the US Export–Import Bank. In September 2016, President

Obama traveled to Vientiane for that year's ASEAN Summit, becoming the first sitting American president to visit the country. He was also the first to formally acknowledge the impact of the millions of cluster munitions dropped on Laos by US warplanes between 1964 and 1973. Announcing a \$90 million tranche of funding for UXO removal, Obama declared, "I believe that the United States has a moral obligation to help Laos heal."<sup>50</sup> The year before, his Deputy National Security Advisor Ben Rhodes had told an audience in Washington that there was "a sense of potential" in the relationship with Laos "for the first time in a long time."<sup>51</sup>

All this indicated that, far from being a passive subject of outside encroachments, Laos's communist collective was seeking to maintain an active balance of dependencies between China, Vietnam, the US, and other powers. Tellingly, the Chinese railway project gained final Politburo approval only after Laos signed off on a separate Vietnamese railway link across the southern Lao panhandle: a Vietnamese railway to counterbalance the Chinese one.<sup>52</sup> During its 2016 chairmanship of ASEAN, Laos also avoided taking sides in the South China Sea disputes, balancing delicately between the positions of Hanoi and Beijing.

Nevertheless, Laos today remains very much open to Chinese investment. Having long jettisoned its Marxist–Leninist ideology for a more appealing form of crony capitalism, the 2016 leadership changes were more about curbing the worst excesses of corruption and mismanagement than they were about China's encroaching influence per se. "The party leaders in Laos are mostly interested in getting cash without strings, be it in the form of grants or zero interest loans or big brown paper bags," said the source with close ties to the Lao leadership. "They don't really care about the provenance as long as they can pocket a large sum for their families and another large chunk for the party coffers." Deep pockets, geographic proximity, and the sheer scale of China's economy—some 700 times the size of Laos's—ensure that Beijing's footprint will remain considerable over the long term.

Laos's future may come to resemble its past. As it becomes more tightly integrated into the Southeast Asian subcontinent, the country is reverting to its origins as an amalgam of weak *mandala* kingdoms. Tethered to southern China by road, river, and rail connections, the old northern kingdom of Luang Prabang has already fallen under a strong Chinese influence. Meanwhile, Vietnamese influence will continue to predominate in the southern half of the



country, alongside that of Thailand, which is bound to Laos by strong cultural and religious affinities.

For a perspective on Laos's recent history, I arranged to meet in Luang Prabang with Prince Nithakhong Somsanith, a scion of the nation's former royal family, abolished by the Pathet Lao government in 1975. We met in the high-ceilinged library annex of a high-end luxury hotel, where he was now employed as a cultural consultant. Reflecting on his country's turbulent history, the prince predicted that, after centuries of foreign intrusions, Laos and its people would find a way to navigate China's ascent. "We saw the eagle come from the US during the Vietnam War, we had the bear from Moscow, we had the dragon from Vietnam, we had the white elephant from Siam, and we also had the French colonials," Prince Nithakhong said, as the ceiling fans turned above. "Adaptation is our politics."

5  
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BAMBOO IN THE WIND

One of Thailand's holiest Buddhist sites is Wat Phra That Doi Suthep, a temple perched on a mountainside overlooking the northern city of Chiang Mai. According to local legend, the temple was built in 1383 to house a precious relic: a fragment of bone belonging to the Buddha. To determine where the precious shard should be housed, the king of the Lanna Kingdom, which then ruled over northern Thailand, resorted to an elaborate expedient: he ordered the relic strapped to the back of a sacred white elephant, which was then released into the wilderness. When the beast expired from exhaustion, workers were brought in and a temple was erected on the site.

Today, Wat Phra That Doi Suthep commands soaring views over Chiang Mai and the surrounding countryside, and is thronged with pilgrims on Buddhist festival days. Its cultural significance and impressive vistas have also made it a must-see tourist attraction. Each day hundreds of visitors take taxis or tour buses up the winding road from Chiang Mai. From there, a 309-step staircase with banisters of bejeweled nagas leads up to the temple, where visitors can watch aircraft soar off the tarmac at Chiang Mai International Airport and walk around the temple's axis, a 24-meter-high gold-plated *chedi* (stupa) topped by a five-tiered umbrella.

In February 2015, a short video circulated on Facebook, showing a tourist—apparently Asian—kicking one of the iron bells arrayed along the temple walls. The disrespectful act set off a storm of indignation on social media. There were calls for the culprit to be hunted down and deported—even arrested. The Suthep kicker was never identified, but few Thai netizens had any doubt about his nationality. For the past few years, social media had buzzed with complaints about the rude behavior of tourists from China, visiting Thailand in greater numbers than ever before. Facebook ran hot with stories of Chinese mainlanders spitting, littering, cutting into lines, or allowing

their children to relieve themselves in public pools. In March 2015, after witnessing Chinese tourists cutting an airport queue in South Korea, a Thai model named Duangjai Phichitamphon filmed a video rant, in which she complained of the Chinese, “Didn’t their parents teach them any manners?”<sup>1</sup>

In less than a decade, China has revolutionized Thailand’s tourism industry. Facilitated by rising incomes, cheap direct flights, and increased overland connectivity, Chinese arrivals to the country rocketed from 2.7 million in 2012 to 7.9 million in 2015 to more than 10 million in 2018.<sup>2</sup> Today nearly one in three international arrivals are from mainland China. The impact has been especially noticeable in Chiang Mai, a cosmopolitan northern city of 1 million famous for its temperate climate, buzzing night-markets, and the delicacy *khao soi*, a rich noodle soup made with coconut milk, curry paste, and tamarind.

In mid-2018, I moved to Chiang Mai with my wife and son and was immediately struck by the changes. Within the crumbling walls of the Old City, erected by the Lanna kings to guard against Burmese attacks, simplified Mandarin had become the mandatory third language on restaurant menus, alongside Thai and English. Chinese tourists now made up a large proportion of the visitors clambering up Doi Suthep or taking cruises on the Ping River. On Nimmanhaemin Road, a fashionable strip of cafés, expat eateries, and souvenir boutiques, they now outnumbered the *farang* (Westerners), and the windows of shops were filled with Chinese signs advertising local products—freeze-dried durian, natural latex pillows, tiger balm—popular with mainland visitors. Later, I heard that it was possible to hire a driver in Chiang Mai, without knowledge of either Thai or English.

Many attributed the boom to the Chinese road comedy *Lost in Thailand*, which, upon its release in late 2012, shattered box-office records in China. Partially shot on location in Chiang Mai, the film sent thousands of Chinese sightseers flocking to the city to retrace the steps of its comedic duo: the scientist Xu Lang and his sidekick Wang Bao, a Beijing scallion-pancake seller. Organized tours ferried visitors around the various locations from the film, from Buddhist wats to Muay Thai boxing arenas to the verdant campus of Chiang Mai University, which was so overrun by camera-toting mainlanders that it eventually started charging admission. “The landscape has completely changed,” said Dr. Chayan Vaddhanaphuti, the director of the university’s Regional Center for Social Science and Sustainable Development.

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China's tourism clout forms an important, though under-appreciated, part of its emergence as a global power. As Elizabeth Becker writes in *Overbooked: The Exploding Business of Travel and Tourism*, Deng Xiaoping gave a series of lectures in late 1978 and early 1979 in which he emphasized the importance of tourism in China's economic opening. Deng not only argued that tourism was a good potential source of revenue; it was also essential to China's attempt to rejoin the world and become respected again as a major power.<sup>3</sup> Although Deng's initial focus was on attracting foreigners to China, it wasn't long before the opposite was happening—and in mind-boggling numbers. Since 2014, Chinese citizens have been the world's largest group of international travelers, taking 145 million international trips in 2017. That figure is projected to jump to more than 400 million per year by 2030, according to the China Outbound Tourism Research Institute.<sup>4</sup>

The upsurge in Chinese tourism has sent economic ripples across Southeast Asia. China is now the number one source of foreign arrivals to the region: in 2017, around 28 million Chinese citizens traveled to the ten ASEAN countries (up from 2.2 million in 2000), most of them arriving on the 2,700-odd weekly flights linking the two regions.<sup>5</sup> In addition to Thailand, mainland Chinese are the top visitors to Vietnam, Cambodia, and Singapore, and recently surpassed Australians to become the number one nationality visiting the Indonesian island of Bali. As the Thai experience suggests, the adjustment hasn't always been smooth. From Singapore to Sihanoukville to Seminyak, Chinese tourists have become the subject of many a sharp complaint. In 2013, in a bid to improve the bad reputation of Chinese tourists abroad, China's National Tourism Administration released a 64-page *Guidebook for Civilized Tourism*. The guidebook warned travelers, among other things, to refrain from picking their noses in public, to keep their nose-hair neatly trimmed, and not to steal life-jackets from airplanes.

These official efforts have apparently had little purchase in Chiang Mai, where locals voluntarily vent about the “noisy” and disrespectful habits of Chinese tour groups. But the criticisms of Chinese tourists in Thailand seem slightly overblown, especially when compared to the drunken, loutish behavior of Western and other Asian tourists in the seedy red-light districts of Bangkok and Pattaya. Nusara Thaitawat, a former journalist who owns a restaurant and hotel in Chiang Mai's Old City, told me that while the initial surge of Chinese visitors had overwhelmed the local tourist industry, their bad behavior had

been greatly exaggerated by the Thai press. She put most of it down to technology: the fact that the Chinese boom, unlike past scandals involving Japanese or European tourists, has coincided with the advent of smartphone cameras and Facebook, which makes it easier to record and share incidents online. “I think that their timing is right to go viral,” she said.

