

**The Development of Border Regions in Southeast Asia:
Cross-border Trade in the Vietnam-Lao PDR Border Areas**

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**A thesis submitted for the degree of Master of Philosophy of
The Australian National University**



THE AUSTRALIAN NATIONAL UNIVERSITY

2016

Declaration of Originality

This thesis is the original work of the author
Except where due reference is made in the text of the thesis

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Acknowledgements

First and foremost, I would like to thank God, Allah Ta'ala, for all His grace and blessing during my journey of M. Phil study. However, I would not have endured without the help, prayer, support, and encouragement of various people and institutions. To them I am deeply indebted. Firstly, I am truly indebted for the kindness, support, guidance, and continued advice I received from my supervisory panel, especially Doctor Li Tana as chair of my supervisory panel during my study at the Australian National University. Similarly, I am thankful for support, supervision, and advice from Doctor Philip Taylor as well as from my advisor, Professor David Marr

Secondly, I could not complete this thesis and my M. Phil journey without the help of many other people and institutions during the gathering of field data in Hanoi, Quảng Trị capital of Đông Hà City, and Lao Bảo. I would like to sincerely thank to Professor Minh of University of Social Sciences and Humanities, Vietnam National University, for his help in obtaining research visa and as host institution. Similarly, I would also thank Sriotide Marbun for his help and kindness to provide me a homestay during in Hanoi. I am thankful also to Đào Thị Hằng and Giang Beo, as well as Mr. Lê Hữu Thắng, previous president of Vietnam-Lao Friendship Association, for their assistance during my research in Đông Hà and Lao Bảo. Without their support, my fieldwork would have been very difficult. Thirdly, I would also like to thank my colleagues at the Australian National University: Gita, Andrey, Erna, and Kiki for their support and encouragement during this study. I wish also to thank Maxine McArthur for her help to proofread my thesis.

Most importantly, I thank my parents, Amat Samsidi and Ponijem, as well as my siblings: Rajimin, Wartini, Sugiyati, Sunarjo, Sri Lestari, Karmidi, Rumiyyatun, and Wiwik Suryani for their prayers, support, and encouragement during my study. Finally, this study would not have been possible without financial support from the Ministry of Research and Technology, the Republic of Indonesia. I was awarded the Riset-Pro scholarship which allowed me to pursue this study.

Lamijo

ANU

February 2016

Abstract

The thesis examines the Lao Bảo-Dansavanh cross-border trade and economic activities in the Viet – Lao border areas. For thousands of years the Lao Bảo area has long been a knot in regional trade and saw violent see-saw battles during the US War period.

After the end of the Cold War in 1990s, there was new a perspective on how to develop the border not only in the context of conflict resolution but also in terms of regional economic development and integration among the bordering countries in Southeast Asia. Several concept of the economic joint development has become popular in the discussions about the border regions in Southeast Asia since the 1990s, such as *growth triangle*, *growth areas*, *development triangle area* of Cambodia-Laos-Vietnam (CLV), and Greater Mekong Subregion Economic Cooperation Program (GMS-ECP). As a result, borders are once again not viewed as barriers to the relations between bordering nation states but instead; borders are zones of contacts, economic development and cooperation. The implementation of *Đổi mới* policy in 1986 and GMS-ECP in 1992 played an important role to the development of Lao Bảo- Dansavanh cross-border areas. The development of Lao Bảo cross-border areas is a result of several cross-borders joint projects launched by GMS countries since 1990s, such as the Cross-border Trade Agreement, the East West Economic Corridor, and the Lao Bảo Special Economic and Commercial Area. These agreements brought livelihood to thousands of has benefited not only to the traders, porters (kéo hàng), money changers (đổi tiền), entrepreneurs, and speed up movement of goods, people, and services on both sides of the border.

This study focus on the local ethnic groups at the border, namely the Vân Kiều, Pa Kô, and Kado, who have participated the border economic activities. The benefits and opportunities have not been evenly distributed. These people engage in a lower economic chain, such as motor cycle taxi driver (Xe ôm), porters (kéo hàng), and small traders selling unprocessed crops at low price. They seem to be excluded from taking larger profit of border development. While border development has boosted the growth of both cross-border trade and economic activities, this benefit is less than equally distributed among local peoples.

Keywords: Border development, regional cooperation, cross-border trade, Lao Bảo.

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Abbreviation and Glossary

<u>Abbreviation</u>	<u>Description</u>
ADB	: Asian Development Bank
AEM-MITI	: ASEAN Economic Ministers-Ministry for International Trade and Industry
AMEICC	: AEM-METI Economic and Industrial Cooperation Committee
ASEAN	: Association of Southeast Asian Nations
ASEAN-METI	: ASEAN- Ministry of Economy, Trade, and Industry
BEZs	: Border-gate Economic Zones
CBTA	: Cross Border Transport Agreement
CBTI	: Cross Border Transport Infrastructure
CLV	: Cambodia, Laos, Vietnam
EPF	: Electric Power Forum
EWEC	: East West Economic Corridor
GMS	: Greater Mekong Subregion
GMS-BF	: GMS Business Forum
GMS-ECP	: Greater Mekong Subregion-Economic Cooperation Program
GWA	: Working Group on Agriculture
JICA	: Japan International Cooperation Agency
NEM	: New Economic Mechanism
NSEC	: North South Economic Corridor
PDR	: People Democratic Republic
SEC	: South Economic Corridor
SECA	: Special Economic and Commercial Area
SEZs	: Special Economic Zones
SIWG	: Subregional Investment Working Group
SLORC	: State Law and Order Restoration Council
SS1	: Single Stop Inspection
STCF	: Subregional Telecommunication Forum
STF	: GMS Subregional Transportation Forum
SWI	: Single Window Inspection
TWG	: GMS Tourism Working Group
VND	: Vietnam Dong
WGE	: Subregional Working Group on Environment
WGHRD	: GMS Working Group on Human Resource Development

<u>Glossary</u>	<u>Description</u>
<i>Anh</i>	: Older brother
<i>Bánh ít or bánh gỏi</i>	: A kind of steamed cakes that made from black sticky rice flour with green bean inside
<i>Bánh mì</i>	: Bread
<i>Bánh râm</i>	: A kind of traditional cakes that made from glutinous rice flour filled with green or red bean inside and sprinkled with sesame seeds
<i>Bún</i>	: Noodle
<i>Cà phê đen</i>	: Black coffee
<i>Cháo</i>	: Porridge
<i>Chị</i>	: older sister
<i>Chú</i>	: Uncle
<i>Con dúi</i>	: Kind of forest rodent
<i>Con sóc</i>	: Squirrel
<i>Đá vôi</i>	: Limestone
<i>Đánh bài</i>	: Play card (with or without money bet)
<i>Đổi Mới</i>	: Renovation (is the name given to the economic reforms initiated in Vietnam in 1986 with the goal of creating a "socialist-oriented market economy")
<i>Đổi tiền</i>	: Money trader
<i>Em</i>	: Younger brother or sister
<i>Gạo nếp</i>	: Sticky rice
<i>Hạt hướng dương</i>	: Roasted sunflower seed
<i>Hạt me</i>	: Tamarind seeds
<i>Hội</i>	: Club, Association
<i>Hội Truyền Thống</i>	: Tradition Association
<i>Kéo hàng)</i>	: Porter
<i>Khu Kinh Tế Mới</i>	: New Economic Zones
<i>Mang khô</i>	: Dried young bamboo
<i>Người buôn bán</i>	: Trader
<i>Nhà khóm</i>	: Village hall
<i>Nước mắm</i>	: Fish Sauce
<i>Phở</i>	: Vietnamese noodle soup
<i>Siêu Thị Miễn Thuế</i>	: Duty free
<i>Thiên Niên Kỷ</i>	: Millennium
<i>Trà xanh</i>	: Green tea
<i>Ủy Ban Nhân Dân</i>	: People's Committees
<i>Xe ôm</i>	: Motor cycle taxi driver
<i>Xe tải</i>	: Truck
<i>Xôi</i>	: Steamed sticky rice (mixed with peanut).

Chapter 1 Introduction

1.1 Background

Border study in Southeast Asia has been given much attention by scholars particularly after the end of the Cold War. This cannot be separated from the general trends which have already occurred in Southeast Asia, particularly after the emergence of modern states. In the past, traditional states in Southeast Asia were determined by their centers and not often by their peripheries. Centre-periphery discourse was a prominent model of hierarchical concept in relationships between centre and peripheries.¹ On the one hand, politically, traditional rulers claimed border areas as a part of their domain, even though an exact or fixed territory did not exist in practice. On the other hand, border were frequently a focus of imperial rivalries based on commercial concern, such as enforcement of trading monopolies based on border agreements. In the colonial era, almost no attention was given to border regions in terms of how the border should be developed. It was merely for maintaining the boundaries of colonial empires among the imperial powers as well as intentions of colonial rivalry. It can be seen how colonial powers, especially France, Great Britain, and the Netherlands, enforced the concept of territorial modern state in Southeast Asia.²

The issue of border regions has become important in Southeast Asia particularly due to geopolitical developments in relation to transboundary transportation networks. Historically, borders in Southeast Asia were often grey areas where people living there did not concern themselves seriously over the borderlines that politically might separate them. This traditional perspective of borders was very common in Southeast Asian countries in the past. As Yoosuk says, the traditional concept of boundaries viewed that “boundaries are not necessarily delineated on the map or clearly marked on the ground, but it ended where its population lived”.³ This traditional view clearly differs from Western concept of borders by which borders have to be depicted on the map as well as marked on the ground, not based on where the population lived. It is not surprising borders in Southeast Asia countries are

¹ Andrew Walker, *The Legend of the Golden Boat: Regulation, Trade and Traders in the Borderlands of Laos, Thailand, China, and Burma* (Richmon Surrey: Curzon, 1999), pp. 5-6.

² David Lee, “Historical Survey of Borders in Southeast Asia”, in James Clad, Sean M. McDonald, and Bruce Vaughn (eds.), *The Borderlands of Southeast Asia. Geopolitics, Terrorism, and Globalization* (Washington: National Defence University Press, 2011), p. 59.

³ Ubonwan Yoosuk, “The Preah Vihear Temple: Roots of Thailand-Cambodia Border Dispute” in *International Journal of Asian Social Sciences*, Vol. 3, No. 4 (2013): 921-929.

generally the result of the development of a modern nation state.⁴ James Clad stated that borders in Southeast Asia almost emerged from deals between the colonial powers. He explained that among Southeast Asian countries, only Thailand defined its borders from a local perspective to retain its boundaries from French Indochina and British Burma's expansionist pressures.⁵ As Tongchai points out, asserting border in Thailand (in this case by the Siamese court) was not only a Bangkok matter but it was a local people's matter as well. This means that Siam defined their boundaries based on their own perspective as a kingdom. As a result, Siam did not follow the modern boundary brought by colonial powers which aims to keep colonial powers.⁶ However, even though Siam still preserved its local concept on boundaries, in 1904 Siam and France, as Cambodia's rulers, agreed to form a joint commission to demarcate their borders. As a result, the official borderlines between France and Siam were established in 1907.⁷

The rapid flow of globalization, together with economic growth in the newly industrialized countries in Southeast Asia, makes it important to understand transnational trading. It is not easy to manage and to develop borders region, so that the active participation among bordering countries is very important. Although tensions often emerge in border regions, such as the Cambodia-Thailand dispute on Preah Vihear temple, still unsolved,⁸ the endeavours of trying to find a solution to allow people to live side by side in harmony both socially and economically have never stopped. It is not surprising therefore that there is now a new perspective on how to develop the border not only in the context of conflict resolution but also in terms of law enforcement, social and cultural empowerment, and regional economic development and integration. Several concepts of the economic joint development have become popular in the discussions about the border regions in Southeast Asia since the 1990s such as *growth triangle*, *growth areas*, and *development triangle area* of Cambodia-

⁴ In Southeast Asian countries, borders of modern nation states "were established" by colonialists. In mainland Southeast Asia, for example, British and France agreed to create clearly demarcated systems of borderlands for their colonial possessions. In addition, France and the Dutch also came to an agreement, by the Treaty in 1871, to bisect the Straits of Melaka separating those two colonial territories. See Eric Tagliacozzo, *Secret Trades, Porous Borders. Smuggling and States along a Southeast Asian Frontier, 1865-1915* (New Haven and London: Yale University Press, 2005), p. 29.

⁵ James Clad, "Delineation and Borders in Southeast Asia", in *The Borderlands of Southeast Asia: Geopolitics, Terrorism, and Globalization*, edited by James Clad, Sean M. McDonald, and Bruce Vaughn. (Washington: Defense University Press, 2011), p. 4.

⁶ Tongchai Winichakul, *Siam Mapped. A History of the Geo-Body of Nation*. (Honolulu: University of Hawaii, 1994), p. 64.

⁷ Ubonwan Yoosuk, "The Preah Vihear Temple: Roots of Thailand Cambodia Border Dispute," P. 923.

⁸ During 2008-2011 the dispute on Preah Vihear temple located on the two countries' border erupted into violence, resulting in loss of life and severe injuries for people on both sides. See Ubonwan Yoosuk, p. 922.

Laos- Vietnam (CLV). They appeared out of a common belief that economic growth and development will lead to positive development as long as those bordering countries concerned support the regional economic development.⁹

Not surprisingly disparities exist amongst people who reside in the border areas. Within the Vietnamese – Lao relationship, for instance, there is significant difference in terms of economic activities between the Vietnamese and Lao. This can be seen on the Vietnam – Laos border, especially in Lao Bảo (Vietnam) and Dansavanh (Laos), where hundreds of Vietnamese and Lao cross the border daily to both sides for a better income through work in informal sectors such as in restaurants, money trading and construction.¹⁰ Although on both border sides the trade activities are very active, Vietnamese traders seems to be more dominant. Only few Lao traders cross to Lao Bảo side to sell local vegetables, fruits, rice, and beans. Conversely, there are many Vietnamese traders doing trade in Lao side, especially in Karon market (see chapter 4).

Borders in Vietnam have been developed as a result of the economic policy called *Đổi Mới* or ‘Renovation’¹¹, launched in 1986. After the implementation of *Đổi Mới* policy, Vietnam has made impressive economic development. *Đổi Mới* definitely was a pivotal turning point in the contemporary history of Vietnam. *Đổi Mới*, in fact, has become a milestone for changing the international view of Vietnam, from a country of civil war to a country with remarkable economic development.¹² Thanks to *Đổi Mới* policy, as Le Dang Doanh outlined, Vietnam has successfully coped with economic crisis, alleviated poverty significantly, stabilized its macro-economic situation, and achieved the highest and most sustainable growth rates since the war ended in 1975.¹³ In addition, since *Đổi Mới* Vietnam has attempted to contribute actively to the common struggle of people in the world for peace as

⁹ Andrew Walker, “Regional Trade in Northwestern Laos: An Initial Assessment of the Economic Quadrangle”, in Grant Evans, Christopher Hutton, and Kuah Khun Eng, *Where China Meets Southeast Asia: Social & Cultural Change in the Border Regions* (Singapore: Institute of Southeast Asian Studies, 2000), pp. 122-142.

¹⁰ I Ketut Ardhana, Yekti Maunati, Lamijo, *Trade Contacts in the Cross Border Areas between Vietnam and Laos*, p. 34.

¹¹ *Đổi Mới* policy was officially issued in December 1986 at 6th National Congress of Communist Party of Vietnam (CPV). This policy was designed to change Vietnam’s centrally planned economy into a market mechanism and oriented policy. See Le Hong Hiep, “Performance-based Legitimacy: The Case of the Communist Party of Vietnam and *Doi Moi*” in *Contemporary Southeast Asia*, 34:2 (2012), p. 146.

¹² *Ibid.*

¹³ Le Dang Doanh, “Ten Years of Doi Moi: Where is Vietnamese Economy?” in *Vietnamese Studies* No.2/1999 (132), p. 5. The significantly contribution of *Doi Moi* in reducing poverty can be seen from poverty rate in 1993 counted 53 per cent to 14.7 per cent in 2007, see Le Hong Hiep, “Performance-based Legitimacy: The Case of the Communist Party of Vietnam and *Doi Moi*”, pp. 158-159.

well as national independence, democracy, and social progress. One of the most influential changes after *Đổi Mới* was that Vietnam became more open to foreigners and many official borders opened to ease the flow of goods, people, and services. In 1984, the governments of Vietnam and Laos established joint a border demarcation committee. In 1986 both countries agreed to issue a new agreement on border to review both borders, based on the France treaty which was imposed in 1977. In 1996 the two countries signed an agreement on cross-border goods transport and talked about encouraging road links and port facilities improvement.¹⁴

Among the border checkpoints of Vietnam today, Lao Bảo is becoming the main overland border crossing to Laos from Vietnam’s central regions. There are 26 border-gate economic zones (BEZs) at Vietnam’s border areas. Of these BEZs, nine were given priority in the development policy of the government of Vietnam. They are: Mong Cái, Lao Cai, and Làng Sình in the north; Câu Treo, Bờ Y, and Lao Bảo in the center; and Mộc Bài, Đồng Tháp, and Ân Giang in the south. They are the areas in which cross- border trade is the most active.¹⁵

The list is shown with table 1.1 below:

Table 1.1 SEZs in North Central and Middle Central Vietnam

No.	SEZ	Location	Area (Ha)	Criteria
1.	Chu Lai	Núi Thành District, Quảng Nam Province	27,040	Chu Lai Airport, Ky Ha Sea Port
2.	Dung Quất	Bình Sơn District, Quảng Ngãi Province	10,300	Dung Quất Port, Chu Lai Airport
3.	Chân Mây - Lăng Cô	Phú Lộc District, Thừa Thiên-Huế Province	27,108	Chân Mây Port, Phú Bài (Huế) Airport
4.	Vũng Áng	Kỳ Anh District, Hà Tĩnh Province	22,781	Vũng Áng - Sơn Duông Port
5.	Đông Nam Nghệ An	Southeast of Nghệ An Province	18,826	Cửa Lò Port, Vinh Airport

¹⁴ Ronald Bruce St. John, “Lãnh Boundaries of Indochina” in *IBRU Boundary and Security Bulletin*, Spring (2001), p.99.

¹⁵ Nguyen Hong Son and Dang Duc Son, “Improving Accessibility of Financial Services in the Border-Gate Areas to Facilitate Cross-Border Trade: The Case of Viet Nam and Implications for GMS Cooperation” in *Journal of Greater Mekong Sub-region Development Studies Vol.5, December (2010)*, p. 84.

6.	Hòn La	Quảng Trạch District, Quảng Bình Province	10,000	Hòn La Port
7.	Lao Bảo	Hương Hóa District, Quảng Trị Province	15,804	Lao Bảo International Border Gate
8.	Câu Treo	Hương Sơn District, Hà Tĩnh Province	56,684	Câu Treo International Border Gate
9.	Bờ Y	Ngọc Hồi District, Kon Tum Province	70,438	Bờ Y International Border gate

Source: Nguyen Binh Giang, 2012: 84

As table above indicates, Lao Bảo is bordering with Lao PDR and functioning both as international cross-border and Special Economic Zone. Lao Bảo cross-border is one of two international cross-borders along Quảng Trị Province and Lao PDR border crossing. The other one is La Lay, which is located on the border crossing between Dakrong district in Quảng Trị province and Laos' Salavan province. This international cross-border had just officially opened last June 2014.¹⁶ This means that currently Quảng Trị Province has two international border gates.

Lao Bảo cross border is located in the heart of economic growth for Laos and Central Vietnam, specifically on the important National Highway no. 9. This road was built in the French colonial era. Road no. 9 is also known as the Trans Asia Highway, which connects central Vietnam to Laos, Thailand, and Myanmar. This is the main traffic line connecting to this economic corridor and contributes to the speedy growth of Lao Bảo cross-border. Important passage lines also link National Highway no. 9 to the National Highway no. 1A, and the Hồ Chí Minh trail with its two branches runs along the western part of the province. Hồ Chí Minh trail is now becoming Hồ Chí Minh National Highway, which is already open to traffic, connecting Hanoi with Hồ Chí Minh City.

The Vietnam-Laos border areas development, especially the Lao Bảo-Dansavanh border area, has been boosted by an economic development program called the East-West Economic

¹⁶ “Vietnam, Laos unveils La Lay border gate”, available at <http://www.vietnambreakingnews.com/2014/06/vietnam-laos-unveils-la-lay-border-gate/>. Accessed on March 3, 2015.

Corridor Project. This program was initiated in 1998 by the seventh Ministerial Conference of the Greater Mekong Sub-region organized in Manila, the Philippines, in order to promote development and integration of the four countries, namely Laos, Burma, Thailand and Vietnam.¹⁷ This corridor was officially put into operation on 12 December 2006.¹⁸ The East-West Economic Corridor spans from Đà Nẵng in Vietnam, crosses Lao Bảo-Dansavanh border, Savanakheth in Laos, the Second International Mekong Bridge crossing the Savanakheth-Mukdahan border, Khon Kaen Province of Thailand, then crosses Mae Sot-Myawadi border, and it terminates in Mawlamyine, Myanmar.¹⁹

The development of the East West Economic Corridor has boosted the economic benefits and activities for the people living alongside this corridor. It can be seen from the increase of people and vehicles crossing the Vietnam-Laos border through Lao Bảo as well as exports and imports. In 1998, there were 69,279 persons and 35,886 vehicles crossing the border. It increased significantly in 2007; there were 273,872 persons and 55,544 vehicles crossing the border respectively. Similarly, exports and imports through Lao Bảo Border Crossing in 1998 accounted for 184,859 tons with total value of US\$ 91,339,826. Within ten years, in 2007, it jumped to 373,968 tons worth US\$ 148,503,140.²⁰

The new development also changed the lives of many people and communities, who are forced out from their settlements and change their jobs. This is particularly true for the Vietnamese farmers, who suddenly found that they have to change to the services sector to become tourist guides, money changers or company employees. They are presumably happy with this change, but it needs further observation and more study. The changes are harder to come by for people from other ethnic groups who find it especially difficult to obtain better

¹⁷ The East-West Economic Corridor (EWEC) is one of three economic corridors which were officially launched at the 8th Ministerial Meeting in 2000. Two other economic corridors were North-South Economic Corridor (NSEC) and South Economic Corridor (SEC). See M. Ishida, 'GMS Economic Cooperation and Its Impact on CLMV Development', in Sotharith, C. (ed.), *Development Strategy for CLMV in the Age of Economic Integration*, ERIA Research Project Report 2007-4 (Chiba: IDE-JETRO, 2008), pp. 115-140.

¹⁸ In accordance with the rapid economic development in the border areas marked by establishment of modern Companies and services, it is inevitable that those companies and services agents need skilled and educated employees. See I Ketut Ardhana, *Trade Contacts in the Cross Border Areas between Vietnam and Laos*, p. 76.

¹⁹ Ikumo Isono, "Economic Impacts of the Economic Corridor Development in Mekong Region" in *Investment Climate in Major Cities in CLMV Countries*, edited by Masami Ishida, BRC Research Report No.4 (Bangkok: Bangkok Research Center, IDE-JETRO, 2010), p. 333.

²⁰ ADB, *Transport and Trade Facilitation in the Greater Mekong Sub-region-Time to Shift Gears*, (2008), p. 162.

jobs.²¹ As a result, they still depend on agriculture products for their main income. This can be easily seen in the Lao Bảo market, where Vân Kiều ethnic group can only sell their agriculture products such as cassava, beans, chili, eggplant, peanuts, firewood, and other fresh vegetables.

