

## **GEOPOLITICS TOWARDS THE BORDER OF THAILAND AND LAO PDR: A CASE STUDY OF MUKDAHAN – SAVANNAKHET SPECIAL ECONOMIC ZONE**

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### **Abstract**

The objective of this study was to present the geopolitics between the border of Thailand and Lao PDR in the special economic zone of Mukdahan, Thailand; and Savan-Seno, Lao PDR. This paper is a part of the Tourism Development Model towards Thai – Lao: Case Study of Nakhon Phanom-Khammouan-Mukdahan-Savannakhet-Seno Special Economic Zone. The Author used geopolitics as the main analyzed concept to indicate that to be a border town nowadays does not overshadow the government role. The role was changed to support capitalism in neoliberal globalization that necessarily affected the daily life of both Thai and Lao people.

**Keywords:** geopolitics, border town, neoliberal globalization, daily life

### **1. INTRODUCTION**

Geopolitics was from a period of time in the West before the World War II. The concept focused on political power in relation to geographic space. The territory and border was important to the states to spread their territory and protect it for their security so that they did not see the dynamics border areas between the states. The stereotypical view of the state boundary was heavily criticized in the later period and the geopolitical concept was significantly reduced. Nevertheless, geopolitical ideas were dusted again after the word ‘Globalization’ and ‘Neoliberalism’. As a result, the state and the capital work together to produce a differentiated economic propulsion system. (Jittipat Poonkham, 2017: 10)

After World War II, the changing context of global society had changed the significance of the borders of each country in Southeast Asia from a non-modified area to a migrant workers area. Each state's role required the establishment of a supervisory and mechanism system. But the other side was the process of opening a specific area to support international trade and investment as examples of the emergence of special economic zones on the border of Thailand - Burma-Laos- Cambodia-Vietnam. (Sommai Chinnak, 2013: 63-65)

When the special condition occurred, it is a condition that some groups called the exception that the state has the power to regulate and let the state and the capital act as

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prescribed by law. (Piyabut Saengkanokkun, 2013: 84) In particular, the author would like to present the exception area in Thai-Lao special economic zone. At present, international geography has been modified to facilitate trade, investment and traveling route. As in Lao PDR, modern technology from China has been drilled through the mountain to create the Chinese-Lao railway to That Luang special economic zone, Vientiane, Lao PDR according to China's One Belt One Road policy. In addition, the Lao government has granted permission to foreign investors in the various districts. As in the case on Savan-Seno special economic zone, the Lao government gives Malaysian investors authority to manage trade and investment in this special economic zone.

From the effects of the economy in Lao PDR, the Thai government has responded to the changes that occur in the region with a plan to build two more Thai-Lao Friendship Bridges in the northeast of Thailand: the fifth friendship bridge in the area of Bueng Kan-Bolikhamsai, and the sixth friendship bridge in the area of Ubon Ratchathani-Salavan. In addition, besides the bridges, the Thai government also has a policy to develop a double track railway to the Northeast. Moreover, there is the development of the road network in the Northeast that will be able to link the provinces along the Mekong River from Loei, Nong Khai, Bung Kan, Nakhon Phanom, Mukdahan, Amnat Charoen and Ubon Ratchathani. In other words, this creates a new geopolitics to drive the special economic zones in the Northeast, which the government announced that Nong Khai, Nakhon Phanom and Mukdahan provinces are special economic zones in 2015. As a result, the provinces became the specific areas that allowed the capital system to move more conveniently.

The author shows the geopolitics between Mukdahan province of Thailand and Savannakhet district of Lao PDR since they are the East-West Economic Corridor (EWEC) of Thailand and Lao PDR. The key elements are:

1. Factors that affect the emergence of new geopolitics along the Thai-Lao Mekong River: This section presents The Greater Mekong Sub-region Initiative and the results of the previous action plan. It then presents the one belt one road policy of China and the special economic zones of Mukdahan, Thailand, and Savannakhet, Lao PDR. It will be concluded that these important factors have created new geopolitics for the border provinces along the Mekong River especially Mukdahan province.