The negative reaction also reflects deeper concerns about the economic structure of Chinese tourism in Thailand: in particular, the scourge of so-called “zero-dollar” tours. Organized by proxy companies based in Thailand, these operations attract visitors from mainland China with cut-price travel packages promising free food and accommodation. Once in Thailand, the hapless tour-goers are pressured into buying goods and services at exorbitant rates from Chinese-run operations, at the expense of Thai hotel- and restaurant-owners.

While it is hard to know the current extent of “zero-dollar” scams—the Thai government announced a crackdown on the practice in 2016, shutting down three tour companies and impounding more than 2,000 tour buses—Nusara said she has noticed increasing numbers of independent Chinese travelers in Chiang Mai, who seem to be growing more attuned to local cultural sensitivities. “A lot of the Chinese genuinely like this place,” she said.

Whatever the views of locals, the reality is that the Thai tourist industry has become highly dependent on a continued flow of visitors from China. When mainland arrivals dropped off in late 2018, after 35 Chinese tourists died in a boat sinking off the southern resort island of Phuket, local operators panicked. In response, the Thai government introduced tax breaks, free flights, and visa waivers in a bid to pump up the arrival numbers. Abhisit Vejjajiva, Thailand’s prime minister from 2008 to 2011, described it as a classic case of can’t live with them, can’t live without them. “There are times when there are tensions between Chinese tourists and locals, and then there’s a strong reaction when tourists disappear,” he said. “They say, we can’t go on, we need them back.”

In a broader sense, the reaction to Thailand’s Chinese tourism boom is one more reflection of the mixed feelings that have accompanied China’s re-emergence as the dominant foreign presence in Southeast Asia. In just a few decades, the great dragon to the north has evolved from a hostile adversary of Thailand to a vital economic and strategic partner, threatening to displace its traditional ally, the United States. In 2007, China surpassed the US and became the country’s second-largest trade partner; in 2014, it

displaced Japan to become number one. Over the same period, it vaulted from being an insignificant investor to Thailand's second-largest source of foreign investment.<sup>6</sup>

As elsewhere in Southeast Asia, the past foreshadows the present. The kingdoms of old Siam sat within the Sinocentric Asian order, tethered to the imperial center by reciprocal ties of tribute and trade. Now, after an intermission of a century and a half in which the Western powers reigned supreme, China is once again a power that cannot be ignored. "They are an 800-pound gorilla," Panitan Wattanayagorn, a security advisor to the Thai government, said of the Chinese. "When they move, the earth shakes."

On the evening of May 22, 2014, Thailand's television stations cut abruptly to a feed of the army chief, General Prayuth Chan-ocha, flanked by a line of military officers. Reading from a prepared statement, he announced to the nation that the Royal Thai Army had taken control of the country. The takeover, Prayuth said, was necessary to end an ongoing political crisis and "reform the political structure, the economy, and the society" of the country. The new junta called itself the National Council for Peace and Order (NCPO); it immediately suspended most of the constitution, banned gatherings of more than five people, and imposed a curfew. Television stations blared patriotic anthems.

As Thailand's coup d'état unfolded, I watched from a one-star hotel in Rangoon, where I was reporting on Burma's halting transition out of military rule. It was hard not to note the ironic reversal in the two countries' political situations. For as long as anyone could remember, junta-run Burma had occupied a special category of international opprobrium, alongside Iran and North Korea. Now, right at the moment that it appeared to be making a startling move toward democracy and international acceptance, modern, Westernized Thailand was going the other way. Looks, of course, could be deceiving: the 2014 coup was the twelfth since the end of Thailand's absolute monarchy in 1932 (the nineteenth if you included failed attempts). Such interventions had become so commonplace that Thai society registered little outward disturbance. The bloodless takeover left the economy humming along like normal. Tourists kept flocking to the beaches of Phuket and Koh Samui, and factories kept churning out digital cameras, cars, and hard-drives for American and Japanese firms.

The 2014 coup capped a spiraling political crisis that had consumed Thai politics for more than a decade. This pitted the supporters of the exiled former prime minister Thaksin Shinawatra against the old-school political elite clustered around the nation's military and royal establishment. A former police lieutenant colonel who had amassed a huge fortune thanks to a near-monopolistic telecoms concession, Thaksin had won a landslide election in 2001, on a platform promising universal health care and easy access to micro-loans. His political success quickly came to be seen as a threat to the wealth and power of Thailand's urban, royalist elites, who employed increasingly anti-democratic tactics to undermine Thaksin's power. A coup in 2006 chased Thaksin from office and into a luxurious exile in Dubai, but failed to curtail his wild popularity, especially in parts of rural Thailand. After his removal from power, Thaksin's supporters poured into the streets wearing red T-shirts. They helped his proxies to victory in national elections in 2007, and then again in 2011, when Yingluck Shinawatra, Thaksin's younger sister, was elected prime minister.

Unable to prevail at the ballot box, Thaksin's opponents also turned to the street, dressed in royal yellow. They established the misnamed People's Democratic Reform Committee (PDRC), backed by elements in the military and the Thai business elite, which sought the permanent extirpation of Thaksin and his allies from political life. In late 2013, the PDRC launched a wave of anti-government rallies that forced Yingluck to dissolve parliament. It then boycotted the resulting snap election, which was declared invalid. With Thai politics snarled in an acrimonious gridlock, and some "yellow shirts" agitating openly for a coup, the military intervened to end the political impasse—one that it had a significant hand in creating. Looming above this crisis was the failing health of 86-year-old King Bhumibol Adulyadej, then in such poor health that he hardly ever appeared in public.<sup>7</sup>

The 2014 coup gave way to an unusually protracted spell of military rule. Instead of following the usual routine of appointing a pliable civilian government and then returning to barracks, the promised return to democratic rule was repeatedly postponed. In its first year in power, the NCPO detained more than a thousand politicians, academics, and journalists, and forced them to sign promises to cease political activity. It also presided over a spike in prosecutions under Thailand's harsh *lèse-majesté* laws. Designed to forestall criticisms of the monarchy, these were now employed to quash criticisms of military rule. The flip side to the crackdown was a widely ridiculed



“happiness” campaign, promoted by public concerts featuring svelte young women in camouflage miniskirts. The campaign’s centerpiece was a pop song titled “Returning Happiness to Thailand,” supposedly written by Prayuth himself, which defended the military’s seizure of power and promised to “bring back the love.”

The military’s seizure of power immediately soured Thailand’s relationship with its long-standing ally, the United States. As it had done in 2006, the US responded to the coup by suspending millions of dollars of security assistance—a requirement under American law. This time Washington’s response went further. High-level military engagements, including training exercises, were canceled or scaled back. Scot Marciel, a Deputy Assistant Secretary for East Asian and Pacific Affairs, warned that the post-coup repression made it impossible for the US to proceed with “business as usual,” a message that was echoed by diplomatic personnel inside the country.<sup>8</sup>

Thailand’s conservative elite reacted strongly to the American criticisms. When US Ambassador Glyn Davies expressed concerns about the misuse of *lèse-majesté* laws, Prayuth said that his opinion was “biased and not impartial,” and could “lead to the deterioration of our long-term friendship.”<sup>9</sup> Op-ed columnists denounced the US for its apparent double-standards in tacitly supporting a recent coup in Egypt while condemning Thailand’s—to say nothing of Washington’s active support for military rule in Thailand during the Cold War. Songsuda Yodmani, the Harvard-educated daughter of Thanom Kittikachorn, the US-backed military strongman who ruled Thailand from 1963 to 1973, declared, “We are not a colony of the United States. We will defend the pride and dignity of the Thai nation.”<sup>10</sup>

The American reaction to the coup contrasted starkly with the approach taken by Beijing. Chinese officials made it clear that they regarded Thailand’s political problems as “an internal issue” and said they “would not interfere.”<sup>11</sup> Three days after the coup, the *Global Times* expressed its oblique support for the new junta, asserting that “Western-style democracy” had led Thailand astray.<sup>12</sup> In December 2014, Premier Li Keqiang jetted into Bangkok, the first high-level foreign official to visit Thailand since the army’s takeover. A few days later, Prime Minister Prayuth (as he now styled himself) made the return trip to meet with Xi Jinping. He praised the Belt and Road Initiative (BRI), and the two governments began discussing a range of ambitious infrastructure projects. In 2015, when China and Thailand marked 40 years of diplomatic

relations, official statements spoke of a “close and cordial relationship, based on the solid foundation and deep bonds of affinity and cultural ties rooted since time immemorial.”<sup>13</sup> The same year, the junta announced that it planned to buy three Chinese Yuan-class submarines, at a cost of just over \$1 billion.

As elsewhere in Southeast Asia, the Chinese emphasis on sovereignty and “non-interference” was warmly received. It sent the message that China’s friendship with Thailand was unconditional: that it transcended the rolling crises of Thai domestic politics. Unlike the US and other Western governments, China “doesn’t preach,” Korn Chatikavanij, a former finance minister, said. “It’s entirely consistent and practical, and that makes them in many ways easier to deal with.”

Of all the nations in mainland Southeast Asia, Thailand’s tilt toward China is potentially the most significant. The nation sits at the geographic heart of Southeast Asia, extending like an orchid’s stem south to the warm waters of the Andaman Sea and the Gulf of Thailand. Its \$500 billion economy is the largest on the mainland, and the second largest in ASEAN. Most crucially, Thailand is a US treaty ally and an anchor of American influence in Southeast Asia. With diplomatic ties dating back to 1818, it represents Washington’s oldest relationship in Asia—and one of its closest.