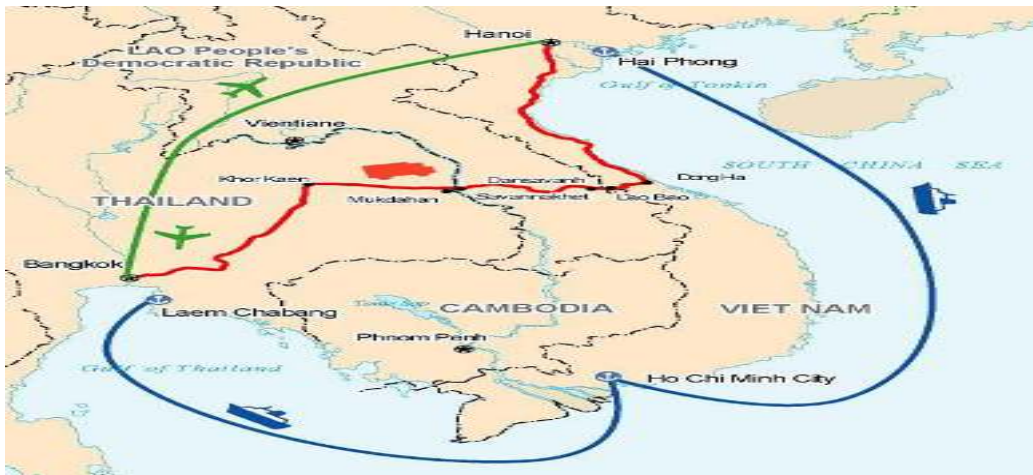
Since the opening of Lao Bảo-Dansavanh cross-border and the East West Economic Corridor, the landlocked country Lao PDR has both wider and easier access to the sea, especially to the Pacific Ocean through Đà Nẵng port of Vietnam. The Đà Nẵng sea port, including Tiên Sa seaport, Han River port, and Liên Chiểu seaport, is the import-export port for the commodities of Laos, Northeast Thailand, Myanmar, and central Vietnam to the East Asia markets. Laos-Đà Nẵng route was a route for Laos exports and imports before Lao opened its economy in the middle 1980s. At that time, Laos' international trade was generally conducted with former communist countries and the only access to the sea was through Vietnam. According to Banomyong, under a bilateral protocol between the two countries, all transit traffic from Laos through Vietnam must utilize the Lao Bảo and Houey Kaki border crossing and Đà Nẵng port as the point of entry or exit. The protocol relates to the issue of the transit permit or authorization for each shipment.²²

Since the East West Economic Corridor started in operation, it has reduced travel time significantly. While it used to take 12 hours to travel from Savannakhet to Dansavanh, recently it reduced to 3 hours, indicating that the EWEC has decreased cross-border barriers along the corridor. Significantly EWEC has also created an alternative route, especially for long distance trading.

²¹ I Ketut Ardhana, *Trade Contacts in the Cross Border Areas between Vietnam and Laos*, p. 70.

²² Ruth Banomyong, "Multimodal Transport: The Case of Laotian Garment Exporters", in *International Journal of Physical Distribution and Logistics Management*, 3:9 (2002), p. 669.

Figure 1.1 Alternative Route of Long Distance Trading (Bangkok-Hanoi)



Source: JICA, 2007: 4

It is around 1,590 km travel between Bangkok and Hanoi, which can be done within 2 weeks by sea transport. Alternatively, it can be reached within 3 days by land transport via East West Economic Corridor. Transport cost from Bangkok to Hanoi by land is US\$ 2,110. Conversely, from Bangkok to Hanoi by sea will take approximately 2 weeks but the cost is only US\$ 1,000.²³ This alternative route creates a good competition among transport providers. Thanks to the East West Economic Corridor, investors were attracted to invest at Lao Bão Special Economic and Commercial Area. Total investment in Lao Bão in 2004 was only VND 1,900 billion and there were only 23 projects.²⁴ Within 8 years however this increased to 47 new projects with total investment of 3.4 VND trillion. Trade through Lao Bão also increased substantially, from USD 23.6 million in 2007 to USD 70 million in 2012.²⁵

1.2 Research Questions and Objectives

The main research questions of this research will be as follows: How has the historical dynamic of the Vietnam-Laos border and cross-border trade in Lao Bão developed in the last four decades? What is the role of border development for the Lao Bão – Dansavanh cross-border trade? In this study I seek to answer these questions by focusing the border

²³ JICA, *The Research on the Cross-border Transportation Infrastructure: Phase II. Final Report* (2007), p. 49.

²⁴ http://www.quangtri.gov.vn/English/Economic/Thang%2010/28_10/28_10.htm. Accessed on March 8, 2011.

²⁵ *Vietnam News*, January 12, 2013.

development in Vietnam in post *Đổi Mới* era, but putting it back to its historical context of trading in the larger region and in doing so, I explore both similarities and differences between the past and the present, and continuity and discontinuity of the region in the context of globalization. The main research objective is to write a history of the region, especially the Vietnam-Laos border development and cross-border trade in Lao Bảo in the last four decades.

1.3 Literature Review

As Dino Patti Djalal points out, boundary is not only a line of demarcation of legal systems but also a point of contact of a territorial power structure. He adds that from a long-term point of view, the position of that line may become an index to the power relations of contending forces.²⁶ Meanwhile Hutton notes the meaning of border as follows:

“Border areas between modern states are zones of transition and of complex and often bitter identity politics and territorial claims. Ethnologically, borders can seem arbitrary or artificial and political states are concerned to contain or deny the transitional or marginal identities found there and to emphasize their control (symbolic and actual) over territory”.²⁷

Chuthapit Maneepong and Chung-Tong Wu revealed that cross border developments can be observed in a variety of situations. In Asia, a range of developments such as the Singapore-Johor-Riau Growth Triangle, the Hong Kong and Shenzhen region, and the Tumen River Development Zone have emerged. They noted that unlike other regional development schemes, cross-border developments are more complex and important. In many respects, the border is the key reason why the development emerged in the first place. A border is a significant barrier to the movement of people and goods. The border maintains the differences in wages, Land prices, nationality, national interests, and other disparities may exist.²⁸ Riwanto in his work on the border issue between Kalimantan Timur-Indonesia and Sabah-Malaysia points out that maintaining the border relationship would create some new economic opportunities at the local level related to the economic transnational

²⁶ Dino Patti Djalal, *The Geopolitics of Indonesia's Maritime Territorial Policy* (Jakarta: Center for Strategic and International Studies, 1996), p. 3.

²⁷ Christopher Hutton, ‘Cross-Border Categories: Ethnic Chinese and the Sino-Vietnamese Border at Mong Cai’, in Grant Evans, Christopher Hutton, and Kuah Khun Eng. *Where China Meets Southeast Asia: Social & Cultural Change in the Border Region* (Singapore: Institute of Southeast Asian Studies, 2000), p. 254.

²⁸ Chuthatip Maneepong and Chung-Tong Wu, ‘Comparative Borderland Developments in Thailand’, in Suthipand Chirathvat and Sakulrat Montreevat (eds.), *Asean Economic Bulletin, Thailand: Economic Challenges and the Road Ahead*, 21:1 (April 2004), p. 135.

developments between Indonesia and Malaysia. Because they maintain the border relationship, the people living in the border region live in harmony.²⁹

As Toshihiro Kudo and Masami Ishida outlined, the mid-1980s was one of the biggest turning points of mainland Southeast Asian countries. Tensions were eased in the region in this period, which was marked by the adoption and implementation of market economic and open door policy, both for Vietnam and Laos. In 1986, both Vietnam and Laos issued *Doi Moi* (Renovation) and *Chintanakan Mai* (New Thinking), respectively. In 1988 Myanmar followed those two countries and began implementing, through the State Law and Order Restoration Council (SLORC), market economic policy and abandoning centrally planned market policy.³⁰ If Vietnam has been successful in developing the country's economy through *Doi Moi* policy, Laos was also considered victorious in enforcing the market-oriented economy policy of *Chintanakan Mai* by means of the New Economy Mechanism (NEM). Andrew Walker summarized that the main aims of NEM policy was to stimulate trade and to encourage the distribution of commodities throughout the country, including abolishing restrictions on inter-provincial trade and to improve border trading. It was not surprising, Walker added, that the effect of the policies has been to liberate trade and passage in the borderlands as well as provide incentives and opportunities for new forms of collaborative and competitive regulation.³¹

Another point of view on borders is proposed by De Koninck. The peasantry, he said, has a pivotal role and contribution in the early formation of territorial states in Southeast Asia. It can be traced throughout history. De Koninck explained that nearly every country in mainland Southeast Asia initially developed their territorial states mainly based on the deltas and alluvial plains where the peasantry lived. However, there was, De Koninck called, "a territorial compromise" between the builder-administrators of the states and the peasants as both guardians-prisoners of the territory and land pioneers in terms of consolidation of state domains. Throughout such relations, whereby the states protect and control peasants' areas, the state gains territorial legitimacy. Among Southeast Asian countries, De Koninck added,

²⁹ Riwanto Tirtosudarmo, 'Economic Crisis, Regional Autonomy and Emerging Issues at the BorderLand of East Kalimantan and Sabah', paper presented at the 7th Research Council Conference, Kota Kinabalu, Sabah, 15-18 July 2002.

³⁰ Toshihiro Kudo and Masami Ishida, "Prologue: Progress in Cross-Border Movement and the Development of Border Economic Zones" in *Border Economies in the Greater Mekong Sub-region*, edited by Masami Ishida (New York: Palgrave Macmillan, 2013), p.9.

³¹ Andrew Walker, *The Legend of the Golden Boat*, p. 69.

perhaps the history of state-peasant relationships of Vietnam, in terms of territorial creation, negotiation, and consolidation, are better documented. In addition, the early formation of the states of Vietnam was closely associated with agricultural expansion.³² Although De Koninck considered the peasantry as spearhead of the early development of territory in Southeast Asia countries, it should be more explored regarding the mainstream view that the early appearance of states in Southeast Asia were along river basin areas. In his study *From Periphery to Center: Shaping the History of the Central Peninsula*, Philip King also underlined that the border and sub-regional development programs flourished in the Southeast Asia region in the 1990s were more diverse from those of national development projects in the 1950s and 1960s.³³

Pingkaew Laungaramsri, in her article on the identification of Shan along the Thai-Burmese border, criticized the study of borders which only highlights the nation-building theory and which tends to grasp border from the center-peripheries' perspective. She added that the "the shortcoming of such an approach is not only in the over-accentuation of the political imperative of a national border and its authoritative of power on culture and identity, but also in the absence of contradictory and competing notions of borders as played out in people's everyday life". This approach, Laungaramsri underscored, usually overlooked the dynamics of both contradictory and contesting notions of the everyday life of people on the borderlands.³⁴ I agree with Laungaramsri's statement in terms of border not only as a territorial marker but also, as I witnessed when doing research on some borderlands in Southeast Asia, as a front yard of economic development and integration to neighboring countries. Borders have "their own" dynamics and characteristics, which center or states, sometimes, ignored.

In regard to the perspective on how to develop the border not only in the context of reducing the barriers and conflict resolution but also in terms of regional economic cooperation and development, Dallen explains that the traditional nature of borders politically functioned as barriers to human interaction because borders as a mark of national sovereignty have often

³² Rodolphe de Koninck, "The Peasantry as the Territorial Spearhead of the State in Southeast Asia: The case of Vietnam," in *Sojourn* Vol. 11, No. 2 (October 1996), pp. 231-258.

³³ Philip King, "From Periphery to Centre: Shaping the History of the Central Peninsula", Ph.D. Thesis, University of Wollongong, 2006, p. 10.

³⁴ Pingkaew Laungaramsri, "Women, Nation, and the Ambivalence of Subversive Identification along the Thai- Burmese Border" in *Sojourn: Journal of Social issues in Southeast Asia* Vol. 21, No. 1 (2006), pp. 68-89

acted to control the flow of goods, people, and services between two bordering countries. Dallen says that this must be changed by a new perspective that views borders as lines of integration and cooperation rather than simply as barriers to interaction.³⁵ Reducing barriers on the border crossing by creating the border as a zone of economic cooperation among bordering nation states will affect the freer flow of goods, people, and services of the border areas.

1.4 Methodology

This research uses an historical approach. This research has tried as much as possible to employ primary sources such as archival research and oral history and to couple them with participatory observation. In my fieldwork I was able to obtain some statistical data from the Government Statistic Officer of Vietnam as well as from Board Management of Lao Bảo Special and Commercial Economic Zone. Oral history was obtained through in-depth interviews with key stakeholders such as local government of Quảng Trị Province, especially People Committee of Quảng Trị Province, staffs and Board Management of Lao Bảo Special Economic and Commercial Zone, Lao Bảo customs officer, and People Committee of Lao Bảo town.

In order to obtain more in-depth information, I carried out in-depth interviews with some key participants at grass root level, such as traders, porters (*kéo hàng*), money traders (*đổi tiền*), and motor cycle taxi drivers (*Xe ôm*). These in-depth interviews and participant observation were carried out in Lao Bảo, Central Vietnam of Quảng Trị Province. The secondary sources include books, journals, and newspaper which related to the topic.

My research site was Lao Bảo, Hướng Hoá District, in Central Vietnam of Quảng Trị Province. Before entering the field, I had received the endorsement letter from the University of Social Science and Humanities in Hanoi. From Hanoi, with a distance of 760 km, Lao Bảo can be reached by bus overnight. There is a direct bus route from Hanoi to Lao Bảo and vice versa once a day. By train, one would have to stop in Quảng Trị Province's capital of Đông Hà before taking a public bus. There are many buses from Đông Hà to Lao Bảo with fares VND 50,000.

³⁵ Timothy Dallen J., "Tourism Planning in Southeast Asia: Bringing Down Borders Through Cooperation," in Kaye Sung Chon, *Tourism in Southeast Asia. A New Direction* (New York: The Haworth Press, 2000), p. 21.

Accompanied by a Vietnamese friend, Hàng, I left for Đông Hà from 33 Trần Đại Nghĩa Street's bus pool, Hanoi, on a VIP sleeping bus "Quảng Trị Open Tour" at 5 pm. The ticket price was only VND 240,000 (USD 11.00). After a night on a comfortable bus with 30 sleep seats and free Wi-Fi hotspot, I arrived in Đông Hà in the early morning.

In Đông Hà I held formal and informal interviews with a high ranking Quảng Trị Province cadre as well as common people. I was lucky enough to have met the former Vice Chairman of Quảng Trị People's Committee, Mr. Lê Hữu Thắng, before going to Lao Bảo. Mr. Thắng was also Vice President of the National Vietnam-Laos Friendship Association. In addition, he is also considered as "the architect" of the birth of Lao Bảo Special Economic and Commercial Zone. Mr. Thắng introduced me to his former staff, Mr. Binh, who offered me a lift to go to Lao Bảo together in his car. Mr. Binh's main office is located in Đông Hà, but his representative office is in Lao Bảo. It is not surprising that he has to go to both offices. Mr. Binh was a key person, who helped me to enter to Lao Bảo cross-border areas easier. From him and his staff, I got much important information and data on Lao Bảo cross-border area.

In the early few days during my fieldwork, in order to collect data and information, I tried to observe the daily activities of people in Lao Bảo especially at Lao Bảo Trade Center and at Lao Bảo cross-border. I also visited Lao Bảo people committee office which is located just 250 meters from Mr. Binh's office (*Ủy Ban Nhân Dân*). Subsequently, I engaged with those who make a living on the border, such as traders, porters (*kéo hàng*), money traders (*đổi tiền*), motor cycle taxi drivers (*Xe ôm*), street vendors, and so on. Although border development has successfully created more opportunities, it is unevenly distributed. There are still disparities among those who have more capital and those who do not. Not surprisingly, local people can only be porters, motor cycle taxi drivers, and small traders with very little means.

From these participatory observation and in-depth interviews as well as informal discussions with those groups, I understood better how the development of Lao Bảo cross-border has influenced economic activities and social interaction of people living in the border, both local people (ethnic groups, such as Vân Kiều, Paco, and Kado) and newcomer, Kinh people.

Doing fieldwork in a sensitive area, such as cross-border area, needs extra vigilance. Even though in peacetime, the cross-border is still a risky area. Given that the cross-border area also functions as borderline of two bordering nation states, both countries try to secure it carefully. As Donnan said, historically borders usually played a role as markers of the secure

relations with their neighbors and power of the nation-state.³⁶ This means that security is one of most important keys in controlling border areas. Not surprisingly I was also suspected and was “detained” for one hour by the border police during my fieldwork.

1.5 Outline of the Thesis

This thesis consists of five chapters. Beyond this chapter, the “introduction”, Chapter 2 focuses on historical review of Quảng Trị and Lao Bảo. It discusses the overview of Lao Bảo, general historical background and the important role of Quảng Trị and Lao Bảo during the Vietnam War as demarcation lines as well as a contested area. In addition, this chapter will also illustrate the history of Lao Bảo border, including the people or ethnic groups living in the border. The early development of Lao Bảo cross-border will also be discussed in this chapter, including border agreements with Laos and the New Economic Zone policy. Chapter 3 focuses on transport infrastructure development in the Lao Bảo border crossing in the post-*Đổi Mới* era. At the beginning, this chapter will discuss the story of the road at the cross-border. Subsequently, it will discuss about role of *Đổi Mới* and Greater Mekong Sub-region Economic Cooperation Program (GMS-ECP) for the development of the Lao Bảo border crossing as well as cross-border trade. It includes the establishment of Lao Bảo SECA, East West Economic Corridor, Cross-border Transport Agreement (CBTA), and the implementation of both Single Window Inspection (SWI) and Single Stop Inspection (SSI). Chapter 4 will be on trade, trader, and economic activities in the Lao Bảo cross-border areas. This chapter will explore the experience of trade and traders, short-distance traders, including trade routes and trade commodities, as well as the daily life of economic activities at the border. The thesis will be ended by a short conclusion in chapter 5.

³⁶ Thomas M. Wilson and Hasting Donnan (Eds.). 1998. *Border Identities: Nation and States at International Frontiers*. Cambridge: Cambridge University Press, p. 6.

Chapter 2

From Contestation to Cooperation: Historical Review of Lao Bảo and Quảng Trị

2.1 Historical Background of Lao Bảo

Lao Bảo has been a gateway of contacts on the Trường Sơn Range for centuries before any border was established. Centuries before the Le dynasty, the Viet and Lao polities had lived side by side and frequently interacted. This fact was underpinned by Lao legends, which indicates that the Lao elites were associated with the Viet by blood. The Lao legendary Khun Chuong was said to have subjugated Viet territory and then married a Vietnamese princess called Nang Oukeo between the seventh and eighth centuries. Intermarriage between Viet court ladies and Lao princes and vice-versa seemed to have often occurred as a part of political strategy practiced by courts in the region, as Li Tana points out.³⁷ Another scholar, Usha Mahajani, says that relationship between Laos and Vietnam was established in the fifteenth century when Vietnam regained independence from China. Usha adds that Laos and Vietnam maintained a secure relationship through the highland buffer zones of Xieng Khouang and Sipsong Chau Thai, both of which paid tribute to Laos and Vietnam.³⁸

Trade was the utmost ancient relationship between lowlanders and uplanders in this region, long before the Vietnamese arrived in this region from the north. Li Tana explains the most important trading route in early Dang Trong (Cochin China) as follows:

The route spanned through the upper reaches of the Ai Lao pass, enabling goods to pass the Mekong River to the coast near Quảng Trị. From Cam Lo, the route went down to Cửa Việt port and went up to Lao Bảo....from Lao Bảo it took two days to reach Tchepon, and then another three days to Muong Vinh...by small boats...was easy to reach the central Mekong basin and arrive either at Savannakhet to the west, Khemarat to the southwest, or across the Mekong river to Mukdahan in modern Thailand.³⁹

³⁷ Li Tana, “The Ming Factor and the Emergence of the Viet in the 15th Century”, in Geoff Wade and Sun Laichin (eds.), *Southeast Asia in the Fifteenth Century. The China Factor* (Singapore: NUS Press, 2010), pp.84 – 86.

³⁸ Xieng Khouang or Xiang Khouang is recently a province in Laos, which is located in the north-east of the country. It was the best route to connect Vietnam and Laos. Sipsong Chao Tai is at the northwest of present day Vietnam, which includes the provinces of Son La, Lai Chau, Lao Cai, and Yen Bai. See Usha Mahajani, “US Intervention in Laos and Its Impact on Laotian Relations with Thailand and Vietnam”, in Mark W. Zacher and R. Stephen Milne, *Conflict and Stability in Southeast Asia* (New York: Anchor Press, 1974), p.239.

³⁹ Li Tana, *Nguyen Cochin China: Southern Vietnam in the Seventeenth and Eighteenth Centuries* (New York: Cornell Southeast Asia Program Publications, 1998), pp. 121-122.

On this trade route, Vietnamese traders brought commodities such as salt, fish sauce, dried fish, iron wares, copper pots, silver hairpins and bracelets to upland and Lao settlement. When coming back to Cam Lộ, they carried rice, chicken, oxen, hemp, wax, rattan, and cotton cloth from upland. At that time, Cam Lộ was a pivotal hub of Vietnamese trade and diplomacy with the Lao.⁴⁰ The Nguyen ruler taxed trade activities, especially for the people who traded upstream and downstream, as well as tolls for some traded items. Trade items which were subject to taxes were elephant, gold, silver, ancient coins, pig, ox, boat, wooden raft, crushed copper, silkworms, beeswax, and cotton.⁴¹

Lao Bảo-Dansavanh cross-border is one of the oldest routes between the two countries. During the colonial era, the French devoted much more attention to Central Vietnam's transport network, in order to connect the landlocked country of Laos to the ocean. In 1895 the French started constructing the route no. 9 from Savannakhet to Đông Hà. The Road no. 9 passes through Lao Bảo-Dansavanh border. In 1903 the French began to construct another link, the route no. 8, which connects Borikhamsay in Laos with Hồng Lĩnh in Vietnam. By 1930 the French opened both route no. 9 and route no. 12 (from Thakhek to Bà Đôn), and the route no. 7 from Luang Prabang to Diên Châu in 1937.⁴²

As Andrew Walker points out, trading relations of the small states in the upper-Mekong were only slightly affected by French colonial rule. Boundaries were redrawn, but the French were unable to translate the discursive power of colonial maps into a new regulatory regime that incorporated north-western Laos into the trading and transport systems of Vietnam. As transport and trading networks in northern Thailand developed, northern Laos was increasingly drawn into commercial connections with Bangkok, Chiang Mai, and Chiang Rai. In brief, an over-emphasis on the rigid demarcations of the twentieth century—likes under emphasis on the demarcations of the nineteenth century—obscures the subtle and complex realities of borderlands history.⁴³ Cross-border interactions in the upper-Mekong

⁴⁰ Li, *Nguyen Cochinchina*, p. 122.

⁴¹ Li Tana and Anthony Reid (eds.), *Southern Vietnam under the Nguyen. Documents on the Economic History of Cochinchina (Dang Trong), 1602-1777* (Singapore: Institute of Southeast Asian Studies, 1993), pp. 110-111.

⁴² Nguyen Binh Gianh “Potential Economic Corridors between Vietnam and Lao PDR: Role Played by Vietnam” in Masami Ishida (ed.), *Emerging Economic Corridor in the Mekong Region*, BRC Research Report No. 8, (Bangkok: Bangkok Research Center, IDE-JETRO, 2012), p. 79.

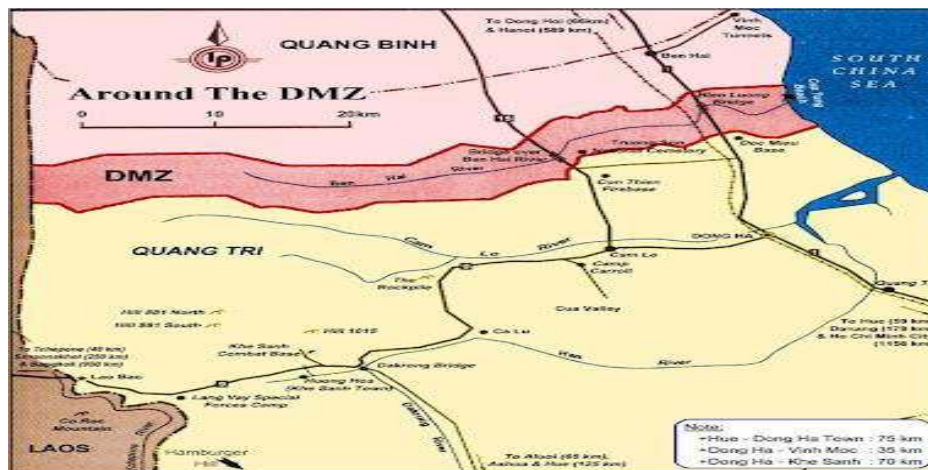
⁴³ Andrew Walker, *The Legend of the Golden Boat. Regulation, Trade and Traders in the Borderland of Laos*, p. 63.

flourished during the post-colonial 1960s and 1970s. During the brief period of closed borders between 1976 and 1988, alternative and informal routes were actively pursued and formal trade links were strengthened between northern Laos and Vietnam.

2.2 Quảng Trị and Lao Bảo during the Vietnam War

Lao Bảo and Quảng Trị played a notable role during the Vietnam War era. According to 1954 Geneva Accord, Vietnam was divided into two nations, North and South Vietnam. Hồ Chí Minh's communist government ruling the North from Hanoi and Ngô Đình Diệm 's regime, supported by the United States, ruling the South from Saigon. Both two nations were separated by a Demilitarized Zone (DMZ) located at the 17th parallel line in Quảng Trị Province.