2. Characteristics of new geopolitics at Mukdahan - Savannakhet border: This key element will expand the section from the first key element by offering the information on trade and investment, capital movement, policy adjustment to facilitate investment, and Tourism development including the state's role adjustment to attract foreign investment in both Mukdahan and Savannakhet. This indicates the development and impact of the Mukdahan Special Economic Zone to reflect on the tourism development in Mukdahan area.

3. Conclusion: in his section, the author will propose that the Mukdahan special economic zone is not progressing as planned unlike the Savan-Seno special economic zone with continuous development. However, the author will conclude that the context reflects that both Thailand and Lao PDR apply neoliberalism to maintain the centralized state administration without letting local governments and local people bargain to share their decision-making power.

## 2. FACTORS THAT AFFECT THE EMERGENCE OF NEW GEOPOLITICS ALONG THE THAI-LAO MEKONG RIVER

The important factor that makes the provinces along Mekong River in the northeast of Thailand and districts in Lao PDR are more closely related to creating the economic cooperation, society, culture and politics in many ways, and it becomes a new geopolitical area along Mekong River, which is the Greater Mekong Sup-region Initiative (GMS), a project initiated by the Asian Development Bank (ADB). It is a program of technical assistance to develop networking between 6 countries, including China, Laos, Myanmar, Thailand, Cambodia and Vietnam, which was later known as the Greater Mekong Subregion.

As a result of the GMS program since the 1990s, many projects have been underway; especially for the development of road infrastructure and international bridges. The crossing of both people and goods is more than the past. At the end of 2009, there were 44 projects worth 11 billion dollars. These are budgeted by governments to invest in development.

In several projects occur. There is a significant project that delivers high-impact to countries. The Greater Mekong sub-region economic corridor is a project that creates land transport to link trade and investment between groups of countries. Almost every route pass through Thailand: the first route is the North-South Economic Corridor that connects southern Yunnan and Southeast Asia, the second route is the East-West Economic Corridor that is from Vietnam through Thailand to Burma, and the third route is Southern Economic Corridor that connects Thailand, Cambodia and Vietnam. (Sommai Chinnak, 2013: 66-67)



Figure 1: Route of East-West Economic Corridor

In addition, Geopolitics of Thai – Laos’s border is caused by the economic policy of China. In 2015, The Chinese government has announced a vision and guideline for driving the construction of the Silk Road and Maritime Silk Road economic zones in the 21<sup>st</sup> Century to strengthen cooperation in transport and economic with Southeast Asia, South Asia, as well as, Europe and Africa. From the concept, China has pioneered the expansive diplomatic, development by its high-speed trains. By the end of January, 2015, China's import and export banks had subsidized 13 billion dollars to the projects, which are 35 projects that export supplies to build the railway outside the country. These allocate budgets to connect with countries in accordance with the one belt one road project of China. (Yi Yuan, 2008: 7)

In Southeast Asia, Lao PDR is the country that China invests and supports the development of infrastructure with greater investment especially the development of China-Laos railway. A joint development took place in October, 2016, in Lao PDR. An agreement was signed between the Ministry of Public Works and Transport of Lao PDR and the Ambassador of China to Lao PDR in order to build railway in Laos under the supervision of a Chinese company. The construction of the railroad is valued at 6

billion dollars with a certain distance of 427 kilometers and expected to be completed in 2021. The railway track is a size of 1.435 meters. There are 33 stations, 72 tunnels and over 170 bridges required. Passenger trains run at 160 km/h while freight trains run at 120 km/h. The railroad in Lao PDR will connect to Thailand. It is part of the railway line that connects throughout the region, called the Kunming-Singapore Railway. It covers a total distance of about 3,000 km. the groundbreaking ceremony took place in Vientiane in December, 2015, to celebrate the 40th anniversary of the founding of the Lao PDR. China-Laos railway project is related to One Belt One Road initiative by Mr. Xi Jinping, the President of China, with the hope that the implementation of One Belt One Road will result good bonding and cooperation between China and the Lao PDR as well as ASEAN and China. Laos Government focuses on the project on railway construction saying that it is an opportunity to change Lao PDR from a landlocked country to a land linked country and attract foreign investment and tourists to the country. (Lao Phatthana Newspaper, March 22, 2018)