The special relationship between Thailand and the US dates back to the end of World War II, when American officials intervened to prevent British demands for reparations and Thai territory in retribution for Thailand’s wartime collaboration with imperial Japan. Over the subsequent decade, the two nations were pushed together by the gathering tension of the Cold War. The US allied with Thai conservatives to fashion the country’s monarchy into a sturdy bulwark against communist expansion in Southeast Asia, and in 1954, the two nations became formal treaty allies. At the height of the Vietnam War, nearly 50,000 US servicemen and women were stationed on Thai soil and the country was covered with a grid of American military bases, from which bombing raids were flown into Vietnam, Laos, and Cambodia. The Thai army sent officers to the US for training and units to fight in the jungles of Vietnam. The US presence, in tandem with large injections of Japanese capital, brought breakneck growth and modernization of a distinctly American hue. Young Thais swilled Pepsi, listened to rock music, and went in their thousands to study in the US. To a generation of Thais, Washington was *maha mitr*: the “great friend.”

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The American security presence also offered Thailand a measure of protection from communist China, then a menacing presence to the north. By the 1960s, Beijing was openly backing the Communist Party of Thailand (CPT), which launched an armed struggle against the Bangkok government in 1965, and supported it with propaganda beamed into Thailand from a radio transmitter in Yunnan. However, Thailand's view of China began to shift toward the end of the decade, as the US began its staged withdrawal from Indochina. At the time, Thai leaders feared that the American military drawdown would leave Thailand exposed to retribution from the Vietnamese communists. "We have let the US forces use our country to bomb Hanoi," two-time prime minister Seni Pramroj warned in 1969. "When the Americans go away, they won't take that little bit of history with them."<sup>14</sup> The Thai response was to open back-channel talks with the Chinese government—even as the latter maintained its robust support to the CPT rebels in the northern hills.

In pursuing an opening with China, Thailand closely followed the lead of US President Richard Nixon, who made his milestone visit to Beijing in February 1972. Before Nixon's trip, "we were anti-China, we were fighting in the Vietnam War," said Kobsak Chutikul, a retired Thai diplomat involved in the normalization talks of the early 1970s. Afterward, "everyone had to move, everyone had to shift." In May 1975, a few weeks after the fall of Saigon to the Vietnamese communists, Prime Minister Kukrit Pramroj flew to Beijing, where he met an ailing Chairman Mao and signed an agreement formally establishing diplomatic relations.

The new relationship between Beijing and Bangkok was cemented when Vietnam invaded Cambodia to overthrow the Khmer Rouge regime in late 1978, bringing Vietnamese army divisions to Thailand's eastern border. In exchange for China cutting off its support to the CPT, the Thai government agreed to join Beijing and Washington in opposing Vietnam's occupation of Cambodia. Deprived of Chinese backing, and induced to surrender by Thai government amnesties, the CPT withered. At the same time, the Thai military helped funnel Chinese aid and military supplies to Cambodia's deposed Khmer Rouge, with diplomatic cover from the US and its fellow ASEAN member-states. In return, it profited handsomely from the trade of gems and timber from the Khmer Rouge strongholds dotted along the Thai-Cambodian border.

Cooperation on the Cambodia question established a firm basis for the improvement of ties between Thailand and China after the end of the

Cold War. The next breakthrough moment was the Asian financial crash of 1997, which began in Thailand and had particularly dire impacts on the country's economy. The baht shed half its value and the Crown Property Bureau, the body that manages the royal family's massive wealth, suffered grievous losses. Hundreds of firms collapsed, and millions were cast out of work. In return for its assistance, the International Monetary Fund (IMF) demanded that Thailand sharply deflate its economy. The US government insisted that Thailand comply with the harsh IMF measures but declined to contribute to the bailout fund. When asked why Washington had recently supported a similar bailout for Mexico but not for its Southeast Asian ally, a senior Treasury Department official explained, "Thailand is not on our border."<sup>15</sup>

China immediately offered Thailand its support, which included a \$1 billion injection into the IMF's relief fund. As elsewhere in Southeast Asia, China's response to the crisis contrasted sharply with Washington's apparent unconcern—a foreshadowing of the discontent that would emerge in the aftermath of the 2014 coup. "We got nothing from the US," a former Foreign Ministry official told me. Beijing's actions, on the other hand, "contributed to the belief that in terms of help, China will always be forthcoming."

The Thai leader who did the most to accelerate relations with China was Thaksin Shinawatra, who took office following a landslide election victory in 2001. Thaksin harnessed the resentment that many people felt in the aftermath of the economic crisis: that the financial "cure" pushed on Thailand by the IMF had been worse than the disease. Declaring that he would not be "a poodle to Western interests," he pledged to build up the economy and restore Thailand's self-confidence and international image.<sup>16</sup>

A descendant of Hakka immigrants from Guangdong province, Thaksin immediately deepened economic, political, and security ties with China. He chose the country for his first foreign visit after taking office, and made seven more trips there during his five years in power.<sup>17</sup> Describing Thailand as Beijing's "closest" and "most sincere" friend, he began joint Thai–Chinese military exercises and started purchasing Chinese arms.<sup>18</sup> Thaksin negotiated a free-trade agreement with China, which came into effect in 2003; during his time in office, trade with China quadrupled. Like his political opponents, Thaksin also appreciated the Chinese government's non-judgmental form of engagement, especially when he came under Western pressure in 2003 during

his “war on drugs,” a blood-soaked campaign that saw thousands of suspected drug-pushers shot by police. As Thaksin later attested of the Chinese, “Whoever becomes the government, they do business with them. They are like entrepreneurs, they do business, they don’t do politics.”<sup>19</sup>

Beijing’s regional charm offensive—its battery of “soft power” exchanges with academics, journalists, Chinese friendship associations, and ethnic Chinese clan organizations—was particularly marked in Thailand. The nation would eventually host 15 Confucius Institutes, the most of any Southeast Asian country.<sup>20</sup> The Chinese Communist Party (CCP) established “party-to-party” ties with both sides of Thai politics, and the government made special efforts to cultivate Thailand’s royal family, especially King Bhumibol’s daughter, Princess Sirindhorn. A fluent Mandarin-speaker, the princess had been visiting China for more than twenty years, during which time she had reportedly set foot in every Chinese province. In 2004, the Chinese People’s Association for Friendship with Foreign Countries awarded her the title of “friendship ambassador.”<sup>21</sup>

This “soft power” onslaught coincided with the period of US distraction that followed the terrorist attacks of 9/11. As American attention was drawn toward the Middle East, the old “Thailand hands” that had once served as American ambassadors—who boasted an intimate familiarity with the country and deep contacts there—were replaced by less experienced officers on shorter rotations, right at the moment when China was upping the quality of its diplomatic engagement with Thailand.<sup>22</sup> The former US consulate in the southern Thai city of Songkhla, closed in 1993, later housed a Chinese consulate: a transfer, one American official lamented, that was “symbolic of our deteriorated public image in southern Thailand.”<sup>23</sup>

The American relationship remained important for Thailand, but it increasingly seemed to be coasting on a fading nostalgia for the golden era of the 1950s and 1960s. The Obama administration’s “rebalance” to Asia, designed to redress the neglect of the Bush years, was widely seen as amounting to words rather than action, even before it foundered on the 2014 coup. For Thai policy-makers, it was hard to avoid the conclusion that Thailand was simply not as important to Washington as was once the case. In 2018, The Asia Foundation published a report on the state of Thai–US relations, based on in-depth interviews with 50 prominent Thais and Americans. It depicted a relationship in a state of drift. One of the factors underlying the state of US–Thai relations, it

concluded, was “a decline in the number and depth of personal relationships.” While older Thais still had a deep reservoir of goodwill toward the US, younger generations were more ambivalent. This was reflected in the declining number of Thais studying at American universities, which fell from 11,187 in 2000–1 to just 6,893 in 2016–17. In contrast, there were by then around 27,000 Thai students enrolled at Chinese universities, in addition to some 37,000 Chinese nationals studying in Thailand.<sup>24</sup>

Meanwhile, a desire for good ties with China was one of the few things that united Thailand’s fractious political elite. Despite Thaksin’s removal from power in 2006, relations with China trended upward through the Thaksinite, “yellow,” and military governments that dominoed through the subsequent decade. It has helped that Thailand has no direct interests in the South China Sea, and that successive Thai governments have adopted a studied neutrality on the disputes. Benjamin Zawacki writes that an accommodative position toward Beijing has “become an institutional, cultural, *national* consensus. It not only transcends Thailand’s domestic ‘Yellow v. Red’ divide, but is a rare contract between them.”<sup>25</sup> On diplomatic occasions, it has become almost customary for Thai and Chinese officials to describe their nations’ relations using family metaphors: as “brothers” or “blood-bonded relatives.”

While such rhetoric is standard diplomatic etiquette, it is not entirely misplaced: the ethnic Tai peoples trace their origins to what is now southern China. Starting in the first century CE, the Tai migrated south in successive waves, displaced by the southward expansion of the Han Chinese. When the first Tai states coalesced in the sparsely populated Chao Phraya River valley from the fourteenth century onward, they naturally looked to the north. By the 1400s, the kingdom of Ayutthaya, which the Chinese referred to as *xian*, or *xian-lo*, had emerged as the dominant center. It offered regular tribute to China to secure access to the lucrative Chinese junk trade, which at times provided up to a third of its revenues.<sup>26</sup> After an invading Burmese army sacked Ayutthaya in 1767, a new Siamese kingdom reconstituted itself and was able to return quickly to regional prominence largely due to its economic connections to China, which remained strong until the rise of the European empires in the nineteenth century.