Figure 2.1. Map of The 17th Parallel line (DMZ)



Source: <http://en.vietnamitasenmadrid.com/vinh-moc-tunnels-dmz.html>.

Accessed on October 22, 2014

In addition, following the Geneva Accord, a general election would be held in the 1956 that would reunite the country under one government. While North Vietnam still kept trying to secure a line of communication with the South, Ngô Đình Diệm's regime in Saigon had refused to open discussions with Hanoi on holding the Vietnam-wide elections in July 1956.⁴⁴ Subsequently, with help from America, rather than hold elections in the countryside, South Vietnam carried out the election only in the South without involving the North. As a result, Ngô Đình Diệm was declared as the first president of South Vietnam. When Ngô Đình

⁴⁴ Arthur J. Dommen, *Laos: Keystone of Indochina* (Colorado: Westview Press, Inc., 1985), p. 57.

Điêm was killed in 1963, North and South Vietnam began fighting. Furthermore, the war escalated when the North Vietnamese troops were involved in a combat with the two USS destroyers *Maddox* and *Turner Joy* in August 2 and 4, 1964. This incident, also well-known as Gulf of Tonkin incident, helped lead to greater American involvement in the Vietnam War. However, the origins and nature of the Vietnam War are often misunderstood. As Evan and Rowley revealed that:

It was certainly not, as the United States claimed in the 1960s, an external attack by Communist forces on the ‘independent state of South Vietnam’ established at the Geneva Conference, for no such state was established at Geneva. Although they had withdrawn their military forces to the north of the 17th parallel, the Viet Minh had been a genuinely nation-wide movement, and many of its civilian cadres and supporters had remained behind in the south. Nor was it simply a popular uprising against an unrepresentative and repressive government in South Vietnam, as many liberal critics of the American argued. The insurgency in the south was not autonomous, but fully supported by the Communist north. In reality, the war was a struggle between two streams nationalism that had developed in Vietnam, under the French, which bourgeois nationalism centered on Saigon, and the mass nationalism of the Viet Minh, which had created the regime in Hanoi.⁴⁵

During the Vietnam War, Quảng Trị was one of the most contested arenas as well as the most suffering areas in Vietnam. It was also the target of some of the most destructive bombardments in the world. Marilyn B. Young revealed that: “Quảng Trị Province was bombed daily by 40 special-assigned B-52s which each was carrying 30 tons of bombs. Flying in cells of three, the B-52s flattened a “box” two miles long, one-half mile wide”.⁴⁶ During Vietnam War, the United States dropped around 6,162,000 ton of bombs in Vietnam, and the heaviest bombing took place precisely in Quảng Trị Province (see figure 2.2). As a result, most of Quảng Trị capital and infrastructures were destroyed and only 11 of 3,500 villages in this province were free from bombing.⁴⁷ The legacy of the bombing in Quảng Trị Province, especially incidence rates after the war, can be seen in the table below:

⁴⁵ Grant Evan and Kelvin Rowley, *Red Brotherhood at War: Vietnam, Cambodia, and Laos since 1975* (London, New York: Verso, 1990), p. 15.

⁴⁶ Marilyn B. Young, *The Vietnam Wars 1945-1990* (New York: Happer Collins Publishers, 1991), p. 271.

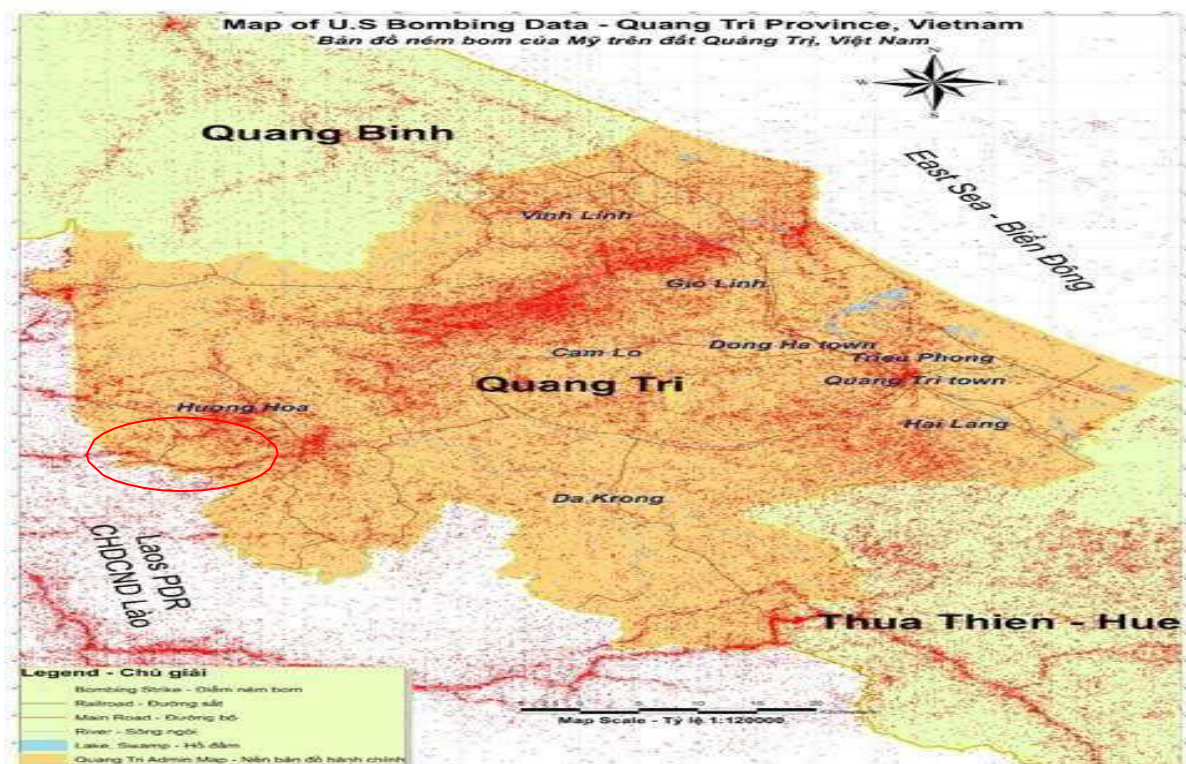
⁴⁷ Edward Miguel and Gerard Roland, “The long-run impact of bombing Vietnam”, in *Journal of Development Economics* 96, (2011), p. 2.

Table 2.1 Incidence Rates because of Landmines and Unexploded Ordnances, 1975-2009

District	Total Population	Casualties
Triệu Phong	107,893	1,293
Hai Làng	104,290	1,119
Giờ Linh	79,822	1,088
Vĩnh Linh	91,290	810
Cam Lộ	48,657	785
Hướng Hóa	70,718	1,088
Đakrông	34,315	397
Đông Hà Town	84,162	283
Quảng Trị Town	23,421	167
Provincial total	644,568	7,030

Source: Tran Kim Pung, Le Viet, and Hans Husum, 2012: 1038

Figure 2.2 Map of United States Bombing Data on Quảng Trị



<http://lwcc-dbu-quangtri.vn/en-us/FACTS-AND-FIGURES/By-Province/Quang-Tri-Province>, accessed on November 14, 2014

That Quảng Trị suffered such heavy loss of lives was because the areas along Quảng Trị and Laos borders constituted strategic as well as contested arenas among the United States, Pathet Lao of Laos, North Vietnamese nationalists, and South Vietnam. The Vietnamese and Lao revolutionaries needed to run communication and logistic networks to carry messages, weapons, and food in these highly strategic areas.⁴⁸ The United States built quarters near the borders to break the North Vietnamese nationalists' movement to the South.⁴⁹ As a result, North Vietnam built a transportation system along the border passes through the eastern provinces of Cambodia and Laos to Hồ Chí Minh. This route was called "Hồ Chí Minh Trail".⁵⁰ During the 1960s and 1970s, Hồ Chí Minh Trail played pivotal role to cut through the United States blockade along the Demilitarized Zone in Quảng Trị. As Nguyen Duy Thieu points out that "when North Vietnam stepped up the process of reunification, the transport of supplies to South Vietnam to fight the United States relied heavily on the Hồ Chí Minh Trail. Apportion of the trail was on Lao territory, where fierce fighting between the Lao-Vietnam allied army and American troops often took place."⁵¹

The strategic importance of this area for controlling Indochina was spelt out by Saleminck:

"...when the mountain areas of Vietnam were subject to competing claims by French colonialists, Americans, Japanese, and various Vietnam nationalist groups, there were seen as strategically crucial areas for the control of Indochina. According to the Communist General Võ Nguyên Giáp, the Central Highlands were of crucial strategic importance for the control of Indochina".⁵²

⁴⁸ Vathana Pholsena, "Highlanders on the Ho Chi Minh Trail" in *Critical Asian Studies*, 40:3 445-474, (2008), DOI: 10.1080/14672710802274151.

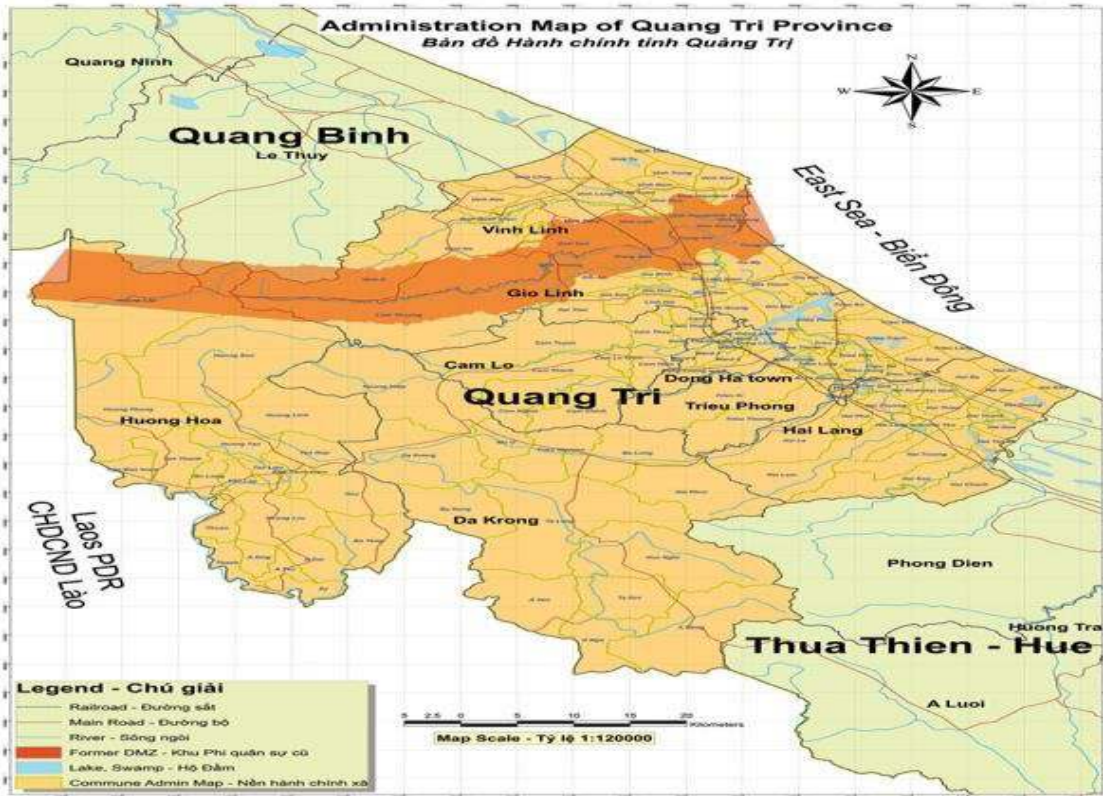
⁴⁹ Khe Sanh Combat Base and Làng Vây Special Force Camp located border were two of most important the United States military quarters in Quảng Trị during Vietnam War. See Eric Hammel, *Khe Sanh: Siege in the Clouds. An Oral History* (New York: Crown Publisher, Inc., 1989), p. 3-8.

⁵⁰ Stein Tonneson, "Peace and War: Cooperation and Conflict in 20th Century Indochina," in Arthur H. Westing, *Transfrontier Reserves for Peace and Nature: A Contribution to Human Security* (Nairobi: UNEP, 1993), p. 70

⁵¹ Nguyen Duy Thieu (ed.), *Migration and Change in the Way of Life: An Anthropological Introduction to the Vietnamese Community in Laos* (Hanoi: The Giou Publisher, 2008), p. 74.

⁵² Oscar Saleminck, *The Ethnography of Vietnam's Central Highlanders. A Historical Contextualization, 1850 – 1990* (London and New York: Routledge Curzon, 2003), p. 129.

Figure 2.3 Map of Quảng Trị



Source: Phung Tran Kim, 2011, p. 50.

In addition, Lao Bảo also played a very important role during French colonial time because there was a French prison at Lao Bảo. This prison was one of the most well-known prisons during the French colonial era and used to be the largest prison in Indochina. Many Vietnamese revolutionaries, intellectuals and employers were sentenced at Lao Bảo prison, including Võ Nguyên Giáp, poet Tố Hữu, Trần Văn Cung, and Nguyễn Chí Than. Võ Nguyên Giáp and his brother, Võ Thuần Nho, were arrested by French police by the end of 1930 along with a number of different suspects of all types throughout central Annam, such as peasants, workers, employers, and intellectuals, both old and young.⁵³ Along with him were also sentenced his former teacher, Dang Thai Mai, a professor of literature at Lycee Quoc Hoc. Giáp spent two years of his life at Lao Bảo prison.

Furthermore, it can be said that Quảng Trị is the miniature of the grueling and sacrificing struggle of the people of Vietnam. It is registered nearly that 60,000 soldiers were buried in

⁵³ Cecil B. Currey, *Victory at Any Cost: The Genius of Vietnam's Gen Vo Nguyen Giap* (Washington: Potomac Books, Inc., 2005), p. 79.

72 cemeteries of martyrs in the province. Amongst those cemeteries, Trường Sơn Cemetery and Road No 9 Cemetery are the resting place of more than 10,000 fallen warriors each.⁵⁴ After the Vietnam War ended, in 1976 Quảng Trị was merged with its two neighbouring provinces, Quảng Bình and Thừa Thiên Huế, and became Bình Trị Thiên Province. However, in 1989 it was separated again to be Quảng Trị Province with Đông Hà as provincial capital.⁵⁵

2.3 Early Development of the Lao Bảo Border crossing and Borderlands

2.3.1 *Khu Kinh Tế Mới* Policy

Right after the winning the Vietnam War, the Vietnamese government began to build a zone called *Khu Kinh Tế Mới* (New Economic Zones) along the borderlands Vietnam-Lao PDR. This policy was basically issued to boost economic development in the mountainous and border regions and rebuild the country from the ruins of war as well as to deploy the population.⁵⁶ In regard to the border, this policy was also aiming to build the border areas and to keep borders secure. Not surprisingly, the early stage of border development between Vietnam and Lao PDR, especially in Lao Bảo, was quickly started once the Second War of Vietnam ended. As Shiraishi mentioned on his work, in 1975 Viet people from Triệu Phong district of Quảng Trị began moving to Lao Bảo to build “New Economic Zones.”⁵⁷ Kinh informant told me about his story of moving to Lao Bảo as follow:

“I was born in Quảng Trị in 1968 during wartime. My parent brought me to Saigon to avoid war. When the war ended my parent returned to Quảng Trị and 4 months later they were sent to Lao Bảo to join the government program of new economic

⁵⁴ “Quảng Trị: Land of Heroism”, in <http://www.vietnambreakingnews.com/2014/10/quang-tri-land-of-heroism/>. Accessed on October 22, 2014.

⁵⁵ Duong Trong Hue, “Post War Legacy and Poverty: Case Study of the Landmine/UXO Problem in Rural Communities in Quảng Trị Province, Vietnam” (2005), p. 7. Available at http://www.gichd.org/fileadmin/GICHD-resources/rec-documents/Post_War_Landmine_UXO_Problem_in_rural_Communities_Vietnam.pdf. Accessed on December 3, 2015.

⁵⁶ The policy of people’s mobilization in the plans area to participate in economic development in the mountainous regions was firstly introduced in February 1963 through Party Central Committee’s Resolution No. 71/NQ-TW. See Khong Dien, *Population and Ethno-Demography in Vietnam* (Chiang Mai: Silkworm Books, 2002), p. 81.

⁵⁷ Masaya Shiraishi, “East-West Economic Corridor: Lao Bảo-Dansavanh Border” in Masami Ishida (ed.), *Border Economies in the Greater Mekong Sub-region* (London: Palgrave Macmillan, 2013), p. 143.

zone”.⁵⁸

Another informant revealed that he came to Lao Bảo in 1975. This is his story:

“I am from Hồ Chí Minh. I came to Lao Bảo in 1975 with my parents because my parents joined *kinh tế mới*. I was 15 years old at that time. I then married a Vân Kiều girl.”⁵⁹

This population movement was officially based on the decision of the People’s Committee of Quảng Trị Province’s Resolution No 136, dated August 22, 1975. This Resolution addressed “To adjust the density of population, moving a part of the people to exploit the strengths midland and mountainous regions is very urgently required, it means there are so many ways”.⁶⁰ Following this resolution, on August 28, 1975, provincial party committee of Quảng Trị organized a Plan to develop new economic zones by boosting people to join the program voluntarily. As a result, there were 1,846 people and 415 households registered to join this program. They were from nine villages of Triệu Long commune, Triệu Phong district, namely: Bích Khê, Tân Định, An Mô, Bích La Thượng, Đại Lộc, Đâu Kênh, Phù Lưu, Vệ Nghĩa and Phú Ngạn. In September 1975, they left for border communes in Hướng Hoa district. However, it should be noted that the formalization of New Economic Zones (NEZ) policy was just launched in 1976, after national reunification, and had been set firmly within the framework of the second national development Plan (Second Five-Year Plan, 1976-1980).⁶¹

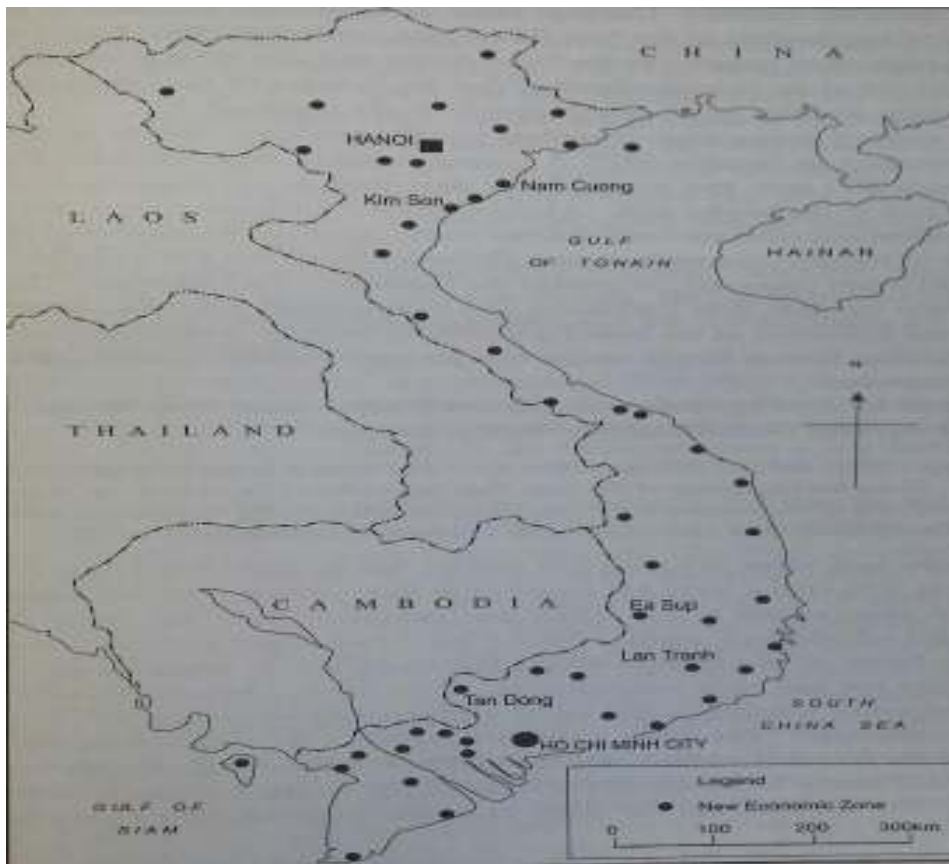
⁵⁸ Interview with Phuong, Lao Bảo, December 23, 2015. Mr. Phuong, 47 years old, is a *Xe ôm* driver who previously was working as cross-border trader. He stopped working as trader 2 years ago because being *Xe ôm* driver is much easier in getting money.

⁵⁹ Interview with Mr. Kiem, 65 years old, Lao Bảo, December 21, 2014. He works as a *Xe ôm* driver as well as helps his wife who works as a porter in the border area.

⁶⁰ Ho Thi Thu Hang, “Quyết tâm xây dựng xã Tân Thành phát triển toàn diện, bền vững” on <http://www.baoquangtri.vn/default.aspx?TabID=74&modid=405&ItemID=98632>. Accessed on 1st Oct, 2015.

⁶¹ The First Five-Year Plan (1961 – 1965) was implemented by Democratic Republic of Vietnam. One of the development agendas was to relocate people from the overpopulated provinces of the Red River Delta to the underpopulated provinces of the delta’s mountain rim. See Jacqueline Desbarats, “Population Redistribution in the Socialist Republic of Vietnam”, in *Population and Development Review*, Vol. 13, No. 1 (March, 1987), p. 43 – 76.

Figure 2.4 Numbers of New Economic Zones by 1995



Source: Andrew Hardy, 2003, p. 237.

The establishment of NEZs had multiple purposes, “to facilitate the rational redeployment of the labor force over the national territory; to increase food production; to solve the unemployment problem; to facilitate crop specialization; to pave the way for the establishment of state farms; to lay the ground for rapid collectivization; to contain internal political resistance; and to bolster external security”.⁶² After being officially launched in 1976, NEZ policy was implemented not only at the province level but also to be performed at the district level of administration. Preferential treatments were given to attract people to join the program, such as every settler in the NEZs received 500 to 2,000 square meters of land wherein the army was responsible to prepare the ground. Subsequently, the authorities were responsible for the basic infrastructure on the NEZs site such as schools, public buildings, dykes, and transportation. They also provided settlers with tools, housing materials, seeds,

⁶² Jacqueline Desbarats. *Ibid.* p. 54.

and amenities.⁶³

The NEZs, which also function as a way of deploying the population, still continued running until the Third Five-Year Plan (1981-1985), just a year prior to the implementation of *Đổi Mới*. Luong revealed that between 1976 and 1990, 6.6 million migrations were anticipated in three Five-Year Plans, and statistics recorded 3.92 million people actually moving to new economic zones. Even, on the early NEZs' program across country he noted that:

“Over a period of less than two years (from 1976 to September 1977), nearly one million people, nearly half of them labourers going to new economic zones, have already set up several hundred new communes and cleared more than 300,000 hectares of land. In particular, we have mobilized hundreds of people in the cities and towns to move from urban areas back to their native village or to make a living in new economic zone.”⁶⁴

2.3.2 Vietnam – Lao PDR Border Agreements

Besides the NEZs policy, during the Second Five-Year Plan (1976-1980), the government of Vietnam also held discussions on borders with Lao PDR as an early stage of border development and cooperation between the two countries. For example, in July 1977 both countries came to agreement on border delimitation treaty based on a borders imposed by the French. This treaty depicted the borders in some more detail and then followed with the establishment of a joint commission to initiate its demarcation.⁶⁵ After seven years from the 1977 borders delimitation agreement, finally the joint commission completed the detailed demarcation in 1984 and followed with a new border agreement signed by the governments of Lao People Democratic Republic and Vietnam two years later.

Those borders agreements between Lao PDR and Vietnam then became an important background for developing Lao Bảo-Dansavanh cross-border areas, because Lao Bảo-Dansavanh cross-border is one of the oldest routes between two countries. As an early stage of the Lao Bao-Dansavanh cross border area development, politburos of both Vietnam and Lao PDR agreed to transform Lao Bảo-Dansavanh border area into an economic

⁶³ *Op. cit.* p. 54.

⁶⁴ Hy V. Luong (ed.), *Postwar Vietnam. Dynamics of a Transforming Society* (New York: Rowman and Littlefield Publisher, Inc. and Institute of Southeast Asian Studies, Singapore, 2003), p. 115.