In Thailand, the Thai government has started to carry the special economic zone forward to support the economic changes that have occurred in Lao PDR. It has been found that there are 3 special economic zones in the Northeast: Nong Khai, Nakhon Phanom and Mukdahan. There is the process of issuing investment rules to persuade investors to invest in special economic zones. The special economic development committee has been appointed to carry out the solid development in promoting the benefits of investment, One-stop service, Establishment of measures to support the use of alien workers and the development of infrastructure and customs facilities in the area in order to be able to support activities

in special economic zones and link in the region effectively.

Those mentioned factors above have changed the look of the border towns in the past from a remote area with no facilities and large investments to become the current border town opposite from the past. The border town as Mukdahan is now the place of the 2nd Friendship Bridge, which is linking Thailand to Laos. It is the way of the transit, and a passage of people and migrants.

### **3. CHARACTERISTICS OF NEW GEOPOLITICS AT MUKDAHAN-SAVANNAKHET BORDER**

After all the factors mentioned above, new geopolitics has been created in Mukdahan and Savannakhet. As a result, Mukdahan and Savannakhet changed in many aspects, such as cross-border trade, capital investment and relocation, policy adjustment to facilitate investment, tourism development and the government's role adjustment: regulate to attract foreign investment to both Mukdahan and Savannakhet.

In the case of cross-border trade, the new geopolitics affects the trade of Thailand-Laos. The value increases as the data in 2017: Mukdahan Governor's Office claimed that in the first 11 months of the year (January-November), the trade value of Thailand - Laos increased by 0.98 percent, totaling 185,171.82 million baht, compared with the same period last year worth 183,380.55 million baht. The top export goods in Thailand are: Diesel fuel, cars and other industrial products. The top imported goods from Lao PDR are Electric power and copper. Mukdahan has a border trade worth at 62,053.45 million baht, and cross-border trade valued at 49,690.74 million baht.

The data show that the new geopolitics of Mukdahan have increased international

trade value. This is one of the factors that the Thai government is referring to as a justification for creating a special economic zone. However, when the investment characteristics of Mukdahan and Savannakhet are considered, it is found that Savannakhet has invested in special economic zones rather than Mukdahan because the Savan-Seno special economic zone has better investment rights than Mukdahan. Investors can invest their money. There is the Office of Savan-Seno special economic zone to support about the contract documents. These can be made within 5 working days since the government of Laos has given the power to the executive of the economic zone can decide to invest immediately. (Tee Chee Seng: Interview, 2018) This is very different from the Mukdahan special economic zone, where the power of decision is still at the special economic development committee. This is an important factor that delayed the development of the Mukdahan special economic zone. In addition, the city plan to invest is still in the planning process. On May 22, 2018, The Government organized a forum to listen to the opinions of people and entrepreneurs. The comments in the forum will be brought to change the city again. The unfinished process is another factor that delayed the implementation of the Mukdahan special economic zone project. The problem of urban planning is consistent with the investment decisions of investors because they are not confident in the government and the obvious time to proceed with the investment. Mukdahan special economic zone also has problems with land prices. The price of land in the area declared as a special economic zone is more expensive. As a result, investors have not decided to invest in Mukdahan. (Sajja Wongkittithon: Interview, 2561)