In addition to playing a momentous role in Siam’s overseas trade, Chinese also played an important role in its domestic economy. As in other parts of Southeast Asia, the China trade brought to Siam large numbers of merchants,

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sailors, and adventurers from southern China. Predominantly male, many married local women and assimilated over time into Thai society, to the point that they had become “as much a part of Thai national life as the growing of rice.”<sup>27</sup> Some settlers traded rice and distilled liquor; others managed the king’s junk fleet, ran his treasury, and even represented Siam on tributary missions to China. Chinese culture left a deep imprint on Siamese society. Nineteenth-century Siamese nobles draped themselves in Cantonese silks, and read translations of the Chinese literary classic, *The Romance of the Three Kingdoms*.<sup>28</sup> Bangkok’s temples were tiled with shards of Qing dynasty porcelain used as ballast in Chinese junks. The Thai language absorbed hundreds of loanwords from Teochew and Hokkien.<sup>29</sup>

China’s influence extended to the Royal Palace: King Rama I, who established the present Chakri dynasty in 1782, was a descendant of Teochew immigrants from Guangdong, and well into the nineteenth century, the Chakri monarchs continued to use the red seal of the Chinese Zheng clan for important state documents.<sup>30</sup> Larger waves of Chinese immigration took place in the late nineteenth and early twentieth centuries, and by the eve of World War I, key industries were in the hands of the various Chinese dialect groups. The Teochews were the preponderant dialect group in Bangkok, controlling most of the pawn shops, rice mills, and Chinese medicine shops. Sawmilling for the timber trade was run predominantly by Hainanese, while leatherwork and tailoring was mostly a Hakka enterprise. Nearly 90 percent of rubber exporters were Hokkien.<sup>31</sup>

The rise of Thai nationalism in the twentieth century complicated matters for the ethnic Chinese, casting them as outsiders for the first time. In 1910, when Chinese workers and merchants launched a massive general strike to protest new taxes imposed by King Vajiravudh (Rama VI), the monarch published a rambling pseudonymous pamphlet titled “the Jews of the East.” Heavily influenced by the anti-Semitic tropes then dominant in Europe, Vajiravudh described the Chinese as possessing a “racial consciousness” that cast them as inherently disloyal and un-Thai.<sup>32</sup> Fearing their infection by ideas from China (whether nationalist or communist), Siamese governments imposed a range of restrictions on the Chinese. These fears intensified with the establishment of the People’s Republic of China (PRC) in 1949. While retaining their dominant perch in business, ethnic Chinese were pushed to take Thai names, and were barred from the armed forces. Chinese schools



were shuttered, as were some Chinese-language newspapers; as late as the 1980s, the only place in Thailand where it was possible to study Mandarin legally was in the northern villages settled by remnants of the old Kuomintang army.<sup>33</sup>

One effect of the improving ties with China in the 1980s was to resolve the political contradiction between “Chinese” and “Thai,” and allow Sino-Thais once again to express pride in their heritage. When restrictions on education were lifted, Mandarin language classes proliferated. Bangkok’s Chinatown held boisterous celebrations for the Chinese New Year. Sniffing out votes, politicians began to advertise their Chinese origins openly, and a trend developed of Sino-Thais making pilgrimages to their ancestral homes in southern China. In 2005, Thaksin visited his mother’s resting place in Guangdong province, during which he described Thais and Chinese as “relatives” hailing “from one family.”<sup>34</sup> Today, ethnic Chinese account for around 10 percent of Thailand’s population, and a majority of the population of Bangkok, though the distinction between Thai and Chinese has become blurred.<sup>35</sup> “The assimilation of the Chinese in Thailand is very, very deep,” said Jeffery Sng, a former Singaporean diplomat and co-author of a recent book on the history of the Sino-Thai community. “In fact, I often joke that you cannot find a 100 percent Thai today.”

Just about everyone who is prominent in business and politics today is a *lukjin*—“a child of China.” In addition to Thaksin, almost every Thai prime minister in the past fifty years has had Chinese ancestry, as did 78 percent of those elected to the Thai parliament in 2011.<sup>36</sup> Sino-Thais are thus equally distributed on both sides of Thailand’s intra-elite divide. Sondhi Limthongkul, the leader of the anti-Thaksin yellow shirts and the grandson of a Hainanese immigrant, once assailed Thaksin by claiming that Sondhi and his followers were “better Chinese” than Thaksin was.<sup>37</sup> Unlike in nations such as Indonesia (see Chapter 9), Thai nationalism has shed most of its anti-Chinese attributes, partly due to the role of Buddhism in encouraging assimilation.

As in old Siam, ethnic Chinese Thais play prominent roles in the economic relationship between Thailand and China. The most obvious example is the Charoen Pokphand Group, a Sino-Thai agribusiness conglomerate headed by the ethnic Chinese businessman Dhanin Chearavanont. Established in 1921 as a Bangkok seed shop, CP Group enjoys the distinction of being the first foreign firm to invest in China after “reform and opening,” when it established a feed

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subsidiary in the Shenzhen economic trade zone in 1979. CP Group continued to invest heavily in the Chinese market and, by 1997, was reportedly the only foreign company with investments in every Chinese province.<sup>38</sup> Sarasin Viraphol, a former academic and Foreign Ministry official who now serves as a vice president for CP, told me that cultural and historical ties created a “special environment” for the firm to advance its interests in China. As another executive explained to the *Far Eastern Economic Review* in 1996, “They don’t see us as a Thai company, but as a Chinese company.”<sup>39</sup> CP Group was just the first of many Sino-Thai firms to leverage their Chinese connections to cut business deals on the mainland.

As in Cambodia and Laos, economic connections have encouraged a flow of Chinese tourists, expats, investors, and students to follow in the footsteps of past generations of emigrants. Bangkok’s new Chinatown in Huai Khwang boasts growing numbers of grocery stores, confectionery shops, beauty salons, and Yunnanese restaurants. Chiang Mai also has a bustling community of expatriates and small-business owners. Most are drawn to Thailand for the same reasons as their Western counterparts: its natural beauty, toothsome cuisine, and the lure of economic opportunity. “It’s easy; it’s very close; it’s cheap,” said Wang Yunmei, a thirty-something Anhui native who teaches marketing at Assumption University in Bangkok. Wang fell in love with Thailand on a holiday in 2013, and then chose it as a destination to undertake a PhD in philosophy and religion. She then decided to stay. “We have an impression that the Thai people are very friendly, *sabai sabai* [happy], that kind of attitude,” she said. “We enjoy this slow lifestyle, because back in China everything is so fast, extremely fast.”

Another transplant I met was Dai Qing, a Chinese journalist and environmental activist, who relocated to Chiang Mai permanently after visiting with friends in 2016. The 78-year-old, who became well-known in the West during the Chinese campaign against the Three Gorges Dam in the 1980s, now lives in a house set amid green rice paddies outside the city—a marked contrast to her smog-choked hometown of Beijing. “In China, everybody knows the air is not fresh, the water is not clean, and the food, and the medicine . . . not to talk of the political situation, and the blocking of the internet, the firewall!” she said. “I made the decision immediately, almost.”

In addition to helping business, cultural ties have also helped soften the anxieties provoked by China’s rising economic and military power. “When we

receive European and American delegations, they will come up with this question about the 'China threat,'" said former prime minister Abhisit, a fifth-generation descendant of Hokkien immigrants. "For most of us it doesn't resonate, partly because Thai people have so much affinity to Chinese people. The diplomatic relationship goes back just over forty years, but this affinity goes back a lot longer."

Yet there is more to Thailand's move toward China than cultural affinities. It is also consistent with a Thai strategic culture that has managed for centuries to maintain a careful balance between rival outside forces, recalibrating its foreign alignments in response to shifting power relations. According to an old Siamese saying, the country's foreign policy resembled "bamboo in the wind": firmly rooted, yet "flexible enough to bend whichever way the wind blows in order to survive."<sup>40</sup> In 1855, Siam became the first Asian state to repudiate its tributary relationship with the Chinese empire, exiting the Sinocentric world order and embracing the Western system of sovereign, bounded nation-states. This agile shift, which involved the ceding of peripheral territories to the British and French, was a key reason why Siam, alone among Southeast Asian nations, avoided colonization by the West.

This diplomatic legacy also explains Thailand's frictionless transition from its opportunistic wartime alliance with imperial Japan to its profitable postwar alignment with the US, as well as its rapid normalization with China following the American withdrawal from Indochina. As "the region's most astute judges of pecking orders and power balances and its least remorseful bandwagoners," the veteran American diplomat Chas Freeman has argued, it is no surprise that the Thais have now sought a more proactive balance between China and the US.<sup>41</sup> Indeed, the metaphor of bamboo swaying in the wind underplays how conscious and strategic these shifts have often been.

At the same time, however, Thailand's tradition of strategic balancing limits how far it will go in embracing China. While sharing Laos and Cambodia's historically accommodative view of Chinese power, this diplomatic tradition offers a "set of security antibodies that mitigates Thailand's drift into a vassal state relationship with China."<sup>42</sup> The country's relative economic strength also gives Thai policymakers more scope for balancing its relationship with China with robust ties to the US and other regional powers like Japan and India. Contrary to its smaller neighbors, Thailand has the leverage to set the terms

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of its engagement with China, and avoid being drawn into a narrow orbital dependence.

On a steamy morning in April 2017, three small boats with outboard motors set out into the strong current of the Mekong River in the far north of Thailand. Flying red Chinese flags that snapped in the breeze, the vessels carried engineers and surveyors employed by Second Harbor Consultants, a subsidiary of the state-owned behemoth China Communications Construction Company. In late 2016, Prime Minister Prayuth's cabinet had given its approval for Second Harbor to begin surveying a 97-kilometer stretch of the river that forms the meandering border with Laos. The purpose of the survey was to draw up plans to remove a stretch of islets, rapids, and reefs that formed a bottleneck for commercial shipping. Similar sorts of natural obstacles had foiled French plans to turn the Mekong into a trade route to China in the 1860s, and from the perspective of Chinese planners, continued to inhibit the realization of the river's full economic potential.