⁶⁵ Ronald Bruce St. John, “Land Boundaries of Indochina: Cambodia, Laos, and Vietnam” in *IBRU Boundary and Territory Briefing*, Vol. 2, No. 6 (1998), p. 32.

development area. During the period of 1992 -1997, this agreement was followed by a series of other agreements signed by the two countries, such as agreement on economy, culture, and science, as well as technical cooperation.

Nowadays, according to Ishida, the government of Vietnam classifies border gates across the country into four categories, namely 1) international-level border gates, 2) state-level border gates, 3) provincial-level border gates, 4) border points.⁶⁶ Along Vietnam and Laos border, there are eight international-level border gates as shown in the table below.

Table 2.2 Vietnam-Laos International Border Gates

Province in Vietnam	Border Gate	Province in Laos	Border Gate	Remarks
Dien Bien	Tây Trắng	Phongsaly	Sohbun (Panghok)	Road
Thanh Hoa	Nà Mèo	Huaphanh	Namsoi	Road
Nghệ An	Năm Cam	Xiengkhouang	Namkan	Road
Hà Tĩnh	Cầu Treo	Bolikhamxay	Namphao	Road
Quảng Bình	Cha Lo	Khammouan	Naphao	Road
Quảng Trị	Lao Bảo	Savannakhet	Dansavanh	Road
Kon Tum	Bờ Y	Attapeu	Poukeua	Road

Source: Masaya Siraishi, 2013, p. 81

Recently, there are nine international-level border gates as in June 2014 La Lay was officially upgraded, from state-level border gate, into an international one. Subsequently, there are also five state-level border gates along the Vietnam-Laos borderline. Those borders are as follows:

⁶⁶ Masaya Siraishi, “Southern Economic Corridor: Moc Bai – Bavet Border”, in Masami Ishida (Ed.), *Border Economies in the Greater Mekong Sub-region* (London: Palgrave MacMillan – IDE – JETRO, 2013), p. 80.

Table 2.3 Vietnam-Laos State Level Border Gates

Province in Vietnam	Border Gate	Province in Laos	Border Gate
Điện Biên	Huổi Puốc	Luang Prabang	Nason
Sơn La	Chiềng Khương	Huaphanh	Bandan
Sơn La	Lóng Sập	Huaphanh	Pahang
Quảng Trị	La Lay*	Saravan	La Lay
Thừa Thiên - Huế	Hồng Vân	Saravan	Cutai
Quảng Nam	Nam Giang	Sekong	Daktaoknoy

Source: Masaya Siraishi, p. 83. *La Lay became international border gate in June 2014

The establishments of both international and state-level border gates are based on agreement between two central governments. However, third-country citizens' passport holders will only be allowed to pass through the international border category because the three remaining categories usually do not have visa-on-arrival services. It is no surprise that sometimes immigration staff at an international border gate will check the third-country citizens' passport more thoroughly as happened to me when crossing the border from Lao Bảo to Dansavanh. Furthermore, for the third category of border, "provincial-level border gates are established through an agreement between two provincial authorities and are only for the use of local people", as Ishida points out.⁶⁷ In addition, the numbers of border points, which are solely used by local border inhabitants, are usually bigger than other three categories. In Lao Bảo, there are two border points for crossing to Laos. The two border points are situated in Ka Tang and Ka Tup village, two of eleven villages in Lao Bảo that are dominated by an ethnic group of Mon-Khmer speakers called Vân Kiều.

2.4 Recent Condition of Lao Bảo: An Overview

In this part, I am going to describe the recent condition of Lao Bảo, including its geography and demography. Lao Bảo Town administratively belongs to Hương Hóa District, Quảng Trị Province, at the border between Vietnam and Savannakhet province of the Lao People's Democratic Republic, along Road No 9. It is 83 km from Quảng Trị capital of Đông Hà and takes one and a half hours to travel by car. From Đông Hà, Lao Bảo can also be reached by public transport with a fare of VND 50,000 per passenger.

⁶⁷ Masami Ishida, *ibid.*

In 1975, Lao Bảo consisted of seven villages. By 2005, Lao Bảo town had twelve villages, namely Duy Tân, Cao Việt, An Hà, Tân Kim, Xuân Phước, Vĩnh Hoa, Đông Chín, Trung Chín, Tây Chín, Ka Tăng, Khe Đá, and Ka Túp. The last three villages are inhabited by ethnic groups of Vân Kiều, Pa Kô, and Kado.⁶⁸ Lao Bảo town was formally upgraded as a town in 1994 based on the Government Decree No. 79/CP, dated August 1, 1994 with Tân Phước commune as the basis of the administrative area. Since then Tân Phước commune was renamed Lao Bảo Town.⁶⁹ Covering an area of 1,700 ha and located in a valley surrounded by high mountain jungle, Lao Bảo borders with Tân Thành commune to the east, Hướng Phùng commune to the north, and Dansavanh, Lao PDR' Savannakhet province to the southwest. Lao Bảo town and Savannakhet Province share about a 15 km-long border in which 20% of the border is the Sepon River.

Figure 2.5 Map of Lao Bảo Town



Source: <http://www.maplandia.com/vietnam/quang-tri/huong-hoa/lao-bao/>.

Accessed on July 17, 2015

In 2012 there were 2,300 households and 10,593 people in Lao Bảo. Two years later, 2014, the population of Lao Bảo increased to 11,070 with 2,457 households. It means that within

⁶⁸ According to Population and Housing Census 2009, officially there were only Kinh, Bru- Vân Kiều, Pa Cô or Ta Oi and other ethnicities in Quảng Trị Province. However, during my fieldwork in Lao Bảo, I met Kado people living in Ka Tăng village. According to an informant, there are 30 Kado households living in Ka Tăng village. Interview, December 24, 2014.

⁶⁹ “PHẦN I- Giới thiệu khái quát về Thị trấn Lao Bảo” on <http://thcs-laobao-huonghoa-quangtri.edu.vn/News/?ID=1031>. Accessed on September 29, 2015.

two years the number of households increased by 6.8% and the population increased by 4.5%. This clearly indicates immigration. The recent demography of Lao Bảo Town can be seen in the table below:

Table 2.4 Demography of Lao Bảo Town in 2014

No	Content	Total	Villages											
			Duy Tân	Cao Việt	An Hà	Tân Kim	Xuân Phước	Vinh Hoa	Đông Chín	Trung Chín	Tây Chín	Ka Tăng	Ka Túp	Khe Đá
1.	Total Households	2,457	168	158	242	274	267	74	284	340	327	183	65	75
2.	Population:	11,070	775	691	1,033	1,198	1,217	348	1,218	1,553	1,410	895	386	364
	Women	5,612	383	332	496	614	631	183	636	814	684	453	185	201
	Men	5,458	392	359	537	584	586	165	582	739	726	442	201	163
3.	Number of labor:	6,480	477	358	675	936	789	214	762	870	733	345	172	170
	Labor in agriculture and forest	-	-	-	-	-	-	-	-	-	-	-	-	-
	Employed labor, stabilized	4,547	378	246	465	618	568	178	431	581	503	261	168	150
	Participation labor/outsourcing	1,873	96	100	210	297	221	36	300	280	225	84	4	20
	Employees missing work	60	3	12	-	-	-	-	31	9	5	-	-	-
4.	Poor Households	137	2	2	6	6	7	3	6	4	3	53	25	20
5.	Nearly Poor Households	107	4	8	9	6	8	2	7	7	3	18	22	13
6.	Women (18-49 years old)	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Child:	-	-	-	-	-	-	-	-	-	-	-	-	-
	Girls	-	-	-	-	-	-	-	-	-	-	-	-	-
	Boys	-	-	-	-	-	-	-	-	-	-	-	-	-
	Child 0 -5 years old	-	-	-	-	-	-	-	-	-	-	-	-	-
	Child 6 – 11 years old	-	-	-	-	-	-	-	-	-	-	-	-	-
	Child 12 – 16 years old	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Disability person	-	-	-	-	-	-	-	-	-	-	-	-	-
	Disability child	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Cultural family	2,089	155	138	188	263	253	64	236	296	260	111	68	57
10.	Studios family	760	61	48	74	78	76	36	68	118	65	70	31	35

Source: People Committee of Lao Bảo Town, December 2014

It can be seen that population numbers in Đông Chín, Trung Chín, and Tây Chín, are higher than in other villages. Together with six remaining villages, Duy Tân, Cao Việt, Vinh Hoa, An Hà, Tân Kim, and Xuân Phước, those three villages are dominated by Kinh people. However, among twelve villages in Lao Bảo, the number of nearly and poor households in three dominated ethnic group villages (Vân Kiều, Pako, and Kado), Ka Tăng, Ka Túp, and Khe Đá, are much higher compared to other nine villages that are dominated by Kinh people. Of the total of 137 poor households in Lao Bảo, 53 poor households (28.96%) and 25 poor households (38.46%) are in Ka Tăng and Ka Túp respectively, while 20 poor households (26.66%) are in Khe Đá.

The main products of Lao Bảo are grain, paddy, coffee, dried black pepper, and bananas. There are also annual crops such as cassava, beans, maize, and vegetables. People also raise livestock such as buffalo, cow, pig, goat as well as birds. The details of key indicators of social and economic development in Lao Bảo reported in 2014 can be seen in the table below:

Table 2.5 Key Indicators of Social Economic Development in Lao Bảo (2014)

No.	Target	Unit	Realization in 2013	Realization in 2013 / Plan 2012 (%)	Plan 2014	Plan 2014/ realization in 2013 (%)
A.	Economic Development					
I.	Revenue	Millions dong	5,900	114.4	5,000	84.7
II	Main Products					
1.	Grain yields	Ton	99.3	135.3	99	99.7
	Paddy	Ton	93.17	234.1	93	99.8
2.	Coffee	Ton	-	-	-	-
3.	Dried pepper	Ton	5.2	69.3	5	96.2
4.	Banana	Ton	2,287.5	77.02	2,900	126.77
III.	Annual Crop Areas					
1.	Paddy/select year	Ha	34.7	302.5	84.7	100
2.	Maize	Ha	1.7	61	3	176.5
3.	Cassava	Ha	158	263.3	158	100
4.	Vegetables	Ha	4	33	6	150
5.	Beans	Ha	2	100	2	100
6.	Target of New Pepper area	Ha	-	-	-	-
	Total area available of pepper	Ha	13	86.66	13	100

7.	Target of new coffee area	Ha	-	-	-	-
	Total area available of coffee	Ha	-	-	-	-
IV	Livestock	-	12,000	229.9	5,500	45.8
1.	Buffalo	-	460	97.9	450	97.8
2.	Cow	-	818	105,5	800	97.8
3.	Pig	-	5,280	83	6,200	117.4
4.	Goat	-	858	97.5	850	99.1
5.	Birds/fowl	-	6,150	86	6,500	105.7
V.	Forestry					
1.	Concentrated forest	Ha	151.5	99	153	101
2.	Scattered tree Planting	tree	-	-	-	-
VI.	Social and culture					
1.	Average population	person	10,831	103.2	11,310	104.4
2.	Birth rate	person	220	103.77	165	85
3.	Mortality rate	person	18	62.06	6	88.9
4.	Poor households	household	137	36.11	83	67.9
5.	Poor households reduction	household	43	143.33	44	102.32
6.	Doctor in the remote area	person	1	100	1	100
7.	Malnutrition child under 5 years old	person	light: 127 severe: 74	-	108 63	85.03 85.13
8.	Total student at schools	student	2,717	99.96	3,800	103.05
9.	Total people having jobs	person	-	-	-	-
VII.	Other Target					

1.	Households using electricity	household	2,319	108.5	2,505	108.02
2.	Households using clean water	household	2,319	108.5	2,505	108.02
3.	Household using sanitation and toilet	household	2,134	107.72	2,329	109.13

Source: Lao Báo People Committee, 2014

Based on the table above, total revenue in 2013 counted VND 5,000 million, which is equivalent to 114,4% of the 2012 Plan. Amongst the main products, banana contributes the highest yield with 2,287.5 ton, followed by grain yields 99.3 ton, paddy 93.17 ton, and dried pepper 5.2 ton. Unfortunately, there is no information for coffee. Even though banana, in terms of quantity, put its position in the top rank, it only meets 77.02% of the 2012 Plan. This also happens with dried pepper, which merely meets 69.3% of previous year. Conversely, the paddy and grain yields production, with realization of 234.1% and of 135.3% respectively, has surpassed the target of last year's Plan.

Furthermore, it also can be seen that some Plans of annual crop areas expansion did not meet the target. For example, maize and vegetables with areas each of 1,7 ha and 4 ha could only reach 61% and 33% of the 2012 Plan respectively. However, some annual crop areas such as cassava, paddy, beans and pepper have met and/or exceeded the target. For livestock, the table shows that only cows could meet the Plan with 818 cows or 105.5% of the Plan. The remaining livestock such as buffalo, pig, goat, and birds or fowl, could not meet the target of the previous year Plan. Buffalo, for example, only meets 97.9% of the Plan, and sequently followed by goat (97.5%), birds/fowl (86), and pig (83%).

In terms of society and culture, the table shows that the total population in 2013 was 10,831, in which birth rate and mortality rate was 220 and 18 respectively. Next year, the rate of birth and mortality will be planned to reduce to 165 and 6 each. Besides, the number of poor households will be reduced from 137 in 2013 to 83 in 2014. This target was followed by the increase of poor households' reduction Plan from 43 poor households in 2013 to 44 in 2014. The successful reduction of poor households is expected to boost the increase of total students at schools. Not surprising, the total students at schools will increase from 2,717

students in 2013 to 3,800 students in 2014. Subsequently, malnourished children under 5 years old, both light and severe, will be minimized from 127 children (light malnutrition) and 74 child (severe malnutrition) in 2013 to 108 and 63 respectively. In addition, from the table above it also can be seen that other targets, especially households using electricity, and clean water, as well as sanitation and toilets, will be increased year by year.

To conclude, Lao Bảo border crossing in Quảng Trị Province played important role in the history of the region. As one of the oldest routes between Central Vietnam and Laos for centuries before any border was established, Lao Bảo border crossing constituted a gateway of contacts between Vietnamese traders and Lao settlements such as Sepon and Savannakhet. During the Vietnam War, Lao Bảo border crossing area in particular and Quảng Trị in general played a pivotal role as demarcation lines and became one of the most contested arenas, especially among the United States, Pathet Lao of Laos, North Vietnamese Nationalist, and South Vietnam. As a result, this region was suffering heavy loss of lives and infrastructures. However, after the Vietnam War ended in 1975, the government of Vietnam tried to develop the border areas immediately by implementing some policies such as New Economic Zones, population deployment, and cross-border agreements with Laos. The objectives of these policies were to boost the economic development in the border areas, rebuild the region from the ruins of war, deploy the population to the borders, and to keep the border security. The triumph of the policies practice has transformed the region from a devastated area by war to be one of the fastest developing areas in Central Vietnam.

Chapter 3 Crossing the Barriers: The Story of Transport Infrastructure

In the Lao Bão Border Area

3.1 The Story of the Road

This chapter will begin with a short story of the road at the border, both on the Laos side and on the Vietnam side, especially Route No. 9, which currently becomes East West Economic Corridor. Before transport infrastructure, especially Route no. 9, was developed, it took a long time to reach Lao Bão from Savannakhet and vice versa. As Pholsena reveals in her work, in the early 1980s, travel on Route No 9 in Laos' side was horrendous:

...In 1983, Route 9 was a dirt road, in terrible condition, with holes and cracks everywhere. In some places, you had to bend to go through; otherwise your face would get scratched by brushwood. It took 3 days and 3 nights to reach Savannakhet from the [Lao-Vietnamese] border: one night in Sepon village, a second night in Setthamuok, and a third night in Seno or Donghen. In 1985, the Vietnamese [soldiers] came to help repairing the road, after that the travelling time came down from three days and nights to one day and one night. In 1994, it was possible to cover the distance within one day, from 6 am to 6 pm. In 2005, we had the road as it is today; it is now 4 hours by bus or less than 2 hours by car.⁷⁰

But then the road condition on the Lao Bão border side was still difficult. As another observer, Hoa, reported in 2012, "...the road [to the Lao Bão border] was still a dirt road, narrow, just around two meters in width. There were many big trees alongside the road."⁷¹ Another story was told by Mrs. Hoang. She said:

I was born and grown up in Quảng Trị. I moved to Lao Bão in 1989 as a police officer and stayed in Trung Chín village. This area then was still covered by forest...National Road No. 9 was also still a dirt road and narrow....even the Lao Bão Trade Centre and hotels nowadays were forest then. There was no public transport except

⁷⁰ Vattana Pholsena, "There is more to road: Modernity, Memory, and Economy Corridor in Hường Hóa-Sepon Lao-Vietnamese Border Area", in Nathalie Fau, Sirivanh Khonthapane, Christian Tillard (eds.), *Transnational Dynamics in Southeast Asia: The Greater Mekong Sub-region and Malacca Straits Economic Corridor* (Singapore: ISEAS, 2014), p. 387.

⁷¹ Interview with Ms. Hoa, 60 years old and from ethnic Vân Kiều, Lao Bão, January 3, 2015.

government cars.⁷²

According to another informant, who often travels from Lao Bảo to Mukdahan round-trip that “Although our company is located in Lao Bảo we actually live in Mukdahan. Mukdahan to Lao Bảo is now very close, it takes only around 3 hours by car, we often go back home at least once a week. In 2001 it took 8 hours.”⁷³

Figure 3.1 The Road No. 9 during the Vietnam War



Source: Collection of Quảng Trị Museum

Through cross-border transport infrastructure (CBTI) projects funded by ADB, the Lao Bảo–Dansavanh cross-border route started being developed in 1994. It marked the early stage of Lao Bảo -Dansavanh cross-border area development as well. Subsequently, politburos of both Vietnam and Lao PDR agreed to transform Lao Bảo–Dansavanh border area to be an economic development area. During the period of 1992-1997, one after the other agreements was signed by the two countries, such as agreement on economy, culture, and science, as well as technical cooperation. Since then the Lao Bảo–Dansavanh border areas development became more and more significant: it was marked by the establishment of Lao Bảo Commercial Area in 1998, followed by the initiative of East-West Economic Corridor in the

⁷² Interview with Mr. Hoang, 67 years old, Lao Bảo, January 10, 2015.

⁷³ Interview with director and the owner of Viet-Thai Chaicareon Company, Lao Bảo, December 24, 2014.

same year, and then followed by the implementation of cross-border trade agreement (CBTA) in 2005. A story of Lao Bảo's condition in 1993 is told by Nagase Toshiro from JICA as follow:

During my first tenure in Vietnam in 1993, I came to this region for the first time. An official from the External Relations Department of the People's Committee of Quảng Trị took me to the area next to the border with Laos. The stories about life during the war that a man told me, including an anecdote about the use of bomb and shell fragments as bowls during meals by the local residents, were my first ever experiences of Vietnam that I could never forget.⁷⁴

Figure 3. 2 Picture of Lao Bảo Cross-border in 1993 and in 2012



Source: JICA Vietnam News Bulletin, June 2012

3.2 The Role of *Đổi Mới* and GMS-ECP

Both *Đổi mới* or renovation policy, which was launched in 1986, and the Greater Mekong Sub region Economic Cooperation Program (GMS-ECP) were important to Lao Bảo border development in the early stages. *Đổi mới*, an important milestone to the stage of Lao Bảo border areas development, changed Vietnam's centrally planned economy into a market-based mechanism and oriented policy.⁷⁵ Therefore, in 1987 and 1988 the government of Vietnam removed all checkpoints to allow the free flow of merchandise. According to Alpert and Sanders, several resolutions of the Central Committee and the Council of Ministers were also promulgated in order to cancel price controls on most basic commodities, deregulate

⁷⁴ JICA, JICA Vietnam New Bulletin, June 2012.

⁷⁵ Le Hong Hiep, "Performance-based Legitimacy: The Case of the Communist Party of Vietnam and *Đổi mới*" in *Contemporary Southeast Asia*, Volume 34, Number 2, August, ISEAS, 2012, p. 146.

exchange controls and readjust the exchange rate, expand management autonomy of state-owned enterprises, and to promote foreign trade.⁷⁶

With this policy, the government of Vietnam boosted every province to choose economy strategy programs to increase international cooperation and foreign trade relations.⁷⁷ Following this policy, Quảng Trị Province defined Lao Bảo cross-border areas as a main economic strategy for alleviating poverty and increasing international cooperation. To build this international cross border, the government of Vietnam accepted Quảng Trị Province's idea to develop Lao Bảo border area. Only several years after the policy of Doi Moi, another event came to accelerate the development of Lao Bảo, and this was the the Greater Mekong Sub region Economic Cooperation Program (GMS-ECP).

3.2.1 Greater Mekong Sub-region Economic Cooperation Program

The Greater Mekong Sub-region Economic Cooperation Program (GMS-ECP) is a sub-regional economic cooperation framework among GMS countries. This program is based on specific and complementary activities that have extended beyond national borders, which involves the participant of GMS countries such as Thailand, Myanmar, the Lao People's Democratic Republic, Vietnam, and two south-western Chinese provinces of Yunnan and Guangxi.⁷⁸ The GMS-ECP, which was initiated in 1992 and was assisted by Asian Development Bank (ADB), initially aims to develop infrastructure in GMS countries because, in the early step of running GMS-ECP, developing infrastructure, especially roads, are much easier than cooperation. However, the main goal of GMS-ECP is “to promote sustainable economic development through closer economic linkages between its member's states, by which this vision is embodied in the 3Cs strategy of enhanced ‘Connectivity’, increased ‘Competitiveness’, and a greater sense of ‘Community’.”⁷⁹

⁷⁶ William T. Alpert and Sol Sanders, “Recent Economy History: A Stalled Expansion,” in William T. Alpert (ed.), *The Vietnamese Economy and Its Transformation to an Open Market System* (New York: M.E. Sharpe, 2005), p. 37.

⁷⁷ The government of Vietnam boost direct foreign investment by adopting its first foreign law investment in 1987. See Borje Ljunggren, “Vietnam Second Decade under Doi Moi. Emerging Contradictions in the Reform Process?” in Bjorn Beckman, Eva Hansson, and Lisa Roman (eds.), *Vietnam: Reform and Transformation* (Stockholm: Center for Pacific Asia Studies, Stockholm University, 1997), p. 20.

⁷⁸ Srawooth Paitoonpong, “Thailand Cross-border Trade in the Greater Mekong Sub-region: Some Issues Never Solved”, in *TDRI Quarter Review*, Vol. 21 No. 1, March 2006, p. 11.

⁷⁹ Mohamed Abdul Aziz, Wei Li, Zoe Sinclair, Jinglong Yang, “Linkages: Development Strategies, Governance, and Cooperation: A Comparative Perspective of Thailand and Cambodia”, (The Greater Mekong Sub-region Capstone, 2013). Available on <http://www.sciencespo.fr/coesionet/sites/default/files/GMS%20Final%20Report-Revise-1.pdf>. Accessed on January 14, 2016.

Figure 3.3 Map of Greater Mekong Sub-region



Source: ADB and Australian AID, 2013, p. 4

GMS-ECP covered six development sectors at the outset, specifically transportation, energy, environment, human resource, telecommunication, and trade and investment. In order to attract tourists to visit GMS countries, a tourism development sector was added in 1994. Shortly after economic crises hit ASEAN countries in 1997, the trade and investment sector was separated into two sectors in 1998 in order to strengthen both trade and investment growth in this Sub-region. Furthermore, to strengthen agricultural cooperation among GMS countries, an agriculture sector was added in 2001. In short, since 2001 GMS-ECP has covered nine development sectors, namely transportation, telecommunication, energy, environment, human resource, tourism, trade, investment, and agriculture, with the priority being on the transport development sector.⁸⁰ Given each sector needs concrete steps to map

⁸⁰ Narong Pomlaktong, Chaiyasit Anuchitworawong, Rattana Jongwilaiwan, and Prakai Theerawattanakul, "The Challenges of GMS Regional Integration: Case Study of Governance of the Logistics Industry in Thailand", in Omkar L. Shretha and Aekapol Chongvilaivan (ed.), *Greater Mekong Sub-region: From Geographical to Socio-economic Integration* (Singapore: Institute of Southeast Asian Studies, 2013), p. 196.

and to carry out the potential projects in the region, GMS member countries and ADB established nine sectoral working groups. Those groups were as follows: 1) GMS Sub-regional Transportation Forum (STF); 2) Sub-regional Telecommunication Forum (STCF); 3) Electric Power Forum (EPF); 4) GMS Working Group on Human Resource Development (WGHRD); 5) Sub-regional Working Group on Environment (WGE); 6) GMS Business Forum (GMS-BF); 7) Sub-regional Investment Working Group (SIWG); 8) GMS Tourism Working Group (TWG); and 9) Working Group on Agriculture (GWA).⁸¹ Sub-regional Transportation Forum is on the top list.