This situation has the opinion of scholars who have studied in Mukdahan and found out that it comes from the problems and obstacles associated in the law and the benefits of investors who are still centrally-located in the local state, such as provincial administrative organizations, municipalities or provincial offices that cannot be self-regulatory because of the status of the Office of the Prime Minister on special economic zone in 2013. It did not specify the details of authority to local authorities can decide by themselves. Local laws are less legitimate than other laws related to the establishment of special economic zones such as land law, environmental law, and investment promotion law. The local authorities cannot decide. (Sompong Sirisoponsilp and followers, 2015)

For Infrastructure development, Mukdahan province has developed a solid infrastructure, which is the development of a route linking Ubon Ratchathani - Amnat Charoen - Mukdahan - Nakhon Phanom. This will make the transportation more convenient.

Route no. 212 is a road that links the provinces along the Mekong River in the Northeast from Ubon Ratchathani through Amnat Charoen - Mukdahan - Nakhon Phanom - Bueng Kan - Nong Khai – Loei. It is a major tourism development along the Mekong River in the Northeast. Nowadays, the development of the road from Ubon Ratchathani to Mukdahan has been developed as a four lane road. It passes through the Mukdahan province to the junction to Wan Yai district. It is a developing point, changing from 2 lanes to 4 lanes, and there is a three-way intersection which leads to Sakon Nakhon province within 60 kilometers. The traveling from Mukdahan to Nakhon Phanom is more convenient because it is a 4-lane road from

That Phanom district to Nakhon Phanom province. It takes less than 40 minutes to travel.



*Figure 2:* Route no. 212 (Ubon Ratchathani – Mukdahan – Nakhon Phanom)

About the Infrastructure development of Savannakhet, there is the development of the road structure from Savannakhet city along the R9 route linking to Vietnam, including the development of road no. 13 in downtown Savannakhet, which is the main road that connects the north of Laos to the south of Laos, ending in Champasak district. Nowadays, road no. 13 has been improved. There is a street lighting system. This is a development of facilities to facilitate the journey of people and goods. However, the development of Savannakhet's infrastructure is still limited, especially the route along Mekong River. If you look at the development of tourism that links Thailand-Laos along the Mekong, the delay in the development of Lao infrastructure is one of the factors contributing to the delayed development of the cooperation between provinces and districts along the Mekong river.

For tourism development, the tourist attractions in Mukdahan are improving, such as Phu Manorom temple and Nouhak museum. Some is under improvement, such as Kaeng Kabao, a tourist attraction in the

special economic zone, Don Tan district. The district is one of the areas designated as special economic zones, forest conservation areas, and BOI-supported. Tourism development has not been affected by the economic crisis. Factor that has not yet been affected is the investment in the special economic zone of Mukdahan is delayed. For example, the industrial estate asks for a large area of about 426.87 acres in Kham A Huan sub-district for investors. However, it appears that there are no investors asking for that. These reflect that the tourism sector in Mukdahan special economic zone has not been affected by the announcement of the Special Economic Zone. However, in the tourism sector of the province, tourism has been developed to create new tourism activities. As in Don Tan, the historical and environmental attractions of the district are being promoted, such as the Princess Mother Park. It was the stronghold of the Thai army in the struggle with the Communist Party in 1977-1981. It was the residence of Princess Srinagarindra and it was the military operations of General Prem Tinsulanonda in hundreds of acres. At present, Don Tan district has a plan to develop it to be a tourist attraction. The community is organized to divide the area responsible for each unit to develop tourist attractions, including planting trees, location improvement, hoping that it will be a new tourist attraction in Don Tan district. It can attract tourists from the province of Mukdahan and neighboring provinces to visit and stay in Don Tan. (Nopporn Sangkampra: Interview, 2018)