The Mekong blasting plans dated back to 2000, when China, Thailand, Laos, and Burma signed an agreement to open the waterway to increased commercial navigation. Between 2000 and 2002, Chinese work teams cleared most of the major obstructions in the river between Guanlei in southern Yunnan and Chiang Saen in northern Thailand, opening up a thriving trade. But the Thai government suspended the planned clearance further downstream in 2003, concerned about possible alterations to its riverine border with Laos. Even now, the stretch of the Mekong between Yunnan and Thailand remains devilishly tricky to navigate. Natural hazards restrict it to vessels smaller than 250 tons, and when water levels drop during the annual dry season, commercial river traffic frequently grinds to a halt.

If implemented, the modifications would deepen and lengthen the Mekong navigation channel, effectively transforming the middle stretch of Southeast Asia's great river into a 650-kilometer cargo highway running from Yunnan to the former Lao royal capital of Luang Prabang. On paper, this initiative involves all four upper Mekong countries, but as Pattana Sittisombat, president of the Committee for the Economic Quadrangle in the northern Thai city of Chiang Rai, put it, "the main activity came from the China side."

Unsurprisingly, the blasting project has provoked strong opposition from local conservationists and villages situated along the river. These groups

are particularly worried by plans to dynamite the Khon Pi Long rapids, a 1.6-kilometer stretch of rocks, cataracts, and submerged shoals lying between Thailand and a remote part of northern Laos. The rapids sit on one of the most beautiful stretches of the Mekong, on the northern edge of a great semi-circular bend that arcs north and west from the town of Chiang Khong. In late 2018, I hired a motorbike and drove up to Khon Pi Long, taking a well-surfaced road through a landscape of rolling verdant hills. For long stretches, the road hugged the riverbank, the walls of bamboo and banana trees giving way onto vistas of swirling brown water and half-submerged rocks. In Thai, Khon Pi Long means “where the ghost lost its way”—a reference, it is said, to the countless locals claimed over the decades by the river’s undertow. According to conservationists, its string of sandbars and deep, swirling channels provide a sanctuary for numerous species of birds and fish, and support thousands of people living in the vicinity.

“Blasting the rapids is very dangerous. It can kill the Mekong River,” said Niwat Roykaew, the head of the Rak Chiang Khong Conservation Group. A rake-thin former teacher with a wispy gray ponytail, Niwat is a legendary figure on this stretch of the Mekong, where most people refer to him respectfully as Khru Tee: “teacher Tee.” His organization—its name means “Love Chiang Khong”—has led the fight against the channel clearance since the early 2000s, when he fought against the initial phase of blasting, at one stage forcibly boarding Chinese survey vessels in a bid to disrupt their work.

I met Khru Tee at his Mekong School, established three years ago to educate local schoolchildren about the heritage and ecology of the “mother of rivers.” The schoolhouse is a two-story teak house in Chiang Khong, engulfed in a thicket of foliage, which commands views over the Mekong into Laos. Khru Tee said that for many local residents, the Mekong has an almost spiritual significance: it “lives in their hearts, their souls.” From this verdant perch the stream glided by under the morning sun, ageless and seemingly unperturbed. But Khru Tee said that construction of upstream Chinese dams had produced significant changes in the river’s flow, which veered between flash floods and record-low water levels.

The Chinese plan to dynamite Khon Pi Long and dredge sections of the river will only make things worse, affecting the spawning of many important fish species and undercutting local livelihoods still further. Khru Tee said that clearing the shoals and rapids would be akin to “taking the heart out of the

Mekong.” When Second Harbor began its surveys in 2017, Khru Tee and his comrades mobilized, unfurling a large white banner on the bank near Khon Pi Long, reading “Mekong Not For Sale.”

Before I took my leave of Khru Tee, I asked him about a small statue sitting at the back of the garden, looped with strings of beads and plastic flowers. He told me that it was a depiction of Bulaheng, a guardian spirit who is said to protect the mother of rivers from evil spirits and disruptive forces from the outside. The statue had large black eyes that stared straight ahead. One hand was clenched by its side, the other held out in front as if to say “stop.”

Were it to proceed, the Chinese-led blasting scheme would magnify a river trade that has already brought significant changes to northern Thailand. Over the past 15 years, annual cargo volumes between Thai and Chinese river ports have boomed, aided by the signing of the China–ASEAN Free Trade Agreement of 2003—particularly a special “Early Harvest program” between Thailand and China that removed tariffs on a long list of agricultural products. Most of the Chinese boats dock in Chiang Saen, a drowsy river town 10 kilometers south of the Golden Triangle confluence, where an expanded port opened in 2011 to handle the increased traffic. After leaving Yunnan’s Guanlei port in the morning, cargo boats typically arrive here at dusk. The goods are then loaded onto trucks and transported south, reaching Bangkok’s Talat Thai wholesale market at dawn. As Nataphon Rajatasilpin, the port’s manager, explained, “To do things by river is much cheaper than by road—ten times cheaper.” In less than 24 hours, southern China’s agricultural exports move from Yunnan to the markets of the Thai capital.

Down at the docks in Chiang Saen, a Chinese river boat was moored, with a sea-green hull and spotlights mounted on the bridge: the common pigeon of the Mekong trade. The vessel was weather-beaten and pitted with rust. A faded registration hinted that it originated in Simao, a town in southern Yunnan. In a cabin onboard a lone umbrella hung on the wall next to a colorful poster of Chairman Mao and China’s communist pantheon. A group of Thai and Burmese stevedores wearing T-shirts and flip-flops loitered about in a sliver of shade next to the vessel, where signs in five languages warned against littering or the dumping of engine oil. They awaited the arrival of the day’s load: an Isuzu truck full of Thai rice, bound for the Chinese market.

Together with the goods that flow in via the Bangkok–Kunming Expressway, which crosses into Thailand via a bridge over the Mekong south of Chiang

Khong, the overland trade with China has altered consumer habits across the country. Apples, a luxury product once imported from the US, are now Chinese, cheap, and widely available. The same is true of cut flowers, formerly imported from the Netherlands, now freighted in from Kunming. Across northern Thailand I heard people complain that Chinese garlic had edged out the smaller, more flavorful local varieties. Evidence of the new China trade can be seen along the riverside in Chiang Saen, where market stalls are piled with brightly colored boxes of Chinese apples and persimmons, alongside packets of jasmine tea, sesame brittle, soy sauce, dried squid, and salted plums—all shipped south on Chinese cargo boats.

These new trade and transport links have built on the connections that have long existed between northern Thailand and southern China. Yunnan is home to an ethnic Tai minority that speaks a language akin to modern Thai and worships at Thai-style Buddhist wats. Likewise, Yunnanese traders have for centuries hawked their wares in northern Thailand, and Chiang Mai is still home to a thriving *jinhaw* (Chinese Muslim) community. Elsewhere in the north are villages peopled by the descendants of the Kuomintang troops that fled into Burma in 1949, and were later offered Thai citizenship in exchange for helping to combat communist insurgents. Outside Chiang Khong sits a quiet Kuomintang graveyard where departed soldiers reside in elaborate tombs hand-painted with peonies and flaming phoenixes. These new, supercharged silk roads function as a reminder of China's proximity: as the crow flies, the city of Chiang Rai is closer to Kunming than to Bangkok.

Yet it remains unclear how much northern Thailand will benefit from any future expansion of the river trade. So far, given China's size and expertise in river transport, the overall impact has been vastly asymmetric. "There are no barges that are operated by Thais. It's all Chinese," said Ruth Banomyong, a logistics expert based at Bangkok's Thammasat University. (Part of the reason is China's long experience in inland river transport.) The Mekong trade has thus widened Thailand's already large trade deficit with China. Residents in Chiang Saen told me that the river commerce had created jobs for porters and dock workers, but that most of the cargo otherwise was trucked straight out to the highway, bypassing the town. When I asked Khru Tee whether the local economy would benefit from the increased flow of goods downriver, he was incredulous. "When you blast, what will the benefit be?" he said. "Everything will pass, everything will pass to Luang Prabang."



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In March 2019, after months of protests, the Chinese government formally shelved its Mekong blasting plans, a recognition—at least for now—of the deleterious effects on local communities. But Beijing’s ambitions for the Mekong pale in comparison to what could potentially be the largest and most disruptive Chinese-led infrastructure project in Southeast Asia. In late 2018, Prime Minister Prayuth ordered a national planning agency to begin researching the feasibility of striking a canal through the Isthmus of Kra, the narrow stem of southern Thailand that separates the Gulf of Thailand from the Andaman Sea. The project would be a mammoth undertaking, requiring the excavation of a 135-kilometer channel deep enough for the passage of container ships and oil tankers. While plans for a Kra Canal have existed in some form for more than two centuries, Chinese resources and willpower have resurrected hopes that it might one day become a reality.