3.3 Removing Barriers, Creating Cooperation in the Cross-border Area

In the Greater Mekong Sub-region Economic Cooperation Program (GMS-ECP), transportation sector and border areas development were the spearhead of regional cooperation among GMS countries. This was because, before the 1990s the transportation sector was severely damaged by wars and conflicts and border areas were barriers to relations between nation states as well as to the movement of goods, people, information, and services. Starting from those GMS-ECP actions, GMS countries began to transform the border perception from barriers of nation states into zones of cooperation. Through several projects launched by GMS, such as East West Economic Corridor, the Cross Border Transport Infrastructure, the Cross Border Trade Agreement, and the Special Economic Zones, borders have been transforming from “battlefields into marketplaces.”⁸²

3.3.1 Lao Bảo Special Economic and Commercial Area (SECA)

Following the agreements signed from 1992 to 1997, both governments of Laos and Vietnam agreed to develop the border hand in hand by establishing Lao Bảo -Dansavanh border as a new preferential commercial and investment area in order to gain the full advantages of economic development in the border as well as to promote the friendly relations between Vietnam and Laos. In parallel to this agreement, in January 11, 1998 Prime Minister of Vietnam issued Decision No.219/1998/QD-Ttg to establish Lao Bảo Preferential Economic and Commercial Development Area, or Lao Bảo Commercial Area.⁸³ Subsequently, based on

⁸¹ Masami Ishida, “GMS Economic Cooperation and Its Impact on CLMV Development”, in C. Sontharith (ed.), *Development Strategy for CLMV in the Age of Economic Integration* (Chiba: IDE-JETRO, ERIA Research Project Report 2007-4), p. 117.

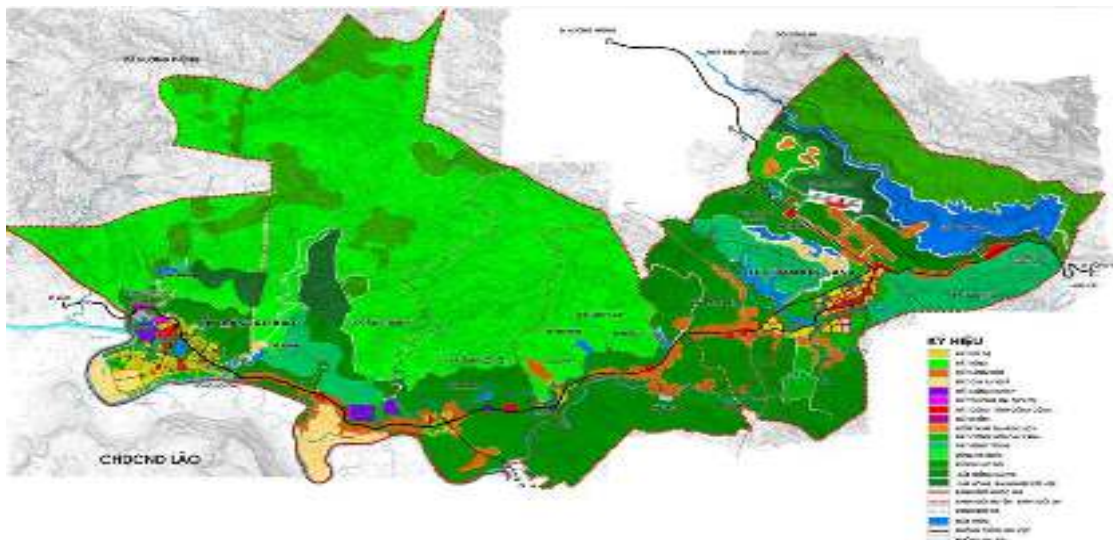
⁸² Caroline Hughes, “Soldiers, Monks, Borders: Violence and Contestation in the greater Mekong Sub-region” in *Journal of Contemporary Asia*, 41:2, 2011. 181-205, DOI:10.1080/00472336.553040.

⁸³ Nguyen Thi Kim Dung and Cu Chi Loi, “Vietnam’ Cross Border Economy” in *the Cross Border Economies of Cambodia, Laos, Thailand, and Vietnam* (Phnom Penh: Development Analysis Network, 2005), p.221.

Prime Minister Instruction No.25, dated March 25, 2002, the government of Laos established Dansavanh Trade Border Zone which has a total area of 3,301 ha, including 14 communes in the Sepon District of Savannakhet Province.⁸⁴

Lao Bảo Commercial Area stretches 25 km along the East West Economic Corridor connecting Vietnam to Laos, Thailand, and Myanmar, through the Lao Bảo international cross-border gate. It covers a total area of 15,804 ha, two township of Lao Bảo and Khe Sanh and five communes of Tân Hợp, Tân Liên, Tân Lập, Tân Long and Tân Thành. In 2011, the population of the Lao Bảo Commercial Area was about 45,000 people, and it is estimated to increase by 55,000 people by the year 2020.⁸⁵

Figure 3.4 Map 1. Map of Lao Bảo SECA



Source: Management Board of Lao Bảo Economic Zone, 2014

The Lao Bảo Economic Zone has a significant role in terms of the border area development in Vietnam. The Lao Bảo Economic Area is a pilot project of Vietnam to attract foreign investment and to increase trade activities in the border areas. This project makes Lao Bảo an important border gate connecting Vietnam and Laos, and it has been becoming the most

⁸⁴ Masaya Shiraishi, “East-West Economic Corridor: Lao Bảo-Dansavanh Border” in *IDE-JETRO Series: Border Economies in the Greater Mekong Sub-region*, edited by Masami Ishida (London: Palgrave Macmillan, 2013), p.155.

⁸⁵ Mai Van Xuan and Bui Thi Tam, *The Economic Impact of Lao Bảo Special and Commercial Zone: A Preliminary Evaluation* (Chiang Mai: RSCD, 2011), p. 17.

important international border gate for Vietnam because the main transportation route in Vietnam, Highway Number 9 connecting the northern and southern parts, passes Lao Bảo. Besides, the East West Economic Corridor, connecting Da Nang to Mawlamyine (Myanmar), also passes Lao Bảo. To offer more preferential policies in the area, the Prime Minister issued Decision No.11/2005/QĐ-TTg on promulgation of a new Regulation on 12th January 2005.

Accordingly, “Lao Bảo Commercial Area” combined with the international border gate between Vietnam and Laos was then renamed as “Lao Bảo Special Economic - Commercial Area (SECA) in 2005. According to this promulgation, the objectives of LSECA are in accordance with the East West Economic Corridor aims, especially to strengthen economic and commercial cooperation with neighbouring nation states. It can be said that the establishment of LSECA cannot be separated from the role of EWEC in the development of border areas. The government of Vietnam has given much more attention to Lao Bảo because Lao Bảo is one of 26 border-gate economic zones (BEZs) located along the border of Vietnam by which cross-border trade is concentrated as well as major border gates are located. However, out of those 26 BEZs, only 9 major BEZs were given priority in the development policy of the government of Vietnam, namely Mong Cái, Lao Cai, and Làng Sình (in the north); Cầu Treo, Bộ Ý, and Lao Bảo (in the center); and Mộc Bài, Đồng Tháp, and Ân Giang (in the south).⁸⁶

⁸⁶ Nguyen Hong Son and Dang Duc Son, “Improving Accessibility of Financial Services in the Border-Gate Areas to Facilitate Cross- Border Trade: The Case of Viet Nam and Implications for GMS Cooperation” in *Journal of Greater Mekong Sub-region Development Studies Vol.5, December, 2010*, p.84.

Table 3.1 Border Gate Economic Zone in Vietnam

Province	BEZ	Location	Date of Prime Minister's Decision	Remarks	Bordering with
Quảng Ninh	Quảng Ninh BEZ	Bình Liêu-Hải Hà	September 13, 2003	2 Zones of Hoanh Mo-Dong Van and Bac Phong Sinh Experimental, Supplementary decision April 6, 1998	China
	Móng Cái BEZ	Móng Cái	September 18, 1996		
Lạng Sơn	Lạng Sơn	Cao Loc-Van	November 9,	Experimental	
	province BEZ	Lang	1997		
	Chi Ma BEZ Dong Dang- Lạng	Loc Binh Lạng Lang District	February 6, 2001 April 28, 2008		
Cao Bằng	Cao Bằng BEZ	Phục Hóa-Trà Linh-Hà Quang	June 26, 2002	3 Zone of Ta Lung, Tra Linh and Soc Giang	
Hà Giang	Thanh Thủy BEZ	Vị Xuyên	November 21, 2001		
Lào Cai	Lào Cai BEZ	Bảo Thắng - Mường Khương District + Lào Cai City	May 26, 1998	Experimental, Decision of expansion January 10, 2003. Detailed regulation March 26, 2008	

Lai Châu	Lai Châu BEZ	Ma Lò Thàng	February 7, 2001	Including Tay Trang and Ma Lu Thang at the beginning	
Điện Biên	Tây Trang BEZ	Tây Trang		A part of Lai Chau BEZ at first; separated in 2004 when the Province divided	Laos
Sìn La	Sìn La BEZ	Mộc Châu - Sông Mã	December 11, 2001	2 Zones of Loon Sap and Chieng Khoung	
Quảng Bình	Cầu Treo BEZ	Hùng Sơn	September 15, 1998	Experimental; detailed regulation 19, 1997	
Quảng Bình	Cha Lo BEZ	Minh Hóa	October 15, 2002		
Quảng Trị	Lao Bảo SECA	Hướng Hóa	January 12, 2005		
Thừa Thiên Huế	A Đốt BEZ	A Lưới	May 22, 2008		
Quảng Nam	Nam Giang BEZ	Nam Giang	September 14, 2006		
Kon Tum	Bờ Y BEZ	Ngọc Hồi	September 5, 2005		
Gia Lai	Route 19 BEZ	Duc Co	September 21, 2001		
Bình Phước	Bonue BEZ	Lộc Ninh	May 1, 2005		

Tây Ninh	Mộc Bài BEZ Xa Mát BEZ	Bên Cầu- Trảng Bàng Tân Biên	October 27, 1998 September 11, 2003	Experimental; Preferential Policy expanded August 2004; Detailed regulation August 21, 2007	Cambodia
Đồng Tháp	Đồng Tháp Province BEZ	Hồng Ngự	December 13, 2001		
An Giang	An Giang Province BEZ Khánh Bình BEZ	Tịnh Biên- Tân Châu An Phú	July 17, 2001 February 22, 2005	2 Zones of Tinh Bien and Vinh Xuong authorized; detailed regulation May 11, 2007	
Kiên Giang	Hà Tiên BEZ	Hà Tiên City	September 3, 1998	Experimental	

Source: Masaya Siraishi, 2013, p. 81

As one of the important key elements of border development, the government of Vietnam designed Lao Bảo SECA as an integrated area as well as be more attractive. In regard to this design, the central government offered financial support for the construction and basic infrastructure from 1998 to 2008 with total amount VND 20 billion. Those basic infrastructures included roads, electricity, and water supply. Furthermore, to attract investors in Lao Bảo SECA, there are some preferential measures for Lao Bảo SECA, such as land rent is exempt for the first 11 years and then will only be charged annually at less than US\$ 0.4/m square; land can be leased up to 70 years; goods and services from Vietnam and from overseas brought into Lao Bảo SECA are exempt from import tax; foreign residents and

investors can build houses for sale and lease as well as can purchase houses in the LSECA.⁸⁷

Subsequently, as an important marketplace and international hub, the government of Vietnam tried to provide concentrated and unified governance activities in Lao Bảo SECA area as well as solve procedures in the “one stop, one spot” mechanism quickly and conveniently by issuing PM Decision No.495/QĐ-TTg in April 7, 2011, which was approving the adjustment of the master plan of Lao Bảo SECA by 2025.⁸⁸ It is not surprising that Lao Bảo SECA has played a significant role in attracting investment in the border areas. Masaya noted that as of July 2008, there were 52 projects in the Lao Bảo SECA consisting of 44 Vietnamese and eight foreign investments with total amount VND 2,230 billion. According to Management Board of Lao Bảo Special Economic Zone, by October 31, 2014 there were 280⁸⁹ enterprises registered and operating in the Lao Bảo SECA consisting of 6 foreign direct investments and 274 Vietnamese investments with a total capital registered over VND 3,885.091 billion. The simplification of investment procedures, which was reinforced by Prime Minister Decision in 2011, as well as the strategic location of Lao Bảo as international hub connecting Vietnam, Laos, Thailand, and Myanmar, have attracted investors to invest their capital in Lao Bảo. As a result, there was significant increase in the number of enterprises and amount of capital investment in the SECA.

Table 3.2 Investment in Lao Bảo SECA by 2014

No	Enterprises	Number	Total Investment (million VND)
1.	Limited Enterprises and Branches	159	2,801,612
2.	Joint Stock Exchange and Branches	41	574,396
3.	Private Enterprises	74	96,183
4.	FDI Enterprises	06	412,900
Total Enterprises		280	3,885,091

Source: Board Management of Lao Bảo SECA, 2014

⁸⁷ Shiraishi, *ibid.* p.144-145.

⁸⁸ According to the Master Plan of Lao Bảo by 2025, Lao Bảo SECA will have function areas as follows: border gates and entrance control stations (40 ha); Industrial Zone (112 ha); center network (491 ha); urban residential areas (311 ha); green park (734 ha); traffic and head-works areas (598); rural area (395 ha); and others (13,047 ha). See “Lao Bảo Special Economic-Commercial Area” in <http://hoinghicg.quangtri.gov.vn/index.php/en/news/Lao-Bao-special-economic-and-commercial-zone/LAO-BAO-SPECIAL-ECONOMIC-COMMERCIAL-AREA-11/>. Accessed on July 1st, 2014.

⁸⁹ By 2014 there were 425 enterprises registered in Lao Bảo SECA, including 31 new enterprises registered in 2014, but only 280 were operating. Board Management of Lao Bảo SECA, 2014.

The ADB introduced the East West Economic Corridor concept in 1998 to help the Greater Mekong Sub-region countries coping with the economic difficulties of the economic crisis, which started in 1997. The basic idea of the EWEC concept is to boost and revive economic activities along the East West transport corridor by developing border areas and by establishing industrial estates on the borders as well as tourism activities in order to attract investors along the corridors. The East West Economic Corridor started from Da Nang of Central Vietnam on the coast of the Pacific Ocean to Mawlamyine in Myanmar on the coast of Indian Ocean and passes through cities and cross-borders such as Đông Hà, Lao Bảo-Dansavanh border, Savannakhet-Mukdahan border, Phitsanulok, Tak, Maesot-Myawaddy border, Paan, and Mawlamyine⁹⁰ (see figure 1). In addition, East West Economic Corridor also aims to promote regional cooperation and border development in order to integrate four GMS countries, especially Vietnam, Laos, Thailand, and Myanmar.⁹¹ From the early stage it seems that EWEC has had important role in trying to develop the border.

Figure 3.5. Map of East West Economic Corridor



Source: Edo Andriessse and Nguyen Chì Linh, 2010: 3

Given East West Economic Corridor is a regional corridor, which spans around 1,320 km from Da Nang in Vietnam to Mawlamyine in Myanmar, it is not surprising that the nature of the continuous land route of the EWEC has specific characteristics. Administratively, the specific characters of EWEC is the EWEC passes through three provinces in Vietnam, two

⁹⁰ Masami Ishida, "Special Economic Zones and Economic Corridors" in *ERIA-DP-2009-16* (2009), p.4.

⁹¹ Sotharith C. (ed.), *Development Strategy for CLMV in the Age of Economic Integration*, ERIA Research Project Report 2007-4 (Chiba: IDE-JETRO, 2007), pp. 115-140.

provinces in Lao PDR, seven provinces in Thailand, and two provinces in Myanmar. Geographically, the EWEC characteristics seem to be important in terms of the speedy development along the corridor. These characteristics can be seen from the role of EWEC as commercial nodes, border nodes, gateway nodes, and interchange nodes as well.

As a commercial node, the East West Economic Corridor links important commercial points or cities in each country along the corridor. For example, EWEC links important cities in Vietnam such as Da Nang, Hue, Đông Hà, and Lao Bảo. In Lao PDR, EWEC connects Dansavanh and Savannakhet; in Thailand it links Mae Sot, Phitsanulok, Khon Kaen, Kalasin, and Mukdahan; and in Myanmar it connects Myawaddy and Mawlamyine. Furthermore, as border nodes EWEC connects three international cross-borders along the corridor, namely Lao Bảo–Dansavanh cross border between Vietnam and Laos, Savannakhet–Mukdahan cross border between Lao PDR and Thailand, and Maesot–Myawaddy cross border between Thailand and Myanmar.

Besides, as gateway nodes EWEC constitutes an important land route in linking two deep seas as gateway to broaden market access: EWEC connects two important sea ports, namely Da Nang sea port of Vietnam on the Pacific Ocean and Mawlamyine sea port of Myanmar on Indian Ocean. It means that EWEC eases connection and access between Pacific countries and Asia countries. The last characteristic of EWEC is as interchange nodes. The strategic position of EWEC creates interchange nodes along the corridor, both with North South Economic Corridor (NSEC) and Southern Economic Corridor (SEC).⁹² For example, Mawlamyine in Myanmar is the interchange of Dawei-Yangon route; Phitsanulok in Thailand is interchange for Bangkok-Chiang Mai route; Khantabouly in Lao PDR is interchange for Route 13 connecting to SEC; and Đông Hà in Vietnam is interchange for Rout A1 connecting to the NSEC.⁹³

The idea of East West Economic Corridor came into reality after the completion of a pre-investment survey conducted by ADB in 2001. It should be noted that one of the most principal motivations for the establishment of the East West Economic Corridor is to expand and boost economic and social welfare areas along the corridor in order to accelerate and

⁹² NSEC stretches from Bangkok, Ayyutaya, Tak, Lampang, Chiang Rai, Mohei, Yuki, and Kunming of China. SEC connects Dawei, Bangkok, Bang Pakong, Aranyaprathet, Poipet, Bavet, Moc Bai, Vung Tau. See Masami Ishida and Ikumo Isomo, *op.cit.* p. 39 – 40.

⁹³ Montague Lord, *op.cit.* p. 1.

enhance trade activities and cross border development.⁹⁴ This motivation is in accordance with ADB's point of view on economic corridors. According to ADB, economic corridors are geographically defined as areas that facilitate the national or transnational movement of goods, services, capital, people, and information. It aims to promote cross border trade, investment, and export-oriented production.⁹⁵ The pre-investment survey aimed to find out advantages and disadvantages of EWEC program along the corridor, including constraints, possibilities, and readiness of all member countries. The survey also figured out the effectiveness of EWEC, geographical features, border areas development, junctions along the corridors, and main ports as gateway to connect to the wider region.

The implementation of the East West Economic program was started in 2002 and coincided with the 10-year strategic program (2002-2011) of Greater Mekong Sub-region Economic Cooperation Program. This 10-year strategic program programs also revised the previous GMS flagship program that was launched in 1998. According to the 2002 strategic program, East West Economic Corridor is one of those eleven strategic programs. Those eleven strategic programs are 1) North-South Economic Corridor, 2) East-West Economic Corridor, 3) Southern Economic corridor, 4) Telecommunication Backbone and ICT, 5) Regional Power Interconnection and Power Trade Agreements, 6) Facilitating Cross-Border Trade and Investment, 7) Enhancing Private Sector Participation and Skill Competencies, 8) Developing Human Resources and Skill Competencies, 9) Strategic Environment Framework, 10) Flood Control and Water Resource Management, and 11) GMS Tourism Development.⁹⁶

The route of East West Economic Corridor proposed by ADB was actually the same route as the East West transport corridor initiated in 1994 through Cross Border Transport Infrastructure (CBTI). This transport corridor has been designed as an international road since 1994. Accordingly, only a year after completion of the pre-investment survey, the EWEC could be implemented on this route. It means that in 2002 the Cross Border Transport Infrastructure routes transformed to East West Economic Corridor. This transformation is in accordance with the ADB evaluation of EWEC as follows:

⁹⁴ ADB, "Pre-Investment Study for the Greater Mekong Sub-region East-West Economic Corridor," (2000). It can be reached at <http://www.montaguelord.com/downloads/reports-from-recent-consultancies/73-greater-mekong-Sub-region-preinvestment-study-for-the-east-west-economic-corridor/download>.

⁹⁵ ADB. *Preinvestment Study for the Greater Mekong Sub-region: East West Economic Corridor*, vol. 1, Integrated Report (Manila: ADB, 2001).

⁹⁶ Masami Ishida, (2008), p. 121.

The East–West Corridor remains a transport corridor with little evidence of transformation into an economic corridor. Government officials as well as ADB staff have yet to arrive at a consensus on how a transport corridor can be converted into an economic corridor.⁹⁷

However, it takes a long time to complete the East West Economic Corridor because each member country along the corridors has different key donors who supported the EWEC project. For example, the key donor for the EWEC project in Vietnam was from Asian Development Bank (ADB); in Lao PDR it was the Japan International Cooperation Agency (JICA) and ADB; and in Thailand it was ADB, JICA, and World Bank. It is not surprising that since it was launched in 2002, EWEC went into operation on 12 December 2006.⁹⁸

Since firstly initiated in 1998, EWEC has important role in reducing barriers to the relations between bordering countries as well as in developing the Lao Bão cross-border area as an economic zone, including in the establishment of Lao Bão SECA and the implementation of CBTA. EWEC has also increased the movement of people and vehicles as well as export-import volume through the Lao Bão cross-border as shown in the table below.

Table 3.3 Persons and Vehicles Crossing Viet Nam–Lao Border through Lao Bão

Year	Persons Crossing	Vehicles Crossing
1998	69,279	35,886
1999	83,357	41,812
2000	95,543	47,738
2001	95,643	38,683
2002	84,047	33,511
2003	101,366	45,138
2004	135,225	58,088
2005	143,048	51,416
2006	183,557	51,815
2007	273,872	55,544

Source: ADB, 2008. p.162

⁹⁷ ADB, “GMS Flagship Initiative: East-West Economic Corridor: Summary”. <http://www.adb.org/GMS/Project/1-flagship-summary-east-west.pdf>. Accessed on January 6, 2014.

⁹⁸ Ardhana, *Op.cit.*, p. 76.

Table 3.4 Exports and Imports through Lao Bão Border Crossing

Year	Weight (tons)	Value (\$)
1998	184,859	91,339,826
1999	192,670	128,563,507
2000	261,750	57,990,697
2001	167,550	45,978,669
2002	89,765	21,531,199
2003	101,925	29,287,016
2004	172,568	46,302,796
2005	194,530	67,964,397
2006	279,870	136,188,281
2007	373,968	148,503,140

Source: ADB, *Ibid.*

Meanwhile, according to Board Management of Lao Bão SECA, persons and vehicles crossing Lao Bão cross-border as well as export import through this border from 2007 to 2013 as follows:

Table 3.5 Vehicles and Persons crossing Lao Bão Cross-border (2007-2013)

Content	2007	2008	2009	2010	2011	2012	2013
1. Vehicles	55.508	55.594	51.026	56.519	65.262	61.000	79.681
- <i>Exit</i>	28.737	28.278	25.701	28.517	32.669	30.500	40.192
- <i>Entry</i>	26.770	27.316	25.325	28.002	32.593	30.500	39.489
2. Persons	273.872	262.550	230.616	287.889	308.107	296.500	771.930
- <i>Exit</i>	135.257	132.699	115.240	146.192	159.160	153.000	392.486
- <i>Entry</i>	138.615	129.851	115.376	141.697	148.941	143.500	379.444

Source: Board Management of Lao Bão Special Economic Zone, 2014

Table 3.6 Export and Import through Lao Bảo Cross-border, 2007-2013 (in USD 1000)

Year	Total Turnover	Turnover	
		Export	Import
2007	144.803	23.588	121.215
2008	194.113	25.912	168.201
2009	215.892	27.710	188.182
2010	254.122	33.076	221.044
2011	391.392	57.178	334.214
2012	342.180	72.293	269.887
2013	435.519	47.635	387.884

Source: Board Management of Lao Bảo Special Economic Zone, 2014

Furthermore, the East West Economic Corridor has reduced travel time from one commercial node to another. For example, recently it only takes 3 hours from Savannakhet to Dansavanh, but before the development of East West Economic Corridor, it took about 12 hours.⁹⁹ EWEC has also created an alternative route, especially for long distance trading. For example, table 8 below shows the comparison of land and sea transport from Bangkok to Hanoi.