In addition to Princess Mother Park, there is a Dong Son drum in Don Tan district as an attraction. Visitors can take photos and see details. If tourists are not aware of local history, they may come to visit but do not understand the significance of the drum because there are no local guide and

information. It is one of the weaknesses of tourism development in Don Tan District. There is no label presenting the current information. The author went on a fieldwork and found the sign of Tourism Authority of Thailand “a group of fun” but it was damaged and not updated. Along the road 2034 before entering the city of Don Tan, there are important natural attractions of Mukdahan. Phu Pha Thoep National Park The park is characterized by the appearance of rock, the visitors are shown the beauty of nature. Traveling to Phu Pha Thoep National Park requires a guide to educate tourists. From the fieldwork, the author found that the park has prepared staff to provide knowledge and photography services. According to the interviews, the park has a concept to develop a bike trail linking Phu Manorom temple. The temple is located near the park and the route is preliminary. It is a mountain bike route that connects the Phu Pha Thoep to the area of Phu Manorom temple.

#### **4. TOURIST ATTRACTIONS IN MUANG MUKDAHAN DISTRICT**

The road no. 3015 is a road along Mekong River. Mukdahan has developed a standard route for public transportation from Muang district to Wan Yai district. It is easy to Travel to That Phanom district, Nakhon Phanom province. There are a number of important tourist attractions along the road, such as historical sites "Museum of Nouhak Phoumsavanh", a former President of Lao PDR. There is a story that his hometown was in Mukdahan. There was an investigation of the traditional pillars of the house and found that was his home. Subsequently, the province has begun to coordinate with his family in Thailand a Lao PDR to develop the house into a museum and it was opened in

2017. Inside the museum, there is a story the history of Mr. Nouhak. There is a flower garden around the museum, and scenery of Mekong River. Not far away from the museum, there is an attraction along the Mekong River commonly held during March and April of each year called "Manopirom Beach", a sandy beach along the Mekong River in the dry season. It can be a tourist attraction for swimming and picnicking. The author found that there are mostly Thai visitors. It is easy to travel there but there are some problems in trafficking because there is only a small road to the parking lot. It might cause an accident by drunken tourists.

#### **5. TOURIST ATTRACTIONS IN WAN YAI DISTRICT, MUKDAHAN**

Along the road no. 3015, there is a significant attraction of Mukdahan which is “Our Lady of the Martyrs of Thailand Shrine”. It is a Christianity attraction about the history of people in Wan Yai district. It is a sandstone shrine that has been recognized to its beauty. It is suitable for tourists who are interested in learning the integration of the belief between Isan and Christianity. The caretaker said that in the marriage ceremony of the people, even it was held in a Christian ceremony but there is also a traditional northeastern ceremony. Nowadays, museums are built to store traditional tools for the people who come to pay homage or to learn about local history. Wan Yai district is also the location of the "Kaeng Kabao", the natural attractions that presents the characteristics of the rapids along the Mekong River. Tourists can go down to the rapids and go rafting. The rapids can be seen clearly in April. Kaeng Kabao is not only known for an attraction, but it is also known

for a great barbecued suckling-pig. During 2016-2017, Kaeng Kabao was funded to make the scenery more beautiful, such as the viewpoint of the Mekong River, the statues of ancient tribes in Mukdahan, including an exercise area for the general public and tourists.

For traveling in Savannakhet, the author travel for information collection. According to the interviews, the district has explored new tourist attractions but there is no budget for the development of facilities. The district also offers important tourist attractions such as the Dinosaur Museum, the famous historical attractions in Savannakhet. It shows traces of the appearance of largest creatures in the world, and the ability of Lao and French archaeologists that found such many traces and evidences. There is also a museum in Savannakhet, located in a French-style building. Inside the building, there are stories and events about Indochina War and Liberation War. It tells the story of the past of the heroic struggle of Laos who jointly fought to expel Japan, France and the United States. There is a religious attraction, which is Phra That Ing Hang. It is about 13 kilometers from the city along the road to Ban Phonsim. Phra That Ing Hang is the twin relics of Phra That Phanom in Thailand. There are the relics inside. It was restored during the era of Lan Chang Kingdom and French colony.