The idea of the Kra Canal was first conceived during the reign of King Rama I in the late 1700s, as a means of defending Siam against Burmese attacks. Later, it sparked the interest of European imperialists. Returning from a mission to Siam in 1855, Sir John Bowring, the British governor of Hong Kong, wrote that a canal through the collar of Kra “would be next in importance to those which have been proposed to cross the Isthmus of Darien, in America, and that of Suez, in Egypt.” He predicted that it would shorten the trip from India to Eastern Asia “not by days, but by weeks.”<sup>43</sup> Plans for the canal have been mooted frequently in more recent times without ever amounting to anything. The Americans conducted a feasibility study for the project in 1972 before abandoning it. By one count, more than 25 such studies have been commissioned—the latest in 2005 under Thaksin’s government—but none has advanced beyond the earliest stages.<sup>44</sup>

To learn more about the Kra Canal and its potential impact on Thailand, I went to speak with one of its most persistent cheerleaders. Pakdee Tanapura, an owl-like septuagenarian with tufts of white hair above each ear, has been lobbying for the project since the 1970s, shortly after graduating with a political science degree from the Sorbonne in Paris. Since then the Bangkok businessman has been engaged in a quixotic quest to realize the project. He has written books, organized conferences—one in 1983 featured a keynote address from the controversial US political hustler and eight-time presidential nominee Lyndon LaRouche—and lobbied tirelessly in his capacity as an advisor to the Thai Canal Association for Study and Development.

At his office in the Latphrao district of Bangkok, where he owns a large printing company, Pakdee clicked through a PowerPoint presentation laying out the case for the project. He argued that rising traffic and persistent piracy in the Straits of Malacca makes a Kra Canal not only logical, but inevitable. “The Kra will represent the shortest route between the Indian and Pacific Oceans,” he said. One slide displayed statistics from the Malaysia Maritime Institute, pointing out that the Straits of Malacca have a passage limit of 122,600 vessels per year—a figure estimated to be reached by 2030 at the latest. Then came a map of Asia covered in swooping lines and arrows, suggestive of unimpeded flows of trade. Pakdee claimed that the canal would create jobs for 3 million people in southern Thailand, and raise the living standards of 7 million more; it would give Thailand a source of income for generations. “Infrastructure stock lasts hundreds of years,” he said. “It is better than oil.”

Previous plans for the canal have been stymied not just by its daunting scale, but also its disruptive regional implications. By providing a cheaper alternative to the busy Straits of Malacca, the Kra Canal would radically redraw the economic and strategic map of Southeast Asia, with consequences that are difficult to foresee. In the 1960s, Singapore’s Prime Minister Lee Kuan Yew told a senior Thai diplomat that the prospect of a Kra Canal gave him nightmares, given its potential to undercut Singapore’s main asset: its position at the crossroads of Asia’s maritime trade routes.<sup>45</sup> Unsurprisingly, this is also what makes the project attractive to Chinese policymakers. By creating a new direct route between the Indian Ocean and the South China Sea, the Kra Canal would ameliorate one of Beijing’s chief strategic vulnerabilities: its paralyzing reliance on the Malacca Straits. In October 2018, China’s ambassador to Thailand raised the prospect of a Kra Canal being funded under the BRI scheme, leading Prayuth to order fresh research into the project.

Kra Canal boosters hope that China’s substantial financial resources and engineering prowess can succeed where past attempts have failed. “They said they can do it in three years,” said Pakdee, who also serves on the board of the Thai–Chinese Culture and Economy Association, an organization with close ties to Beijing. The walls of Pakdee’s office were covered with artists’ renditions of the canal produced by Chinese firms, which presented sci-fi visions of industrial zones and islands of excavated earth mushrooming from jade-green oceans. A map showed the Kra Canal fitting seamlessly into the BRI.

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Despite Pakdee's grand vision, most Thai policymakers are leery of the Kra Canal project. The first barrier to credibility is that it would create a physical division between the majority of Thailand and the country's fractious south, where a Muslim separatist insurgency has simmered for decades. In the words of Kasit Piromya, a former foreign minister, "It will split the country." The second barrier is the bottom line. While the cost of the canal would be comparable to Panama or Suez, its potential benefits for Thailand—in terms of time and money saved—would be much smaller.

Thai diffidence about the Kra Canal shows that despite the nation's growing economic ties with China, the political and security establishment remains willing and able to push back against anything perceived to compromise Thai sovereignty. The arch-royalists in the upper echelons of the military remember China's support for communist insurgents during the Cold War, and retain a keen awareness of the 1.4 billion Chinese located just a few hours' drive from Thailand's northern border. When China pushed the countries of the Golden Triangle to accept Chinese-led security patrols down the Mekong River following the murders of 13 Chinese sailors in 2011, Thailand was the one country that refused to allow Chinese boats to enter its territory. As a result, Chinese Mekong patrol boats are forced to turn around at the Golden Triangle, just before reaching Thai waters.

Similar considerations may also explain the slow progress on a proposed Chinese high-speed rail project, running from Bangkok to the city of Nong Khai, which sits across the Mekong River from the Lao capital Vientiane. The 873-kilometer line is designed to link Thailand's east coast ports and industrial zones to Kunming, via the line currently tunneling its way across northern Laos. The Thai government has agreed to the project on several occasions, only to let construction deadlines lapse, due to various disagreements over financing, labor, design, and land rights along the proposed track.

The link was originally conceived by the Thai government as part of an intra-ASEAN railway project, but was sucked into the orbit of the BRI after the 2014 coup, when the Prayuth government found it harder to attract funding from Western countries. By signing the initial Memorandum of Understanding (MoU) for the \$9.9 billion project in December 2014, the junta bolstered its international credibility; Prayuth even declared that he would use special powers granted under Article 44 of the Thai constitution to circumvent various technicalities and expedite construction.

While the Chinese government saw the MoU as an official green light, progress on the project dragged. In December 2017, Prayuth broke ground on a first phase of the rail line, a 250-kilometer link connecting Bangkok to the northeastern Thai city of Nakhon Ratchasima. But by late 2018, construction had yet to extend beyond a 2-kilometer stretch of track on the outskirts of Bangkok. According to a report in *Asia Times*, the Chinese government was so frustrated by the slow progress that its officials lobbied for the removal of Transport Minister Arkhom Termpittayapaisith, a technocrat whose finicky insistence on implementing the necessary regulations was contributing to the project's delays.<sup>46</sup> Ruth Banomyong of Thammasat University said that the Chinese seemed confused by the fact that, in Thailand, "when the leader says something, no one really follows." He added, "What they don't realize is that in Thailand the bureaucracy dominates everything."

As with the Chinese railway project in Laos, many people question the necessity of the Sino-Thai railway project. Thailand already has a single-track line running from Bangkok to Nong Khai, and is currently adding a second, undercutting the economic rationale of the Chinese project. One analyst calculated that to recoup the costs of the investment, the new rail line would have to run a full train roughly every 5 to 9 minutes on a 12-hour daily schedule for 20 years.<sup>47</sup> In a confidential report, the government itself recognized that the cost of the train would outweigh the economic benefits.

Whether or not the project eventuates, the nettlesome rail negotiations demonstrate once again the limits of China's influence in Thailand. While Thai and Chinese officials speak of each other in family terms, it is more a relationship of equals: Thailand is unlikely to follow Cambodia into a dutiful orbit around Beijing. On the economic front, China's heft is still offset by that of Japan, which has dominated foreign investment in Thailand since the 1980s. Between 1993 and 1996, a new Japanese factory opened in Thailand every three days,<sup>48</sup> and Japan remains the country's top source of foreign investment. In cultural terms, too, Thailand retains close affinities to the West. The country's elites may grumble about the liberal admonitions of the US and other Western governments, but few things occupy them more than wangling their children admission to Harvard, Yale, or Oxford.

Much the same pertains to Thailand's security relationships. As John Blaxland and Gregory Raymond of the Australian National University have argued, despite a spate of recent defense procurements from Beijing, the Thai

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military's use of the English language and American military doctrines both continue "to favor the US alliance rather than China."<sup>49</sup> In extensive surveys of the Thai political and security establishment, Blaxland and Raymond found that while the prominence of Sino-Thais in politics and business had done much to promote trade with and investment from China, it had had no appreciable impact on political and security links. Similarly, they discovered that on the whole, Sino-Thai government and defense personnel did not view China any more positively than Thais without Chinese ancestry.<sup>50</sup>

Sure enough, US–Thai relations began to rebound under the Trump administration, which downgraded the promotion of liberal values in favor of a more transactional form of engagement. In October 2017, Prayuth was invited to the White House, where Trump enthused of Thailand, "It's a great country to trade with." The Pentagon stepped up its relations with the Thai military. In February 2018, the US sent more than 6,000 troops to the Cobra Gold military exercise in Thailand, the largest contingent since the 2014 coup. Two months later, Thai Defense Minister Prawit Wongsuwon visited Washington. Obama's "rebalance" had finally come to Thailand—in the guise of Donald Trump. Given these security developments, Gregory Raymond predicted that 2018 might end up being seen as the "high-water mark" of Chinese influence before Thailand balanced back toward the US.<sup>51</sup>

Thailand's improving ties with Washington demonstrated how a cultivated flexibility and ambivalence could act as a reliable bulwark of Thai sovereignty. Chulacheeb Chinwanno, a professor and expert on Thai–Chinese relations at Thammasat University, said that Prayuth's turn toward China was designed "to show to the Americans that we still have friends, that we don't have to rely on you." He added, "and we can see that the Americans have already started to change their position."

On March 24, 2019, Thailand held elections that ended five years of military rule and nominally returned the country to civilian government. The process was tightly constrained. Prayuth maintained his hold on power, but only thanks to the torturing of electoral rules, some last-second redistricting, and a 2017 constitution drafted by the NCPO that allowed the military to appoint all 250 members of the Senate. In June, Prayuth was sworn into office, promising "love, unity, and compassion." From Hong Kong, Thaksin declared the election rigged, describing it as "a terrible, and sad, moment for my country."<sup>52</sup> There were grounds for thinking that a large swathe of the Thai

population agreed with him. Far from marking a genuine return to democratic rule, the election cemented the military's dominant role in Thai politics.