Table 3.7. Comparison of Land and Sea Transport from Bangkok to Hanoi

	Route	Distance (km)	Travel Time	Transport Condition	Estimated Transport Cost (US\$)
Land transport	Bangkok – Mukdahan	680	15 hours	excellent	460
	Savannakhet – Dansavanh	250	5 hours	excellent	250
	Lao Bảo – Hanoi	660	14 hours	Satisfactory	1,400
	Total	1,590	3 days		2,110
Sea transport	Bangkok City – Bangkok Port	20-30	1-2 hours	excellent	100

⁹⁹ JICA, *Op.cit.*, p. 49.

	Bangkok Port – Hai Phong Port	-	8-12 days	-	800
	Hai Phong Port – Hanoi	120	3-4 hours	satisfactory	100
	Total		Approx. 2 weeks		1,000

Source: JICA, 2007: 3-4

From the table 3.7 above, it is clear that from Bangkok to Hanoi, around 1,590 km, can be reached within 3 days by Land transport via the East West Economic Corridor. Transport cost from Bangkok to Hanoi by land is US\$ 2,110. Conversely, from Bangkok to Hanoi by sea will take approximately 2 weeks but the cost is only US\$ 1,000. This alternative route has created a good competition among transport providers. The increase of movement people, goods, and vehicles through the Lao Bão cross-border caused long queuing in the cross-border area. To address this issue, the GMS countries then formulated a multilateral agreement on cross-border transport of people and goods named the GMS Cross-border Transport Agreement (CBTA).

3.3.2 Cross-border Transport Agreement (CBTA)

The CBTA was originally intended to facilitate cross-border transport of people and goods as well as strengthen GMS country linkage by eliminating cross-border barriers at administrative stages. Generally, CBTA aims to simplify the regulations, procedures, and requirements relating to the cross border transport of goods and people. Firstly signed by Lao PDR, Thailand, and Vietnam in 1999, CBTA was finally ratified in all 6 GMS countries by 2003.¹⁰⁰ It can be said that CBTA is the continuation and extension program of Cross-border Transport Infrastructure (CBTI) that already applied since 1994. As a soft infrastructure for cross-border transport, CBTA covers (i) facilitation of border-crossing formalities, (ii) cross-border movement of persons, (iii) transit traffic regimes, (iv) requirements for road vehicles in cross-border traffic, (v) exchange of commercial traffic rights, and (vi) infrastructure standards.¹⁰¹

The initial implementation of the CBTA was started in 2004 by selecting 7 key border crossing points in the GMS countries as follows: Lao Bão-Dansavanh, Mukdahan-

¹⁰⁰ JICA, *The Research on the Cross-border Transportation Infrastructure: Phase II. Final Report* (JICA, 2007), p. 32.

¹⁰¹ JICA, *Ibid.*

Savannakhet, Bavet-Moc Bai, Aranyaprathet-Poipet, Hekou-Lao Cai, Mae Sot-Myawaddy, and Mae Sai-Tachilek. Among those 7 cross-border points, Lao Bão-Dansavanh cross-border was appointed as the pilot project of CBTA implementation in June 2005.¹⁰² The implementation of CBTA in Lao Bão–Dansavanh cross-border was marked by the implementation of Single Stop Inspection (SSI) and Single Window Inspection (SWI). SWI and SSI are part of facilitation of border crossing formalities. Both inspections aim to reduce and simplify the procedure in the cross border check point. SWI is to control people, vehicles, and goods while SSI is to inspect export and import. The SSI and SWI carried out at Lao Bão–Dansavanh cross-border consists of four stages, and stage two and three were combined, as follows:

Stage 1: The Contracting Party of the MOU coordinate to jointly inspect commodities once at the CCA (Common Control Area) of the country of entry. It was commenced in June 30, 2005.

Stage 2 & 3: Customs Agencies and Quarantine Agencies of the two countries coordinate to work together to carry out all the procedure concern at the country of entry.

Stage 4: Fully carry out all the procedure of the SSI and SWI. All the competent agencies coordinate to implement their duties. It was officially launched in February 8, 2015.¹⁰³

Not only did this increased the movement of vehicles, people, and goods (see table 5 and 6), but the implementation of CBTA at Lao Bão cross-border also reduced vehicles queuing in the border area. As a trucker said, “[single] inspections in one place eased us and simplify the procedure steps in the border checkpoint. The extension of opening times has also benefited us as drivers. Previously, we had to stay overnight in the border area when we arrived here after 7.30 pm”.¹⁰⁴

¹⁰² It was followed by the implementation of the CBTA at Mukdahan-Savannakhet cross-border in Dec 20, 2006, coincident with the completion of the 2nd Mekong Bridge. See Souknila Keola, p. 164.

¹⁰³ Interview with Mr. Binh, Lao Bão, 13 December 2014. The fourth stage of SWI and SSI implementation at Lao Bão -Dansavanh cross-border can be seen at *Vientiane Times Issue 33*. February 9, 2015. “One-stop check system inaugurated at Lao-Viet border”, available at <http://www.savanpark.com/?p=1773>.

¹⁰⁴ Interview with Mr. Phan, a long distance truck driver of a private exporter company in Da Nang, Lao Bão, December 20, 2014. Since April 2013, Lao Bão cross-border gate extended opening time from 7 am – 7 pm to 7 am – 10 pm.

In short, the development of transport infrastructures and border areas was one of the most important stages of the regional cooperation dynamic among GMS countries. Prior to 1990s, transportation infrastructures in GMS countries, especially in the border area between Vietnam and Laos, were severely damaged by wars and conflicts. However, the development of transport infrastructures and Lao Bảo border crossing area can not be separated from the role of *Đổi mới*. As an important milestone to the economic change in Vietnam, *Đổi mới* boosted strategic programs to increase foreign trade relations and international cooperations. Transforming Lao Bảo - Dansavanh border crossing area to be an economic development area was one of the strategic programs to build international cooperation. Subsequently, Vietnam government paid more attention to the development of Lao Bảo crossing border by supporting projects which were initiated by GMS-ECP and assisted by ADB. Through several projects launched by GMS-ECP, such as CBTI, SECA, EWEC, and CBTA, Lao Bảo crossing border played a significant role as an international hub linking GMS countries. In addition, the implementation of the GMS-ECP projects transformed the border perception from the barriers of nation relations to the zones of cooperation.

Chapter 4

Trade, Traders, and Economic Activities in the Lao Bão Cross-border Areas

4.1 Introduction

The growing cooperation in regional economic development and integration among Greater Mekong Sub-region countries since the 1990s is an important milestone that changes our perspective on borders after many years' conflict and war in the region. Instead of as back yard and barriers to two bordering country relations, borders are now regarded as the front yard of a country as well as linking both two countries' border development. It is no surprise that borders in GMS countries are now becoming important nodes of economic growth, including Lao Bão cross-border area. It means that the governments of GMS member countries pay more attention to borders as one of each country's development spearheads. As Andrew Walker stated in his work that, in terms of the role of the state at the borders, "state power is more often concerned with regulating trans-border flows than with preventing them".¹⁰⁵ Further, Walker argued that regulatory regimes at the borders stimulate a range of economic activities and provide a variety of opportunities, including the emergence of competition at the border, which underlies the viability of local livelihoods. However, the new state border regulations are often not in line with the long-standing daily activities of border inhabitants. It is no surprise that at the same time, the border regimes themselves are negotiated and reshaped by the daily activities of those who make a living across them.

Similarly, Janet C. Sturgeon revealed that "borderlands constitute a region that is characterized by long-standing shared ideas and lifeways, related languages and even ancient trade networks".¹⁰⁶ Consequently, even though the government regulations are already applied, it cannot drastically change long-standing border daily activities because basically borders have their own characteristics. As a result, even though borders create opportunities, the benefits of border economic growth and development are often unevenly distributed among those who make a living there. Some groups are able to consolidate and intensify their involvement in border economic activities while others are still excluded. Apparently this also happened at the Lao Bão cross-border area. However, it should to be noted that in this

¹⁰⁵ Andrew Walker, *The Legend of the Golden Boat. Regulation, Trade and Traders in the Borderlands of Laos, Thailand, Burma and China* (Honolulu: University of Hawaii Press, 1999), p. 16.

¹⁰⁶ Janet C. Sturgeon, "Introduction – Regionalization at the Margins: Ethnic Minority Cross-border Dynamics in the Greater Mekong Sub region", in *Singapore Journal of Tropical Geography* 34 (2013), p. 5.

case, Lao Bảo cross-border area mainly refers to two important areas, namely Lao Bảo cross-border gate area (*khu cửa khẩu Lao Bảo*) and Lao Bảo Trade Center (Trung tâm Thương mại Lao Bảo), which is located 1 km away from the border gate.

By and large, the development of Lao Bảo cross-border area as the most important node of border economic growth in Central Vietnam, along with the implementation of some GMS economic programs, has created more opportunities for people living at the border area, such as cross border trade, motor cycle taxi driver (*xe ôm*), porter (*kéo hàng*), money trader (*đổi tiền*), peddlers, and so on. Local people, particularly ethnic groups of Vân Kiều, Paco, and Kado, for example, have opportunity to engage in the chain of border economy, such as being *xe ôm*, *kéo hàng*, and small peddlers. However, it seems that the local people can only be involved at the lower level of the border economic activities chain, which mostly relies on physical strength and low capital scales such as *xe ôm*, *kéo hàng*, and peddlers. Interestingly, no one among the local people engages in *đổi tiền* activity. All *đổi tiền* are from Kinh people. In addition, most of the cross-border traders at Lao Bảo cross-border area are Kinh people. Only a few traders are from Vân Kiều, Pako, and Kado, and they usually only sell crops. Even though there is basically no ethnic disparities access issue in economic activities, all ethnic groups have equal access and chance, it seems that unwittingly there is such ‘competition’ amongst those who make a living at Lao Bảo cross-border area.

This chapter presents the description of the dynamics of trade, traders and economic activities in the Lao Bảo cross-border areas, especially after the government of Vietnam gave more attention to the Lao Bảo border development in the 1990s. In accordance with the approach of this study, the focus will specifically be on the historical dynamic of the trade and traders as well as economic activities at the border. Therefore, the historical description and explanation were traced back on the basis of information obtained from interviews and observation during fieldwork in Lao Bảo, Quảng Trị Province of Hướng Hoá District. This chapter will be divided into four parts, namely introduction, trade and traders, short distance traders, and economic activities at Lao Bảo cross-border gate.

4.2 Trade and Traders

Trade and traders have an important role in the dynamic of cross-border trade in Lao Bảo. Some scholars have more paid attention to cross-border trade, such as Walker, Johnson, Paitoonpong, Ardhana, Sturgeon, and Langley. Those scholars, of course, have their own

definition of cross-border trade. According to Hazel J. Johnson and Patricia M. Langley, cross-border trade is defined as the transactions by which financial suppliers supply their service from their home country to customers in other countries. Freedom of cross-border trade implies the absence of obstacles to the trade in goods and services.¹⁰⁷

Another scholar, Andrew Walker, said that "...the trading relations of the small states in the upper-Mekong were only slightly affected by French colonial rule. Boundaries were redrawn, but the French unable to translate the discursive power of colonial maps into a new regulatory regime that incorporated north-western Laos into the trading and transport systems of Vietnam. As transport and trading networks in northern Thailand developed, northern Laos was increasingly drawn into commercial connections with Bangkok, Chiang Mai, and Chiang Rai."¹⁰⁸ Meanwhile, Srawooth Paitoonpong said that: Cross border trade covers border trade and formal trade (exports and imports) of goods that go cross borders, to and from neighboring countries, both formally and informally, and both locally or from/to other parts of country. Border trade is officially defined as trade of goods among local habitants or enterprises of border areas of both countries. The amount of border trade is usually small and the goods traded are usually for daily consumption or natural products. Formal trade refers to exports and imports that go through customs procedure at formal checkpoint. In this case, exporters and importers must be registered with relevant government agencies. Informal trade does not undergo regular customs procedures. It can be in the form of daily crossing the border carrying small quantity of goods or bringing goods across the border through informal or cultural checkpoints, or sneaking into the border or smuggling.¹⁰⁹

Prior to discussing trade and traders at Lao Bão cross-border area further, firstly I am going to describe the current condition of Lao Bão. During my fieldwork in Lao Bão, I tried to map the current situation of Lao Bão cross-border gate area in order to ease finding and making contact with informants related to cross-border trade and other activities at the border. Also, I wanted to compare the recent condition of Lao Bão cross-border area to the 7 years' ago

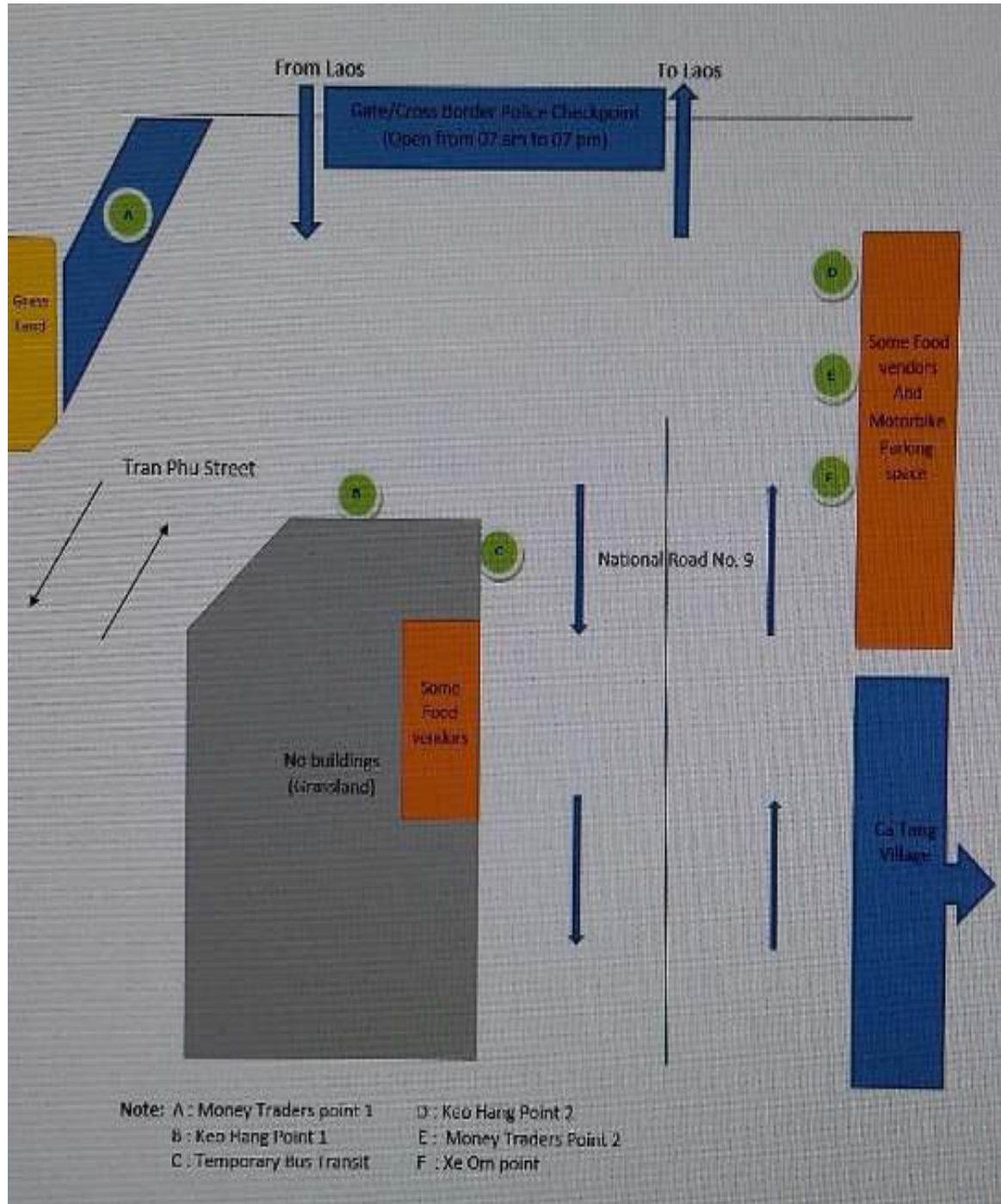
¹⁰⁷ Hazel J. Johnson and Patricia M. Langley, *Trade Agreements and Financial Services* (Singapore: World Scientific Publishing Co. Pte. Ltd., 2002), p. 15.

¹⁰⁸ Andrew Walker, *The Legend of the Golden Boat. Regulation, Trade and Traders in the Borderlands of Laos, Thailand, Burma, and China*, p. 63.

¹⁰⁹ Srawooth Paitoonpong, "Thailand's Cross-border Trade in the Greater Mekong Sub-region: Selected Social Issues", paper presented at the Core University Program Conference "Emerging Development in East Asia FTA/EPAs", Kyoto, 27 – 28 October 2006, p.1.

when I visited for the first time. As seen at Figure 4.1 below, there were some significant changes at the border area in 2007 compared to the condition in 2015 (Figure 4.2).

Figure 4.1 Lao Bào Cross-border Gate Area as of July 2007



Source: Drawn by author based on fieldwork in July 2007

From the Figure above, it can be seen that the spatial condition of Lao Bào cross-border gate

area in 2007 has changed significantly compared to its condition in 2015 (Figure 4.2). Some spaces had no buildings, only grassland. Street vendors were still scattered in some places around the border. Similarly, *xe ôm* point (F) was still combined with motor bike parking space as well as *đôi tiền* point (E).

Conversely, in 2015, some new buildings are now appearing at the border gate area, such as Mailinh gas station, Mailinh restaurant, which is currently still under construction, public toilet (I), and *Siêu Thị Miễn Thuế Thiên Niên Kỷ* or Millennium duty-free supermarket (A). In 2007, the area of Mailinh gas station and Mailinh restaurant as well as Millennium duty-free supermarket was still grassland. According to Mr. Binh, both Mailinh gas station and the restaurant building are private property and belonging to Mailinh taxi group. Mailinh taxi group is the largest taxi company in Saigon. Mailinh taxi group is now trying to get permission to a run taxi service in Lao Bảo. As the first strategy, while waiting for the business license, Mailinh group established the gas station in Lao Bảo in 2013 following the restaurant that is now still under construction and is located next to the gas station.

Figure 4.2 Mailinh Gas Station and Restaurant at Lao Bảo Border Gate Area



Source: Photo by author, December 2014

The location of Mailinh gas station, on the right side of the main road and only 200 meter from the border gate, is very strategic. It means that all buses, trucks and other vehicles, especially from Laos' side, will stop there to refuel. The closest gas station on Laos' side is located between Ban Pheung and Houay Pa Lath, but it is only a small one. I saw some trans-border trucks and inter-state buses were lining up at Mailinh gas station to refuel and or to

wait for passengers, even loading and unloading goods. It can be understood because Mailinh gas station has a huge area equipped with public toilet, parking area, and a canteen as well. Unfortunately, *Siêu Thị Miễn Thuế Thiên Niên Kỷ*, the most modern and majestic building at Lao Bảo border gate area, is now no longer in operation. Later I learned that *Siêu Thị Miễn Thuế Thiên Niên Kỷ* stopped its operation because there were not many visitors as well as tourists.

Further, I got information from Mr. Binh that *Siêu Thị Miễn Thuế Thiên Niên Kỷ* was previously belonged to the Millennium Group from Manila, which has its head office in Hồ Chí Minh. Millennium Group has some super malls and shopping centers in Hồ Chí Minh and Hanoi, including Trang Tien mall, a very popular mall in Hanoi. Mr. Binh added that *Siêu Thị Miễn Thuế Thiên Niên Kỷ* in Lao Bảo imported and provided luxury goods from European countries such as France, England, Germany, and Italy. Unfortunately, this duty free was only operating less than a year and closed in 2011. The *Siêu Thị Miễn Thuế Thiên Niên Kỷ* building now belongs to Board Management of Lao Bảo Special Economic Zone. In the future, Mr. Binh said, it would be used to support Lao Bảo cross-border checkpoint activities.¹¹⁰

Figure 4.3 Millennium Duty-free Supermarket



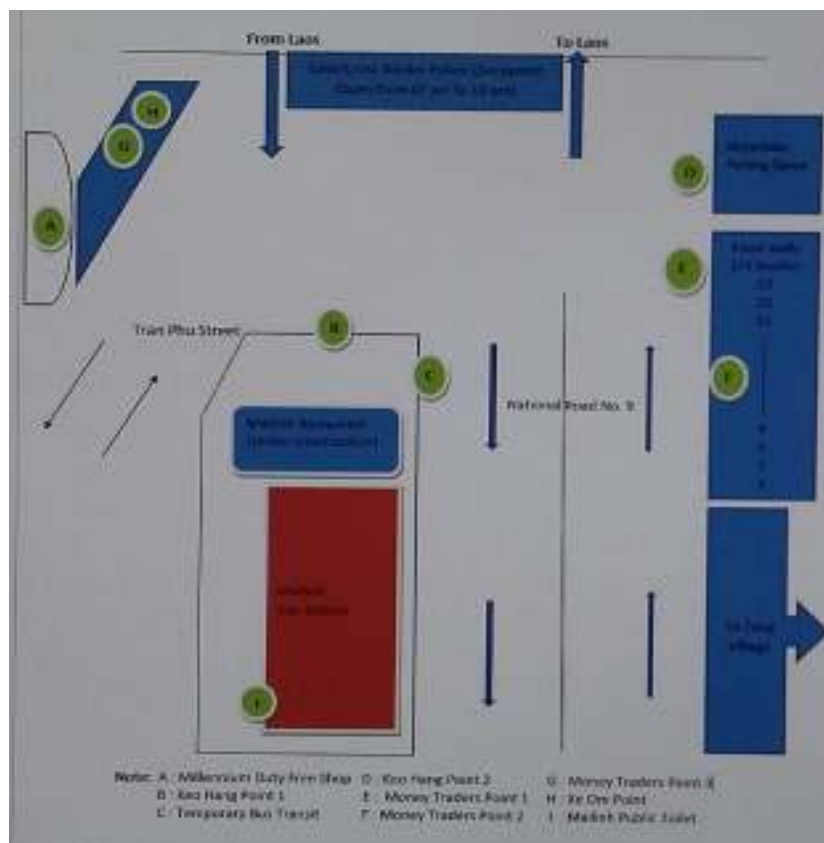
Source: Photo by author, December 2014

Besides those new buildings that made Lao Bảo border area seem developed, the food and

¹¹⁰ Interview with Mr. Binh, Lao Bảo, December 14, 2014.

beverage stalls also looked well organized. They are centered in one place, a semi-permanent building. In addition, *Xe ôm* or motorbike taxi driver, *kéo hàng* or porter, and *đổi tiền* or money trader are also placed in a certain area near the border gate. Also, there was a motorbike parking space next to the food stalls (D). Even though there was a space for motorcycle parking, I still saw dozens of motorcycle parked in front of the food stalls. Recalling my memory seven years ago, I still clearly remember that food vendors, *Xe ôm*, *kéo hàng*, and, *đổi tiền* were still scattered around the Lao Bảo cross-border gate, so it looked chaotic. In addition, the *Siêu Thị Miễn Thuế Thiên Niên Kỷ* building did not exist at that time. It was still a vacant and arid land with few trees. Even at that time I saw some people of Vân Kiều ethnic group were passing through this area to go to Lao Bảo Trade Center. Indeed, besides National Road No. 9, Tran Phu Street also connects Lao Bảo border gate area to Lao Bảo Trade Center. It became shortcut for Vân Kiều ethnic group to go to Lao Bảo Trade Center, instead of National Road 9 which is much farther.