In summary, the geopolitics of the border city of Mukdahan and Savannakhet affects trade, investment and tourism. The power of the state and capital is an important factor in creating a new geopolitics for the store business, business services, and household expenditures. According to the fieldwork, the author found that the daily spending of Mukdahan people is still high. The National Statistical Office reported that the 99,556 households have a high cost of living at 17,021 baht per month, even if they

are entering the labor force of the 15-year-olds. The number of the labor force increased from 2015 since the announcement of the special economic zone from 10,345 to 23,843 people in 2017. This means each household has members to earn money for their families. However, when considering household debt compared with the average of the country's average of 177,128 baht per household per year, it was found that households in Mukdahan had a high debt burden, like the households in other provinces. Based on the statistics provided by the author, it is important to understand that the new geopolitical economic state of Mukdahan is an important factor in the evacuation of the labors. At the same time, there are more migrant workers in the province. However, some migrants are not legally registered, especially the case of the migration of Lao workers who come to work in Thailand. The Thai government has made it possible for workers to register legally. However, the results of the study indicate that labor registration remains limited. The number of registered workers is small and the process takes time. This reflects the fact that the transition to the Mukdahan and Savannakhet special economic zones does not create much value for the people of Mukdahan and Savannakhet.

## 6. CONCLUSIONS

In conclusion, this article suggests that the special economic zone of Mukdahan has not progressed as planned. One caused by the issuance of regulations is still being determined centrally. The Thai government has not been flexible in the rules and regulations. So, the local authority in Mukdahan special economic zone has not yet come to fruition, unlike the Savannakhet Special Economic Zone With continuous

development. Lao government delegates decision to entrepreneurs. It empowers investors to make decisions and make promissory notes under the management authority of the special economic zone. This difference reflects the flexible characteristics of Neoliberalism between the two cities, but it has changed to the selected plurality of power. There are different types of variations as appropriate to the economic characteristics and political society at that time. As in the case of the special economic zone of Thailand and Laos, they use their own power to support the management of elite authority. In Thailand, the power of special economic zone management is stuck to the central. Lao PDR gives full power to executive authority.

This kind of power affects the development of the area and the way of life of people. However, the impact in some areas does not happen quickly, for example: in the tourism of Mukdahan province that the author presented in this article. The study of the border shows that tourism in Mukdahan special economic zone is only counted to be a special economic zone that looks light, not too harsh. Due to the large dimension of trade and investment. One of the experiences of the state found that when the state has a policy to support capitalism, it is often opposed by a number of people. It is often opposed by a number of people. They are scared of the consequences. However, on the issue of tourism in Mukdahan special economic zone as the author has suggested, the present is not affected by the special economic zone. The key condition is: Mukdahan special economic zone has not been able to fully implement the plan, which means that no investor has submitted an offer to invest in the area.

In academic terms related to geopolitical concepts, the author suggests that the academic study in the border of Mekong needs to be more interested in studying the

changing landscape of the state, in particular, the policy of South China. It has a great influence on the Lao government. This will affect Thailand inevitably in the near future. In addition, in terms of academic analysis, understanding the neoliberal of The Mekong Basin in Isan-Lao, the author concludes that the scholars in the Isan study group requires the analytical space and the exchange of knowledge to present the main characteristics of the new state authority that does not reject capitalism but modify and shape to serve as part of a fully capitalist system.

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## **INTERVIEW**

Mr. Tee Chee Seng, General Manager of  
Savan Seno Special Economic Zone  
[interviewed: June 4<sup>th</sup>, 2018]

Mr. Sajja Wongkittithon, President of the  
Mukdahan Tourism Industrial  
Association [interviewed: June 4<sup>th</sup>,  
2018]

Mr. Noppon Saengkhampra, Permanent  
Secretary of the Administrative  
Organization of Don Tal [interviewed:  
April 20<sup>th</sup>, 2018]