The advent of a new "elected" government gave the US the pretext it needed to promote renewed investment and closer diplomatic engagement with Thailand. Yet Bangkok's relations with Washington and Beijing remained in a state of flux. At the same time as Thailand's tradition of agile diplomacy placed limits on Chinese influence, the country's troubled political realities augured future strains with the West. The 2019 election showed that five years of military rule justified as a means to "solve" Thailand's political crisis had merely perpetuated it. It thus ensured that the structural causes of Thailand's authoritarian drift—the unmet political aspirations of a large segment of the Thai population, and the elite counter-reaction that these popular demands provoked—would persist for the foreseeable future. Caught between two increasingly adversarial powers, the only future certainty was that Thailand would continue its muddling progress through the new century, leaning this way and that as the regional winds grew stronger.

6  
**BURMA**  
AMONG THE CACTUS

Few things encapsulated the bad old days in Burma quite like the Myitsone dam. The \$3.6 billion hydropower project was conceived in secret by the country's military junta, and approved without public consultation. It envisioned the extension of a giant concrete wall across the frothing confluence where the waters of the Mali and N'Mai rivers unite in northern Burma to form the Irrawaddy, the nation's longest river, which flows south in wide stately bends before spilling into the Andaman Sea some 2,220 kilometers distant. This Three Gorges clone, intended as the first of a series of seven large dams along the headwaters of the Irrawaddy, was expected to displace more than ten thousand people and flood an area larger than Singapore—yet 90 percent of the power generated by the dam was earmarked for export over the border to Yunnan province.

From the moment the agreement for the dam was signed with a Chinese state-owned firm in 2006, opposition was nearly universal. In particular, for the Kachin, an upland people converted to Christianity by colonial missionaries in the late nineteenth and early twentieth centuries, the project manifested the political inequities between the country's ethnic Burman majority and the numerous ethnic minority groups that have spent decades struggling for greater autonomy.

The Myitsone dam also threatened to submerge a region of profound cultural importance. According to Kachin mythology, the Mali River was poured out by the Creator with a golden spoon, and the N'Mai with one of silver, and the confluence of the two rivers is celebrated in poems and songs. "It is like our lifeblood," said Mung Ra, a 55-year-old Kachin Baptist pastor from a village close to the confluence. The Kachins were joined in their opposition by many ethnic Burmans, for whom the dam became a flashpoint for building anti-Chinese and anti-military sentiment. Many feared that the

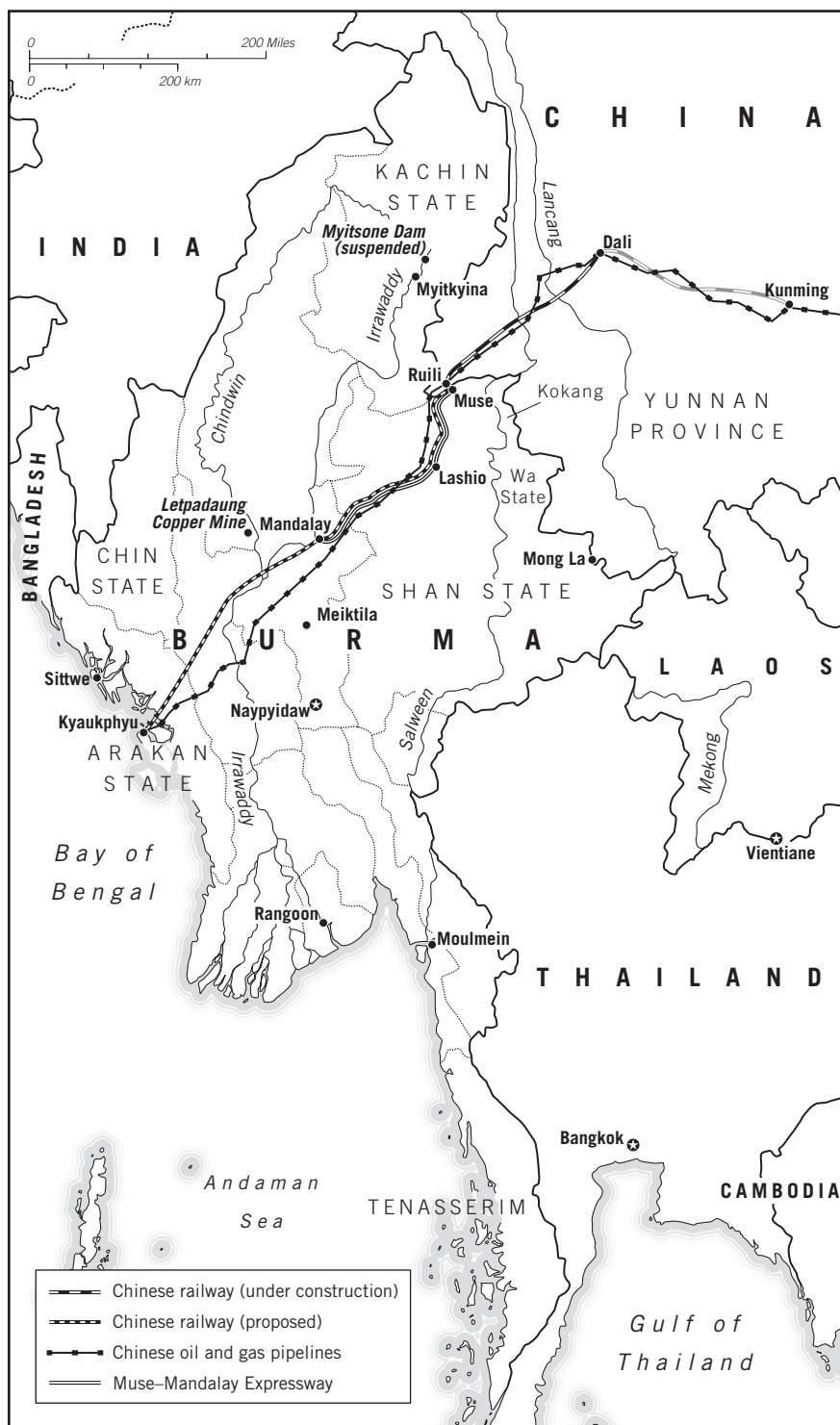


Myitsone project would permanently damage the flow of the Irrawaddy, the cradle of Burma's pre-modern kingdoms.

The hydro-project was so unpopular that in September 2011, the country's new president, Thein Sein, took the unprecedented step of suspending the dam's construction, citing the "wishes of the people." When I visited the site five years later, there was little to see of the Chinese firm's construction. Across the water, trees that were cleared had begun to grow back, and the confluence of the two rivers remained still and peaceful. Overlooking the water was a popular picnic spot shaded by tall trees, with a line of cafés and restaurants and a gold-painted stupa. Down by the water an old message was written on the rocks in red spray paint: "No Dam, No War." Off the road leading to the confluence was a checkpoint guarding access to what remained of the construction site. It was manned by a solitary soldier; an old calendar issued by the Chinese company was taped to the guardhouse wall.

The suspension of the Myitsone project catalyzed a remarkable program of political and economic reform in Burma. Six months earlier, a nominally civilian administration had replaced the nation's old clique of ruling generals. Few outside observers gave it much credence, but before long, Thein Sein's government appeared to chart a new course for one of the world's most repressive countries. The Myitsone suspension was followed by a freshet of previously unthinkable reforms. In 2012, the new administration released hundreds of political prisoners, loosened restrictions on the press, and made overtures to the West. Stern official rhetoric took on a lighter tone. The government sought to inject a dose of rationalism into the country's distorted and moribund economy, in which almost a quarter of the budget was gobbled up by the Burmese military, or Tatmadaw. It also announced new peace talks with Burma's profusion of armed rebel groups and ethnic militias in a bid to resolve the civil conflicts that had ravaged mountainous regions like Kachin State for most of Burma's modern history.

At street level, the most visible sign of Burma's *perestroika* was the sudden appearance of "The Lady." For many years, displaying a portrait of Aung San Suu Kyi—the country's world-renowned pro-democracy leader—was viewed as an act of rebellion, and often led to a lengthy prison sentence. Since nationwide protests in 1988, Aung San Suu Kyi, the daughter of Burma's anti-colonial hero General Aung San, had become a resonant symbol of opposition to a hated military regime. In late 2010, a week after the rigged election that had



brought the new government to power, the generals had quietly released Aung San Suu Kyi from house arrest, and within a few months, the image of the Nobel laureate was everywhere: staring down from the walls of teashops, hanging on sun-dappled street corners, pasted on the windshields of the ramshackle Japanese sedans that thundered down Rangoon's potholed boulevards. Returning to the helm of her party, the National League for Democracy (NLD), for a by-election in April 2012, Aung San Suu Kyi was elected to parliament for the first time.

Aung San Suu Kyi's engagement with the new institutions established by the Burmese military gave Western nations the pretext they needed to phase out their ineffective sanctions regime and re-engage with the country. The Obama administration made normalization with Burma a centerpiece of its foreign policy "rebalance" to Asia. In December 2011, three months after the suspension of the Myitsone project, US Secretary of State Hillary Clinton visited the crumbling former capital Rangoon, and held landmark talks with Aung San Suu Kyi at her lakeside home, where she had spent much of the past two decades in junta-enforced isolation. It was the first such trip by a top-ranking Washington official in more than fifty years. The following year, Clinton was followed by President Obama himself, who hailed Burma's "flickers of progress" and spoke of "the power of a new beginning." Not long afterward, Thein Sein made the return trip to Washington. After decades of apparent stasis, the momentum in Burma's politics was dizzying.