Figure 4.4 Lao Bảo Cross-border Gate Area as of January 2015



Source: Drawn by author based on fieldwork, January 2015

Meanwhile, Lao Bảo Trade Center, which is at a distance of one km from the border gate, is the main trade center not only for Lao Bảo people, but also for people living in Lao Bảo Special Economic and Commercial Zone, which covers six communes and two towns, including Khe Sanh town. Having three main buildings and two supporting buildings for daily needs, with more than 400 booths and traders, Lao Bảo Trade Center is a magnet for people living in the border area and surrounding cities as well as foreigners, especially from Laos and Thailand. It is not surprising that since coming into operation in 2005, Lao Bảo Trade Center has boosted economic activities in Lao Bảo town. Before the trade center was put into operation, most ethnic groups such as Vân Kiều, Paco, and Kado had only relied on crops and work in the forest. They did not have any opportunities to change their daily activities. Conversely, after Lao Bảo Trade Center started in 2005, they have had more opportunities to be trader, motor cycle taxi driver, or porter at the trade center. Even some have the opportunity to do cross-border trade even though on a very small scale. As Mrs. Lòi told me as follows:

I used to work in the forest to get money and sometimes work as porter. After Lao Bảo Trade Center opened, I then tried to trade crops such as chili, fresh vegetables, banana, fruits and any commodities that I can sell. I buy crops in Laos' area, from Karon market and sometimes buy directly from households. I usually go to cross border in the early morning to buy crops and return noon to Lao Bảo, because fresh market at trade center start afternoon.¹¹¹

Figure 4.5 Lao Bảo Trade Center



Source: Photo by author, December 2014

As an international cross-border checkpoint, Lao Bảo crossing border has actually functioned as a mainland route of trading and transport networking in central Vietnam since long ago,

¹¹¹ Interview Mrs. Lòi, Lao Bảo, December 28, 2014.

especially since the French colonial developed Road No. 9, which connects Laos to Vietnam, in the last decade of the nineteenth century. However, it is not easy to obtain data on trade and traders in Lao Bảo cross-border during the war because most of the scholars concerned with Vietnam gave much more attention to the war history of Vietnam. Regarding this, David Marr told me that from 1966 to 1975 there was not much possibility of border crossing because of the war, except by soldiers on both sides.¹¹² In addition, prior to 1993 Lao Bảo cross-border was not an international cross-border. However, from interviews, I could obtain a brief description of trade and trader activities post-Vietnam war at Lao Bảo cross-border, especially after 1975 and early 1980s. As Mrs. Doan, 55 years old, told me:

In the 1975 when Kinh people started moving to border, many of them crossed to Laos for doing trade, both legal and illegal. Before the border gate checkpoint moved to current position in 1982, many Vietnamese preferred to cross to Laos through traditional path, crossing Sepon River, over there [pointing at footpath located 500 m from the current border gate checkpoint position, behind Millennium duty-free supermarket]. Previously the border checkpoint was located in the current position of Mailinh gas station. At that time, many Vietnamese smuggled gold from Laos by hiding it in shoes or sandals soles to deceive border checkpoint guards' inspection. They then brought and sold the gold in Quảng Trị city of Đồng Hà.¹¹³

Another informant, a middle age Vân Kiều women, told me that since a long time ago many Vietnamese people have been doing trade in Karon market on Laos' side. She revealed that: I was born and grew in Lao Bảo border area. Even my parent's house was located in current location of Mailinh gas station before moving to its current position in Ka Tang village. I have been working as *kéo hàng* since more than 30 years ago. I crossed various commodities of Vietnamese traders who trade in Karon market in Laos.¹¹⁴

Unfortunately, I did not obtain any official data of cross-border trade in Lao Bảo until the early 1990s. It might be because Lao Bảo cross-border had just become an international cross-border checkpoint in 1993. It is not surprising that official data on cross-border trade through Lao Bảo border checkpoint were available after 1993, especially after the

¹¹² Thank you Professor David Marr for the valued information and discussions.

¹¹³ Interview Mrs. Doan, Lao Bảo, December 23, 2014.

¹¹⁴ Interview Mrs. Hoa, Lao Bảo, December 27, 2014.

government of Vietnam established Lao Bảo Commercial Area in 1998.

Along with the development process of Lao Bảo cross-border, including the establishment of Lao Bảo SECA, the implementation of EWEC, CBTA, and SSI/SWI as I mentioned in the previous chapter, trade and traders in Lao Bảo grow faster and more dynamic. As an international cross-border, the movement of international trade, which is dominated by big traders such as export-import companies, through Lao Bảo cross-border checkpoint increased. Long queuing of export-import trucks and truck-containers from Đà Nẵng, Huế, Đồng Hà, and other cities can still be seen every day at the border gate area. However, given I do not have sufficient data and information on big companies that run export-import through Lao Bảo cross-border, which are mostly located in Đồng Hà, Huế, and Đà Nẵng, I will only describe one of the enterprises operating in Lao Bảo, namely Viet-Thai Chaichareon Company, and one of traders who trade at Lao Bảo Trade Center and got benefits from the Lao Bảo cross-border area development.

4.2.1 “Super Horse”: Brief Story of the Viet-Thai Chaichareon Co. Ltd

The Viet-Thai Chaichareon Co. Ltd was established in March 21, 2001 by the decision No. 519/ QĐ-UB issued by the People Committee of Quảng Trị. It is the first enterprise with 100 percent foreign capital investment in Lao Bảo Special Economic Zone. Occupying an area of 30,000 meters square, about 2 km from Lao Bảo border gate, The Viet-Thai Chaichareon Co. Ltd invested US \$5 million in 2001.¹¹⁵ The main product of Chaichareon is “Super Horse” energy drink. Chaichareon is one of the big companies in Thailand that runs export and import of various commodities as well as having some enterprises.

I was lucky to meet and interview the owner as well as the director of the Viet-Thai Chaichareon Company in December 24, 2014. The director of Viet-Thai Chaichareon Company requested me to not making any tape recording during interview, but she would help me with pleasure. As a result, I just made some notes during interview. Subsequently, to disguise her name in this research, I refer to call her as Mrs. Art. Mrs. Art is daughter of the Chaichareon Company owner in Mukdahan, Thailand. Accompanied by her husband, she met me at a coffee shop in Bảo Ngọc Hotel. Given her English is not fluent enough, her husband, who graduated with a master’s degree from Melbourne University, Australia, helped her in answering my questions. There are some reasons why Viet-Thai Chaichareon

¹¹⁵ <http://www.superhorsebev.com/about-us.html>. Accessed on April 16, 2015.

Company was established in Lao Bảo. The main reason is to take benefit from the development of Lao Bảo cross-border, along with Lao Bảo SECA preferential offer for foreign investors, such as 11 years free and rent and very cheap land rent price after 11 years. As Mrs. Art revealed, “our company rents an area here, where in the first 11 years we are free. After that we have to pay only 10% of the rent price. It means that nowadays our company has to pay the rent. Overall, since 2001 our company grows significantly, especially in the last two years. I myself often travel round-trip from Lao Bảo to Mukdahan.”¹¹⁶

Other reasons for establishing Viet-Thai Chaichareon Company in Lao Bảo and focusing on the energy drink are strategic location and the availability of expertise in producing energy drink. As Chaichareon is a family company that has been running various business for decades, the choice of business location will always become an important consideration. According to Mrs. Art, Lao Bảo as a new economic zone that is located on the East West Economic Corridors as well as not far from the base of Chaichareon in Mukdahan has a strategic location and potential. She added, “Another reason we establish an enterprise in Lao Bảo is suggestion and support from the former vice president of national Vietnam-Laos friendship association, who coincidentally is my mother’s best friend for the last 25 years”. Meanwhile, Viet-Thai Chaichareon chooses to produce an energy drink because there was no such enterprise in Lao Bảo. In addition, Chaichareon had a business partner that is expert in producing energy drink.

After deciding to establish the enterprise in Lao Bảo, Chaichareon started constructing a new building in 2000. The development of the Viet-Thai Chaichareon Company building employed Vietnamese workers under Thai supervision and was completed in 2001. The establishment of this company has benefited local people because it has absorbed labour from Lao Bảo and surrounds. In 2001, there were 80 workers but the production was still low because most processes were done manually. A decade later, when the company applied high technology in 2011, the workers reduced to 70 but the production increased four times than of 2001. In 2011, for example, this company produced 20 million cans of Super Horse with revenue of VND 85 million, 30 million cans in 2013, and the capacity is now 60 million cans.¹¹⁷ The director added that “since we applied high technology in 2011, we could reduce time of production, increased speed, sophisticated machine, and logistics as well as worker,

¹¹⁶ Interview with the director and owner of Viet-Thai Chaicareon Company, Lao Bảo, December 24, 2014.

¹¹⁷ <http://www.superhorsebev.com/about-us.html>, *ibid*.

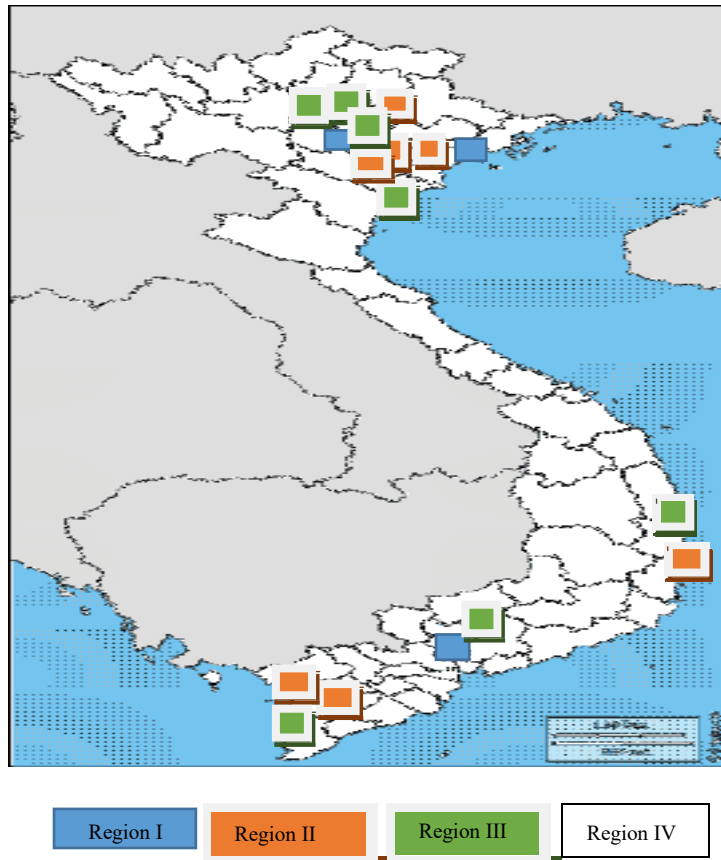
so it has resulted in better quality product and consistency”.

However, Viet-Thai Chaichareon is still facing challenges, especially in terms of human resources. Even though all production processes are now using higher technology, highly qualified staff and workers are still needed. It is very difficult to obtain qualified employees graduated from university because the education level of people in Lao Bảo is still low. Even if anyone graduated from university, they prefer go to big cities such as Đà Nẵng, Huế, Hanoi, or Hồ Chí Minh. Recently, among 70 employees in Viet-Thai Chaichareon Company, there are only 3 employees who graduated from university, while some graduated with a diploma and the majority finished their education at high school. Further, the recruitment system of employees is very transparent, as Mrs. Art said: “Among our employees, 50% are from Lao Bảo and the rest come from other districts in Quảng Trị province and even from other provinces. We recruit employees based on the standard criteria set by company, not based on the employees’ place of origin”. In order to increase their skills, the company regularly sends the employees to attend seminars, trainings, and workshops.

As a trans-national company, Viet-Thai Chaichareon Company applies regional minimum wage. The regional minimum wage in Vietnam is divided into four regions. Region I consists of big cities such as Hanoi, Hồ Chí Minh and Hải Phòng. In 2015, the minimum wage in these regions is VND 3,100,000 (US\$ 147.6). Region II covers some provinces such as Hải Dương, Hưng Yên, Bạch Ninh, Thái Nguyên, Nha Trang, Cần Thơ, and Rạch Giá with minimum wage VND 2,750,000 (US\$ 130.95). Subsequently, region III encompasses some regencies or districts in Hải Dương, Vĩnh Phúc, Phú Thọ, Bắc Ninh, Nam Định, Phú Yên, Đồng Nai and Tiền Giang. In these areas, the minimum wage is VND 2,400,000 (US\$ 114.3). Region IV covers some developing areas in Vietnam, especially central region provinces and mountainous areas, with minimum wage VND 2,150,000 (US\$ 102.4). According to Iden, Lao Bảo is included region IV.¹¹⁸ Not surprisingly, as Mrs. Art told me, the minimum wage of employees in this company was VND 1,850,000 (US\$ 88) per month in 2014 and would increase to VND 2,150,000 (US\$ 102.4) per month in 2015.

¹¹⁸ Interview with Iden, local staff of the Embassy of Indonesia in Hanoi, January 22, 2015.

Figure 4.6 Regional Minimum Wages in Vietnam



Source: http://www.d-maps.com/carte.php?num_car=984&lang=en, and redrawn by author

Viet-Thai Chaichareon Company produces the energy drink “Super Horse” every day, from Monday to Saturday. Employees work from 8 am to 10 pm, six days a week. They are off on Sunday. The product “Super Horse” is distributed to Lao Bảo and other cities or provinces through dealers. So far there are 19 dealers distributing “Super Horse” throughout Vietnam. These dealers can be seen from the table below:

Table 4.1 Viet-Thai Chaichareon Company Dealers in Vietnam

No	Province	Area	Representative	Unit Name	Address
1.	Bà Rịa- Vũng Tàu	Vũng Tàu city	Mr. Hui	Thanh Nghia Thinh Co. Ltd.	44/8a Nguyen Gia Thieu, Area 12, Vung Tau city, Ba Ria Province
2.	Bình Phước	Phước Long commune	Mr. Hung	Nguyen Hung Co. Ltd	Group 1, Phuoc Vinh, Phuoc Binh, Phuoc Long Commune, Binh Phuoc Province
3.	Bình Thuận	Lagi Commune	Mrs. Lieu	Truong Thi Bich Lieu	42 Nguyen Truong To, Phuoc Loi, Lagi Commune, Binh Thuan Province.
4.	Đắk Lắk	Cu Mga district	Mr. Hung	Do Hung	Cu Mga Ditriect, Dak Lak Province
5.	Đắk Nông	Gia Nghia commune	Mr. Thuan and Ms. Ha	Nguyen Duc Thuan	142 Tong Duy Tan, Nghia Thanh, Gia Nghia Commune, Dak Nong Province.
6.	Gia Lai	Pleiku city	Mr. Khoa and Ms. Van	Phan Bui Hai Van	68 Nguyen Ba Ngoc, Pleiku City, Gia Lai Province
7.	Hà Tĩnh	Duc Tho town	Mrs. Dung	Pham Thi Dung	Hamlet 5, Duc Tho Town, Duc Tho District, Hà Tĩnh Province
8.	Hà Tĩnh	Kỳ Anh town	Mr. Tam	Hoang Anh Joint Stock Company	Hamlet 2, Ky Anh Town, Ky Anh District, Hà Tĩnh Province
9.	Hà Tĩnh	Hà Tĩnh city	Ms. Tuyen	Tuyen Vinh Co. Ltd	313 Tran Phu, Hà Tĩnh City, Hà Tĩnh Province
10.	Nghệ An	Diễn Châu town	Mr. Thuyet	Tuan Anh Joint Stock Company	Ngoc Tan hamlet, Dien Ngoc, Dien Chau town, Nghe An Province.
11.	Nghệ An	Đô Lương town	Mr. Hoi	Le Dinh Hoi	Do Luong Town, Do Luong Disriect, Nghe An Province
12.	Nghệ An	Vinh city	Ms. Ha	Ha Phuong Co. Ltd	Unit 11 Hong Son, Vinh City, Nghe An Province

13.	Quảng Bình	Bà Đôn Commune	Mr. KHuế	Hai Binh Co. Ltd	289 Quang Trung, Bà Đôn ward, Bà Đôn Town, Quang Binh Province
14.	Quảng Bình	Đồng Hới City	Mr. Loc	Xuan Loc Co. Ltd	129 Ngo Gia Tu, Nam Ly Ward, Đồng Hới City, Quang Binh Province
15.	Quảng Trị	Đồng Hà city	Mr. My	Nguyen Quang My	Ward 1, Đồng Hà City, Quảng Trị Province
16.	Thanh Hóa	Tĩnh Gia town	Ms. Dong and Mr. Thu	Dong Tien Co. Ltd	Tĩnh Gia Town, Tĩnh Gia District, Thanh Hóa Province
17.	Hồ Chí Minh and Western provinces	Hồ Chí Minh and western provinces	Mr. Can and Ms. Quynh	Lien Hiep Co. Ltd Tuoi tre Di Dong	402 Nguyen Kiem, Ward 3, Phu Nhuan District, Hồ Chí Minh City
18.	Huế	A Luoi town	Mr. Huyen	Nguyen Van Huyen	Group 9, Cluster 6, A Luoi Town, A Luoi District, Thua Thien-Huế Province
19.	Huế	Huế city	Ms. Thuy	Nguyen Thi Thuy	Nguyen Sinh Cung, Huế City, Thua Thien-Huế Province

Source: <http://www.superhorsebev.com/about-us.html>, accessed on April 16, 2015

Even though Viet-Thai Chaichareon Company is the only enterprise in Lao Bảo that produces an energy drink, the market of energy drink in Lao Bảo is still dominated by Red Bull, another Thai energy drink brand produced in Thailand. It is not surprising that we can easily find Red Bull brand everywhere at stores or street vendors in Lao Bảo. Red Bull brand is the biggest competitor of Super Horse in Lao Bảo. Therefore, in order to compete and to increase the market, Viet-Thai Chaichareon Company tries to expand its market not only in Vietnam but also exports its product to Myanmar, starting 2015.

4.2.2 Pursuing a Dream at the Border Area: Story of a Trader at Lao Bảo Trade Center

As I mentioned earlier, there are hundreds of traders at Lao Bảo Trade Center, which are placed in three main building, Building 1, Building 2, and Building 3, based on their commodities. Among those hundreds of traders, I am interested in the story of Mrs. Bé (she

prefers to be called chị Bé), a trader at Building 3 who sells various clothes. The first time I met her when I was looking for a rain coat at Lao Bảo Trade Center in the early days of my research. After going around Building 3, that is devoted to selling clothes, I finally came to chị Bé's store. Unlike other traders I had met before, she looked very friendly and talkative enough to her clients, included me. After we had a short warm conversation, in order to make friends with her as well as to get more information, I decided to buy a rain coat from her. She was surprised to know that I am from Indonesia and speaking Vietnamese. She thought that I am Lao because she often has customers from Lao who also speak Vietnamese. She then gave me a special price for the rain coat I bought. Since that time, I often visited her store to obtain more information about her trade activities. Moreover, later I got to know her husband as well, Mr. Thuan, a xe om driver whom I met coincidentally when I wanted to go to the border. From this spouse, I then got some important information on trade activities at Lao Bảo Trade Center as well as their trade story.

Chị Bé and her husband are from Quảng Trị in origin. They moved to Lao Bảo in 2005 when Lao Bảo Trade Center had just come into operation. Before deciding to move to Lao Bảo, Thuan was a tour guide. It is not surprising that his English is very fluent. He learned English entirely on the job. As a tour guide, he often travelled to some cities and tourist destinations in Vietnam, especially in the middle and southern Vietnam areas, such as Huế, Đà Nẵng, Nha Trang, Cần Thơ, Hồ Chí Minh, and so on. As a result, his wife, chị Bé, often complained to him because he frequently left home for a long time. Aiming to become closer with his wife and two children, Thuan stopped being a tour guide and moved to Lao Bảo to trade clothes in Lao Bảo Trade Center.

According to chị Bé, she agreed to move to Lao Bảo because she had a dream to have a better life, not only relying on her husband's uncertain income as a tour guide, so that she can send her sons to school securely. She has two sons. Her sons are now studying at Huế University. The first son will finish his bachelor degree from the English Department soon while the second son just started first year of university. From the first time they moved to Lao Bảo, chị Bé and her husband have stayed in a small tenement at Trung Chín village, just 500 meters away from Lao Bảo Trade Center. Their sons are living in Huế with their grandmother. They have been renting this tenement since 2005. The rent price is currently VND 600,000 (US\$ 28.6) per month. I think it is very cheap. Next year they will move to their own house in Duy Tân village, 1 km away from their current place. After nearly 10

years doing trade in Lao Bảo, they bought land in early 2014 and the house is now under construction.

Before starting to trade at her current place, *chị Bé* has to register with the Lao Bảo Trade Center management that administratively is under the Board Management of Lao Bảo Special Economic and Commercial Zone. All tenants who are doing trade at Lao Bảo Trade Center have to lease booths or stores with a 5 year term. After 5 years, they can extend its rent for another 5 years term. *Chị Be* rents just one booth, measuring 2x4 meters, on the first level of Building 3. For this booth, *chị Bé* had to pay VND 180,000,000 (US\$ 8,571.4) for five years. It was paid in advance. After five years, *chị Bé* can continue leasing the booth and pay the rent VND 3,000,000 (US\$ 142.9) monthly. *Chị Be* also has to pay the electricity and cleaning service every month, VND 50,000 (US\$ 2.38) respectively. It means that every month *chị Bé* has to spend VND 3,050,000 (US\$ 145.23) for running her business at Lao Bảo Trade Center. Fortunately, her husband, *anh Thuan*, helps her in paying those expenses. Spending around VND 120,000,000 (US\$ 5,714.28) as initial capital to trade various clothes and coats, her store still exists even though the numbers of visitors coming to Lao Bảo Trade Center tends to decrease year by year in general. Her store looks full of commodities.

Most of her commodities, especially coat and pants or trousers, are from China and Thailand, even though she also provides products of Vietnam. In regard to her commodities trade route, she told me that she already has regular suppliers. It only needs a call or text message to her suppliers, and her ordered items will come soon. All her suppliers are Vietnamese who often travel to Thailand or China directly. She added, “For clothes from Thailand, it is usually brought by supplier from Mukdahan, Laos, then crossing Lao Bảo. Meanwhile coats and pants from China are sent from China through Hanoi, *Đông Hà* and to Lao Bảo. They are brought both with train and public bus.”¹¹⁹

However, as *chị Bé* tells me, the current condition of Lao Bảo Trade Center is not as good as a few years ago when it just started operation. The number of visitors to Lao Bảo Trade Center has decreased significantly. As a result, trader’s revenue, including that of *chị Bé*, decreased as well. Even though *chị Bé* did not mention her income, I can see the changes at Lao Bảo Trade Center. When I visited Lao Bảo Trade Center in 2007, it was still crowded with visitor, including foreigners who can be found easily in this area. All booths and stores

¹¹⁹ Interview *chị Be*, Lao Bảo, January 2, 2015.

at the three main building of Lao Bảo Trade Center, from level 1 to level 3, were still open. I could meet easily many foreigners buying branded liquor and wine at Building 1 that provided for various liquor and wine brands from Europe and America. I also saw many domestic visitors from other cities and provinces, such as Hanoi, Quảng Bình, Huế, Đà Nẵng, and so on who came to Lao Bảo Trade Center to buy various tax free imported goods such as electronics, cosmetics, electrical equipment, household appliances, clothes, and so on. Currently, Lao Bảo Trade Center is very different. It looks very quiet. The number of visitors as well as stores and booths that still open every day decreased significantly. At level 3 of Building 2, for example, there was a big supermarket Southeast Asia that always looked crowded every day, but it is nearly closed because it has almost no visitors. In fact, during my fieldwork period, I met just two foreigners looking around Lao Bảo Trade Center. Similarly, better roads and more comfortable as well as bigger buses means no need to stop in Lao Bảo. Even though the number of visitors has decreased significantly, however she still have loyal customers from Da Nang, Khe Sanh, and Donh Ha, *chị* Bé was happy because her dream to send her sons to study higher has been come true.

4.3 Short Distance Traders

In this part, I will discuss about short distance traders who play an important role in the economic activities at Lao Bảo cross-border area. I will not talk over long distance traders since based on my research they were very rarely found at Lao Bảo border area and preferred to do long distance trip and or stay over a few days or weeks in Laos's cities. However, I met a long distance trader during my research but it was not enough information about their entire activities. However, later I will tell it briefly. In this case, I define short distance traders as a person or a group of traders who engages in a trade around Lao Bảo-Dansavanh cross-border area, in which they also do not need a passport to cross the border except a Border Pass. The people who can cross the border without a passport are already mentioned in Prime Minister's Decision No. 11/2005/QĐ-TTg of January 12, 2005, especially article 14 as follows:

Citizens of the Lao People's Democratic Republic (hereinafter called Lao citizens for short), who reside in provinces bordering on Quảng Trị province, shall be allowed to travel in and out of Lao Bảo TEZ with their border identity cards or border laissez- passers, issued by Lao competent agencies. The temporary residence duration in Lao Bảo Trade Economic Zone must not exceed 07 days. In cases where the above-stated Lao citizens are invited by

agencies or organizations based in Quảng Trị province to travel to other places in Quảng Trị province, the inviting agencies or organizations shall have to send written requests to Quảng Trị province's Police Department for the issuance of travel permits. A travel permit is only valid for single travel for no more than 05 days and shall not be extended.