Nobody was more disadvantaged by the changes than the Chinese. Beijing had been the dominant foreign presence in Burma since 1988, when the Tatmadaw's foot-soldiers had violently suppressed nationwide mass pro-democracy protests, killing an estimated 3,000 demonstrators and lacquering Rangoon's pavements with blood.<sup>1</sup> Two years later, the military government sealed its international pariah status when it rejected the result of national elections that returned an overwhelming victory for the NLD. From the late 1990s, Western countries, including the US, responded by erecting a wall of investment sanctions and trade bans. Like Cambodia, Burma evolved into an international cause, though for very different reasons. As a senior American diplomat posted in Rangoon had put it in 1989: "Since there are no US bases and very little strategic interest, Burma is one place where the United States has the luxury of living up to its principles."<sup>2</sup> Before long, the historian Thant Myint-U wrote, "the view of Burma in the West became fairly set—a timeless backwater, brutal

and bankrupt, the realm of juntas and drug lords, as well as courageous pro-democracy activists, led by Aung San Suu Kyi. A place worthy of humanitarian attention, but unconnected to the much bigger story of Asia's global rise.”<sup>3</sup>

The effect was a diplomatic vacuum that China quickly and happily filled. Sanctioned and isolated by the West, Burma's junta nuzzled up to Beijing for diplomatic protection and economic patronage. Throughout the 1990s and the first decade of the 2000s, China became Burma's staunchest defender at the UN Security Council, a leading supplier of loans and investment, and a customer for timber, jade, and other resources. Chinese guns and helicopters helped the Tatmadaw battle ethnic insurgents. Visiting Beijing in 2006, Burma's prime minister, General Soe Win, hailed China's “resolute support and selfless assistance.”<sup>4</sup>

But this heavy reliance on China stoked both popular and elite anxiety. The opening of the two countries' long, meandering border in the late 1980s was followed by a flow of low-priced Chinese consumer products into Burma, which undermined local industries and contributed to the basket of economic grievances that underpinned the revolutionary mood of 1988.<sup>5</sup> Accompanying them came hundreds of thousands of economic immigrants from Yunnan. Moving in the other direction went jade, minerals, and logs of teakwood extracted from the scarred conflict zones of northern and eastern Burma. While the military profited from Chinese trade, both official and otherwise, it retained—like its Thai counterpart—a deep institutional suspicion of China. Many senior Tatmadaw officers began their careers fighting communist insurgents supported by Beijing, and saw comrades killed by Chinese arms. Even after the Communist Party of Burma collapsed in 1989, China's continuing connections to the four armed ethnic militias that succeeded it raised questions about its long-term intentions in Burma.

Concerns about China's overbearing presence was just one of the many factors that motivated Burma's reforms. The common denominator was the Burmese army's growing shame at the extent of their country's dysfunction, and the belief of Senior General Than Shwe, who headed the junta from 1992 to 2011, that the military's legacy and achievements should be enshrined within a looser and more popularly acceptable structure of control. An important part of this was the desire to rebalance Burma's lopsided foreign relations. These concerns were detailed in an internal document penned by Lt. Col. Aung Kyaw Hla, a researcher at Burma's Defense Services Academy, in

2004. The 346-page “master plan” asserted that the junta’s reliance on China had created a “national emergency” that compromised Burma’s traditional policy of neutralism, and hence its future independence.<sup>6</sup> As the veteran Singaporean diplomat Bilahari Kausikan put it, the West’s “very moralistic” policies toward Burma had deprived the generals of any real options in their international alignments. “Part of the reason why they decided to civilianize themselves was to give themselves choice,” he said.

Than Shwe’s plan was unveiled in August 2003, in the form of a seven-step roadmap to what the junta called “discipline-flourishing democracy.” The roadmap culminated in the creation of a new constitution, multi-party elections, and the establishment of “a modern, developed, and democratic nation.” To safeguard its central role in political affairs, the Tatmadaw drafted a new constitution, passed by a bogus plebiscite in 2008, which roped off a quarter of the seats in parliament for military appointees. Since changes to the constitution required a three-quarters majority, this gave it an effective veto over future amendments. The constitution also preserved military control of the three most powerful ministries: Defense, Home Affairs, and Border Affairs.

The built-in limitations of Military Rule 2.0 would soon become apparent, but in the moment it was hard not to be swept up by the genuine excitement and international goodwill unleashed by the reforms. The enthusiasm crested in November 2015, when Burma’s voters went to the polls for long-awaited elections and, in defiance of many predictions, handed an overwhelming victory to Aung San Suu Kyi and the NLD. I spent election day in Mandalay, the former royal capital in central Burma, where the atmosphere was electric with expectation. “This election has taken us straight to democracy,” was the confident verdict of Maung Maung Gyi, a 56-year-old businessman whom I met casting his ballot at a Buddhist monastery near the moat of the old Mandalay palace. By dusk, supporters of Aung San Suu Kyi gathered around large projector screens, swathed in the NLD’s red fighting peacock emblem, sending up cheers as the astonishing returns came in.

The NLD won lopsided majorities in both houses of the national legislature, consigning Thein Sein’s military-backed Union Solidarity and Development Party to an ignominious defeat. Unlike in 1990, the military accepted the result. A few months later, the NLD entered government and Aung San Suu Kyi took what many in Burma and abroad saw as her rightful place as the nation’s leader. Since the constitution barred Aung San Suu Kyi from becoming

president—Article 59(f) ruled out anyone whose spouse, children, or parents were foreign citizens—she served as “state counselor,” wielding *de facto* executive power while the presidency was filled by a loyal placeholder, Htin Kyaw. The following year, citing Burma’s “substantial advances,” President Obama lifted the remaining US sanctions on the country, which some were soon hailing as his administration’s greatest foreign policy achievement. A nation once mentioned in the same breath as Iran and North Korea had seemingly flipped onto the right side of history.

Burma’s reforms dealt a serious blow to China’s privileged position in the country. For years, Chinese leaders had quietly urged the Burmese army to introduce reforms, repair ties to the West, and stabilize the economy, but they were unprepared for the speed and extent of the liberalization.<sup>7</sup> Suddenly, China faced competition from the US, Japan, the European Union, and a host of international organizations that rushed in as Burma opened its doors to the world. Emboldened by the relaxation of political control, local journalists, dissidents, and political cartoonists castigated China’s overbearing role in their country’s affairs. The public joined in, and anti-China sentiment rose to heights not seen since 1967, when the spread of Maoist zeal among the country’s Sino-Burmese community touched off anti-Chinese riots in Rangoon and several other cities.

Nothing encapsulated Burma’s perceived vassalage to Beijing more than the Myitsone project: a rare issue upon which both Burman and Kachin could agree. In 2016, locals in the Myitsone area were still bitter about China’s involvement in the project. Kachin activists described it as yet another instance in which Beijing and Naypyidaw had colluded to strip the region’s rich natural resources and send them over the border. Kachin State is “like an egg, inside the liquid is all gone, drained by China,” said Steven Naw Awng of the Kachin Development Networking Group (KDNG), a civil society group based in Myitkyina, the capital of Kachin State. “We have no benefits,” he added, “and the resources are all gone.”

Other major Chinese investments also came under scrutiny. In late 2012, demonstrations erupted at a Chinese copper mine at Letpadaung in central Burma, run by China’s Wanbao Mining Co. in partnership with the military-linked Myanmar Economic Holdings Limited, and it too was suspended; when anti-mine protesters gathered outside the Chinese embassy in Rangoon, one banner read, “This is our Country—Dracula China Get out!”<sup>8</sup> Investment

from China fell. The government canceled a planned railway line from Yunnan, and backtracked on other ventures. After the NLD government took power, Yan Myo Thein, a Rangoon-based political analyst, said that for the Chinese government there was no going back to the way things were before. "They need to initiate reforms on doing business in Myanmar and engaging with the new government," he said over sweet Burmese tea on a sodden wet-season afternoon in the former capital. "They have to consider new strategies, new methods."

The rapid political changes in Burma threatened to disrupt what was perhaps China's most important strategic relationship in mainland Southeast Asia. For years, Burma's natural resources—particularly timber, natural gas, minerals, and jade—had flowed uninterrupted into China. Its 2,200-kilometer shared border, curling through some of the remotest parts of Asia, was vital to the security of southwestern China. Just as important as the country itself was what lay beyond. For more than three decades, Chinese thinkers had seen Burma as "China's California": a proxy for the western coast that it lacks.<sup>9</sup> As the most direct link between Yunnan and the sea, Burma was vital to China realizing two long-standing goals: opening its poor inland provinces to trade, and gaining unfettered overland access to the Bay of Bengal and the Indian Ocean.

This strategic goal was present in Chinese thinking as early as 1985, when a two-page article appeared in the official *Beijing Review*, titled "Opening to the southwest: An expert opinion." In the article, Pan Qi, a former Chinese vice minister of communications, argued for the construction of a network of highways connecting Yunnan to railways and river ports in Burma. These would provide a vital outlet for Chinese exports, and give landlocked Yunnan "more than one avenue to the outside world."<sup>10</sup> Pan's vision later helped address concerns about China's increasing reliance on imports of oil and other goods through the Straits of Malacca. Here, too, Burma was pivotal.

China's ambitions in Burma were symbolized by the construction of a large monument in 1993 in the Chinese enclave of Jiegao, just across from a bridge leading to the town of Muse in northern Shan State, the main gateway of trade between the two countries. The monument depicted four Chinese figures wheeling a large circular object, eyes narrowed and chiseled faces pointed determinedly to the south. At the base of the monument were six Chinese characters that read, "Unity, Development, Forge Ahead!"<sup>11</sup>