To make my definition of short distance traders clearer and easier, I prefer to assign it based on the certain area around the border, both in Vietnam and Laos sides, where people are allowed to cross the border without a passport. On the Vietnam side, the special area is from Lao Bảo cross-border checkpoint to Khe Sanh, 18 km away from the border. Vietnamese people who are living in this area do not need to have a passport to cross to Laos. On the Laos side, the special area is from Dansavanh cross-border checkpoint to Sepon, 45 km away from the border. It means that people, both Vietnamese and Lao, living in between Sepon and Khe Sanh areas are allowed to cross the border without having a passport. However, they are only allowed to do so for seven days maximum. If they want to stay more than seven days, they still need a passport.¹²⁰ However, even though Đồng Hà city of Quảng Trị is not included as part of the border area, I put it in the short distance trade route because many people of Đồng Hà doing trade in Lao Bảo Trade Center make round the trip in a day. Perhaps it is because Lao Bảo Trade Center can be reached within one and a half hours from Đồng Hà and the road is very good as well. More importantly, as Paitoonpong pointed out, short distance traders usually do not trade their goods through the sea and airports.¹²¹

Discussion about short distance space traders at Lao Bảo cross border will automatically raise questions such as who are they? What are their commodities? Do they have networking or trade routes? How do they transport their goods? What do their daily lives look like? As I mentioned earlier, I thought that some people who were loading and unloading goods at Lao Bảo border area were traders. In fact, my assumption was wrong. They were *kéo hàng*, not traders. Indeed, it can be said that cross-border traders cannot be separated from the *kéo hàng* activities. Traders who always used *kéo hàng* service can definitely be categorized as cross border traders.

Based on the ethnic background, short distance traders in Lao Bảo can be divided into two main groups, namely Kinh people traders and Vân Kiều people traders. However, there are

¹²⁰ Interview with Mrs. Lân, Lao Bảo, December 14, 2014.

¹²¹ Srawooth Paitoonpong, p. 1.

also some traders from Paco ethnic group that usually join together with Vân Kiều people when doing trade. As short distance traders, both Kinh and Vân Kiều traders have their own trade route and type of merchandise they sell, even though sometimes it can be the same. I will explain about those short distance traders in the following section.

4.3.1 Kinh Traders

As I mentioned in the previous chapter, the majority of Kinh people living in Lao Bảo are newcomers who came to Lao Bảo with their parents in the late of 1970s along with the implementation of the New Economic Zone policy. Of course, nowadays most of them constitute the second generation even though some are still the first generation of Kinh in Lao Bảo. Individually, the movement of Kinh people to Lao Bảo is still continuing. For example, Mr. Trần Phú, a peddler who offered me a bottle of massage oil, moved to Lao Bảo just two years ago. He used to be a peddler in Hanoi but he could not compete with the thousand peddlers in Hanoi. He then decided to move to Lao Bảo after knowing his old friend worked out as peddler in Lao Bảo. Economic reasons are the most important reason to move to Lao Bảo cross-border area. Even though they are newcomers, Kinh people can live side by side in harmony with Vân Kiều and Paco people as an ethnic group of Lao Bảo. Their harmonious relationship can be seen from the daily life of them to share in any activities together such as in social and economic activities. Socially, they often spend their time spare time by drinking or playing card together. Economically, they are involved in a linkage of economy activities in the border area, for example, Kinh traders need *kéo hàng*, who usually are Vân Kiều or Paco to help them.

Kinh traders are not only from Lao Bảo area, but some are from Đồng Hà and Khe Sanh. Kinh traders in Lao Bảo are mostly selling household appliances, clothes, fruits, vegetables, shortbread cookies, rice, instant noodle, snacks, soft drink, and so on. They buy those commodities both in Lao Bảo Trade Center and in Đồng Hà market. They sell it to Laos, especially in Karon market, around 1.5 km from the border. Given vehicles without cross-border permit cannot cross the border, they usually use *kéo hàng* to transport all their commodities. Not surprising those cross-border traders come to the border gate early morning to prepare their commodities before crossing to Laos by *kéo hàng*. As Ms. Yen told me, “Every day I leave for Lao Bảo early morning from Khe Sanh by public transport with my merchandise. I trade various commodities in Karon Market. In the evening I go back to

Đồng Hà.”¹²² Ms. Yen always use *kéo hàng* service to cross her goods to the Lao side while she will follow behind *kéo hàng* (see figure 4.7). The trade routes of Kinh traders are usually from Đồng Hà or Khe Sanh. Some of them sell or buy commodities at Lao Bảo Trade Center as well and then, crossing the border to Laos’ side of Karon market, they further trade to Sepon or Setthamuok (figure 2). Most of them usually use public transport to bring their goods except at the cross-border, where they use the service of *kéo hàng*.

Figure 4.7 Kinh Trader Following *Kéo Hàng* Crossing the Border

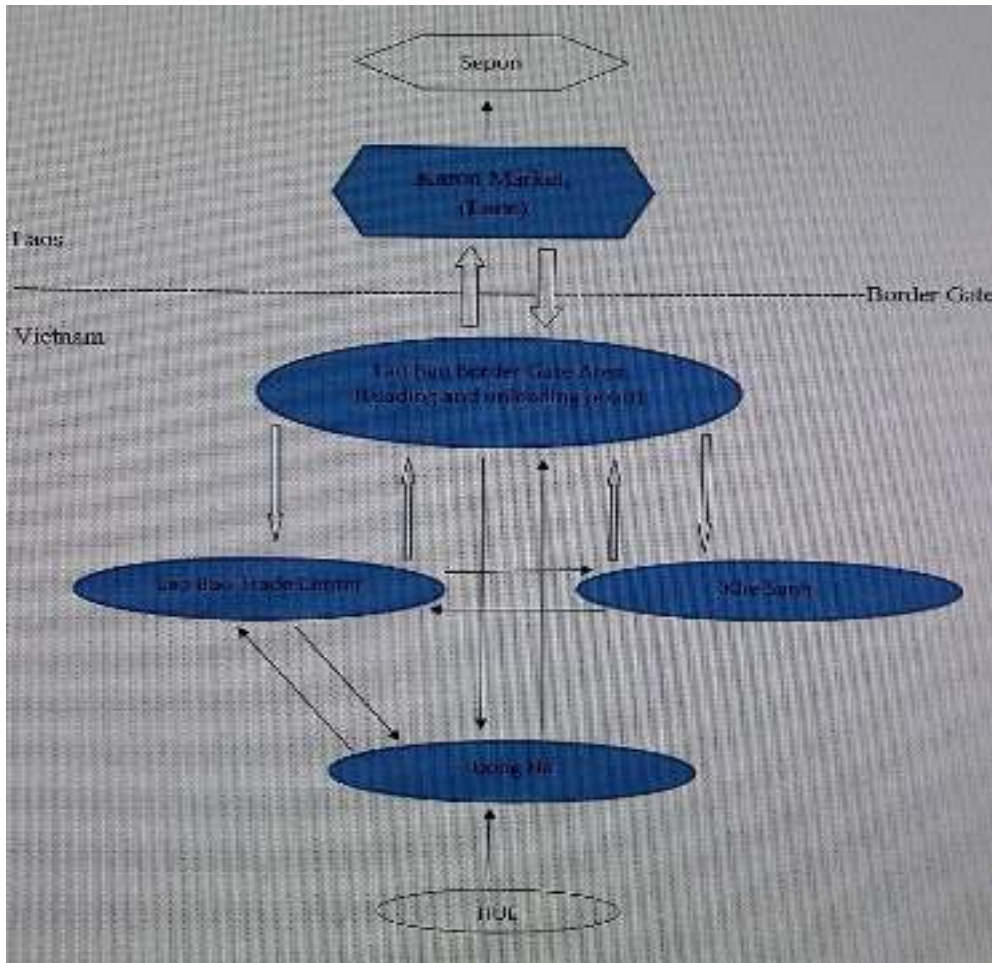


Source: Photo by author, January 2015

Another Kinh trader, Mrs. Chien, 50 years old, told me that she has been doing trade since 2005 but she does not return to Lao Bảo every day because she trades daily needs and household appliances in Setthamuok. Given she does not return to Lao Bảo every day, she rents a house in Setthamuok, close to the market where she does trading. She comes back to Lao Bảo once a week to visit her husband and children as well as to buy commodities in Đồng Hà market, Huế, and Lao Bảo Trade Center. For certain commodities, she has to shop it in different places in order to obtain more profit. For example, she usually buys pottery goods in Huế because the price is much cheaper there. Similarly, she shops certain commodities, such as rice and household appliances, in Đồng Hà. After shopping for commodities in Vietnam, she needs *kéo hàng* service to take all her commodities to Dansavanh border checkpoint and then she transports it to Setthamuok by Dansavanh-Savannakhet route public bus.

¹²² Interview with Ms. Yen. Lao Bảo, 27 December 2014.

Figure 4.8 Trade Routes of Kinh Short Distance Traders at the Lao Bảo Border Crossing



Source: Drawn by author based on fieldwork, January 2015

4.3.2 Vân Kiều Traders

Besides Kinh people who dominate the trading activities in the Lao Bảo border area, the Vân Kiều ethnic group is one of three ethnic groups in Lao Bảo which are actively involved in trading, especially after the development of Lao Bảo border crossing. In the past, Vân Kiều were living in the forest, practising a shifting cultivation system. When Lao Bảo was officially opened as an international cross border in 1993, there was an opportunity to change their daily life from foresting and shifting cultivation to trading activities. Some of the Vân Kiều traders I met and interviewed have been doing trade for more than three decades. Ms. Lòì told me that she has been doing trade since 30 years ago, when she was still single, even before Lao Bảo became an official international cross border. She can speak Vietnamese, Vân Kiều, Paco, and Lao languages.

Figure 4.9 Vân Kiều Traders at Lao Bảo Trade Center



Source: Photo by author, January 2015

Amongst dozens of Vân Kiều traders, Ms. Lòi is the oldest doing trade in the border area. She trades crops at Lao Bảo Trade Center. Her commodities were usually bought at Karon market. She usually wakes up early in the morning and goes to Karon market at around 4 am to buy some goods. Officially, Lao Bảo cross border gate opens at 7 am, but she can cross the border at any time without a passport. She only brings a border pass card. Often, she does not even bring it because the border guards already knew her as a local residing around the border area. Indeed, anyone who holds a border pass card may cross the border any time from 4 am to 10 pm. Conversely, people holding a passport can only cross the border when it opens from 7 am to 10 pm. Actually, since 2011 Lao Bảo cross border checkpoint has opened from 7 am to 10 pm. However, the extension of opening border time was strengthened again on 7th January 2015 along with the launching of the fourth stage of Single Stop Inspection (SSI) on the Lao Bảo – Dansavanh cross-border checkpoint. Following the launching of the fourth stage of SSI, a pilot project called one stop shop (OSS) was actually implemented at the Lao Bảo – Dansavanh cross-border checkpoint as well.

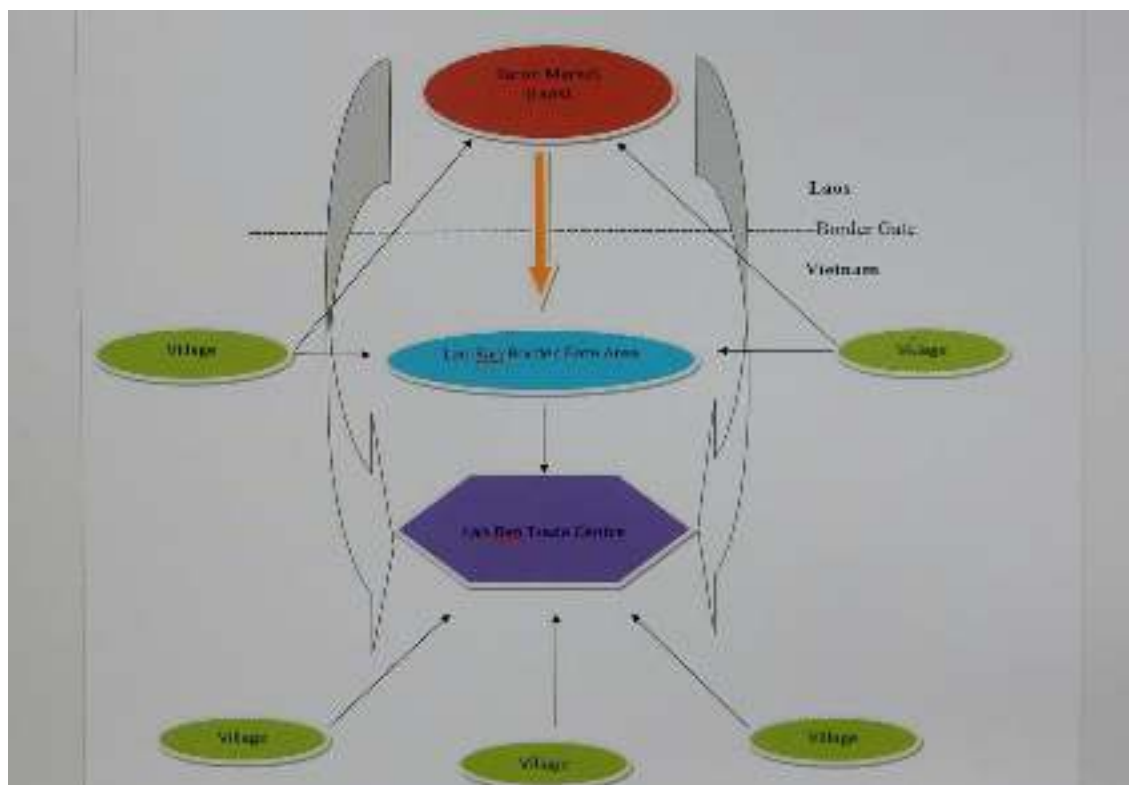
Figure 4.10 Vân Kiều Traders at Lao Bảo Cross-border Gate Area



Source: Photo by author, Desember 2014

Ms. Loi and other ethnic group traders have their own trade route that can be described as follows:

Figure 4.11 Trade Routes of Ethnic Groups in Lao Bảo



Source: Drawn by author based on fieldwork, January 2015.

From the figure above, it can be seen that the trade route of Vân Kiều traders was mainly from Karon market of the Lao side to Lao Bảo Trade Center in Lao Bảo town as well as

to Lao Bảo cross border gate area. The distance from Karon market in Laos to Lao Bảo Trade Center and to Lao Bảo cross border gate area is about 2.5 km and 1.5 km respectively. Some of Vân Kiều traders go shopping for goods in Karon market of Laos and then resell the goods to both at Lao Bảo cross border gate area and Lao Bảo Trade Center. Others were not going to Karon market but they just sell their crops at those two places. It is not coincidence that they have two spots as places to trade, but in fact Lao Bảo cross border gate area is only very busy and crowded in the morning and Lao Bảo Trade Center is very crowded in the afternoon, especially for daily needs and the crops market. Due to less capital, it should be noted that Vân Kiều traders only trade crops such as vegetables, sticky rice, cassava, sweet potato, local tamarind, banana, beans, chili, taro, dried young bamboo, spices, and sometimes sell wild animals they caught from the forest such as squirrel, forest rodents, and so on. Some of those commodities were from their own crops and some were bought at Karon market in Laos. Interestingly, Vân Kiều traders do not trade other inexpensive items that are usually traded by Kinh traders, such as various snacks, candies, instant noodle, rice, and so on.

Furthermore, of 11 villages in Lao Bảo, the majority of Vân Kiều people live in Ca Tang and Ca Tup villages. Other 9 villages also have Vân Kiều people live in. Ca Tang village is located just next to the Lao Bảo cross border checkpoint area and even the border gate area actually was belonging to Vân Kiều land. In contrast, Ka Tup village is located around 2 km away from the border gate, adjacent to Laos' natural border of Sepon River. Most importantly, majority people living in Ka Tup village and across Sepon River of Lao's side are from the same ethnic group, Vân Kiều.

Figure 4.12 Sepon River as Natural Borderline of Vietnam and Laos at Ka Tup Village



Source: Photo by author, January 2015

Given the borderline is only a river and there is no checkpoint post over there, it is not surprising that people from both sides can cross the borderline every time by taking a small boat to cross the river. Vân Kiều people living in Ka Tup village prefer to go to Laos pass through the Sepon River. Conversely, Lao people residing near Sepon River also prefer go to Vietnam by crossing the river.

This area is an informal border crossing and very dangerous for foreigners; drugs smuggling often occurred in this area, so that I could not stay longer to look around in this place. In addition, Mr. Thuan who accompanied me also reminded me to leave the area as soon as possible before security border guards control the area. However, I saw a glimpse of the illegal activity here where some people from Lao side crossed the river by a small boat carrying bananas on their motorbike. After they arrived on the Vietnam side, Ka Tup village, they went directly with their motorbike and banana to Ka Tup village where I saw there was a big bananas trader collector who collecting banana from any areas. All bananas there seemed still green and fresh. Unfortunately, I did not have a chance to ask about the fare for crossing the river. According to an old woman selling banana that I met, those green-fresh bananas would be exported to China by trucks through *Đông Hà* and Hanoi.

According to my observations, the daily activities that occur at Ka Tup village's informal border crossing are one of the border inhabitants' examples of withstanding to survive in the border area. Similarly, such phenomena also happened at the other border. As Sarah Turner

revealed in her work on the Vietnam and China border, to respond to the state regulations at the border, small-scale traders use long-standing informal border crossings to create new “trading-scapes.”¹²³ What happened at informal border crossings both at Lao Bảo, also at Vietnam and China border, constitutes one of the models of negotiating and reshaping the border development among contiguous border inhabitants. Such activities are actually illicit and endanger country sovereignty. Interestingly, the government responses are still ambiguous, between prohibition and endorsement, because they realize that those activities can effectively alleviate the poverty of local people. Also, the opportunities that are generated by border development are unevenly distributed to all groups living at the border.

Figure 4.13 Banana Collectors at Ka Tup Village



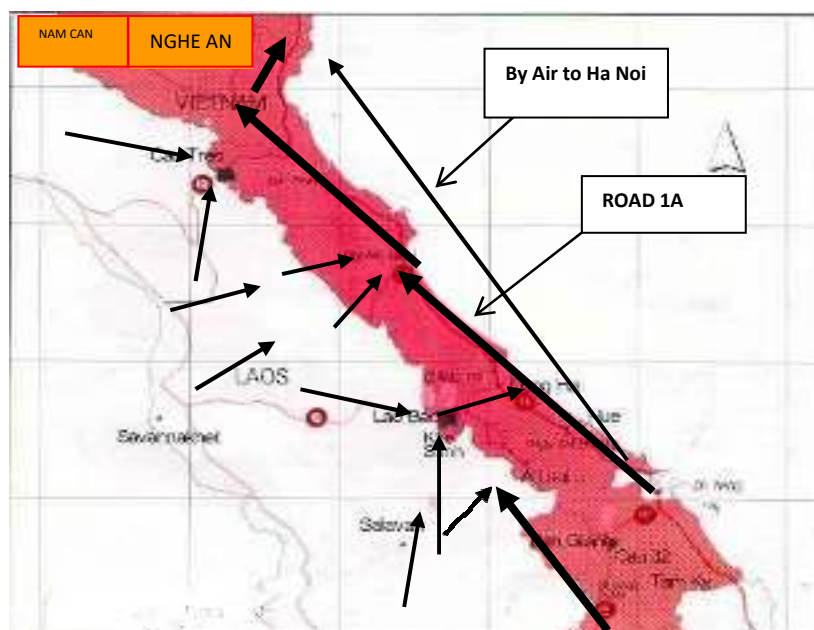
Source: Photo by author, January 2015

Besides, the development of Lao Bảo as international border has also boosted Lao Bảo as one of the most significant routes for illegal wildlife trading in Central Vietnam. As Song investigated, Lao Bảo constitutes an important “gate” of illegal wildlife from Laos and Cambodia before it is sent to Hanoi and China. Song explains that the important network of illegal wildlife trading in Central Vietnam is from Laos through Nam Can along Route 7, Câu Treo along Route 8 and Lao Bảo along Route 9 border passes to Nghệ An, Hà Tĩnh and Đông Hà-Quảng Trị, respectively. It then goes to Road no. 1A and to Hanoi by buses, trains, or by air. Most of the species traded were turtles, pangolins, macaques, snakes, and birds. According to Song, hunters collect these species from ethnic minorities and Kinh

¹²³ Sarah Turner, “Under the State’s Gaze: Upland Trading-scapes on the Sino-Vietnamese Border”, in *Singapore Journal of Tropical Geography* 34 (2013), p. 9 – 24.

communities in the border areas.¹²⁴

Figure 4.14 Network of Illegal Wildlife in Central Vietnam



Source: Nguyen Van Song, 2003, p. 28

As I mentioned earlier, Kinh and Vân Kiều traders sometimes buy or sell the same commodities. Amongst those commodities, banana and charcoal are the most important commodities brought from Laos to Vietnam by both Kinh and Vân Kiều traders. Dozens of motorbikes bring charcoal and bananas, crossing Lao Bảo border every day. Banana is very important in the daily life of Vietnam people because they usually use it as part of the offering in some rituals. It is not surprising that there were many banana traders selling bananas at the Lao Bảo border gate area every morning. Beside, banana constitutes an important source of income for people living at the border, especially in Laos. When I travelled from Lao Bảo border to Dansavanh in Laos, there were hundreds of hectares of banana plantation along the main road. I saw some Vietnamese banana traders or collectors cropping banana directly from the plantation.¹²⁵ They use motorbikes to bring it to Vietnam by crossing Lao Bảo border or (illegally) by crossing Sepon River, especially in Ka Tup village. Arriving in Lao Bảo, they sell the bananas to the “banana collectors” who have some

¹²⁴ Nguyen Van Song, “Wildlife Trading in Vietnam. Why It Flourishes?” *Research Report No RR6*. (Singapore: Economy and Environment Program for Southeast Asia (EEPSEA), 2003), p. 28.

¹²⁵ According to an informant, some banana plantation belongs to Lao people, but some are hired by Vietnamese people. Interview with Mr. Hieu, Lao Bảo January 1, 2015.

trucks to carry them to other cities, such as to Hanoi, Hồ Chí Minh as well as to China.

Figure 4.15 Banana Plantations in Laos



Source: Photo by author, January 2015

Meanwhile, charcoal is also a very important commodity at the Lao Bảo border because most people in Lao Bảo and other cities use it to cook every day. There are dozens of motorbikes and carts bringing charcoal, wrapped in sacks, from Laos, crossing the border every day. There were also dozens of trucks and public buses from Laos that carried charcoal. Dozens of medium-size trucks went back and forth crossing the border, loading full of charcoal. Besides being sent to some charcoal collectors in Lao Bảo, it also sent to other cities such as Khe Sanh, Đồng Hà, Đồng Hới, Huế, and Đà Nẵng. It is not surprising that along National Road No. 9, from Đồng Hà to Lao Bảo, there were some points and shops that provide charcoal. According to a street vendor, “charcoal from Laos is better than from Vietnam. The price is VND 50,000 (US\$ 2.38) per sack, but it will be only VND 40,000 (US\$ 1.9) if we buy many. The price in Laos is only VND 30,000 (US\$ 1.53) per sack.”¹²⁶

4.4 Economic Activities at Lao Bảo Cross-border Gate

In this part, I am going to describe economic activities at Lao Bảo border gate area which always involves *đổi tiền*, *kéo hàng*, *xe ôm*, and street vendors (in this case refers to food and beverage traders) activities. Those four participant groups of the border area play an important role in driving economic activities. Subsequently, I will briefly discuss the daily life stories and activities of some people engaging in economic activities at the border area.

¹²⁶ Interview with Mrs. Hiep, Lao Bảo, January 9, 2015.

4.4.1 *Kéo Hàng* and *Đổi Tiền*

It is not difficult to find both *kéo hàng* (porters) and *đổi tiền* (money changers) at Lao Bảo border crossing area. *Kéo hàng* wear distinctive clothes when they work because they have a uniform, even though some of them often do not wear it. Actually there are more than 100 *kéo hàng* registered at Lao Bảo border, but only dozens are active every day. Most *kéo hàng* are women and are from ethnic Vân Kiều, Paco, and Kado. There are only a few men who work as *kéo hàng*. Every single *kéo hàng* has a cart with a registered number on it. In addition, they also have a member card as *kéo hàng*. The cart number will also appear on the member card. It aims to make sure that the *kéo hàng* operates the cart is the owner itself. So, *kéo hàng* is not allowed to operate different cart.

Figure 4.16 *Kéo Hàng* Activities at Lao Bảo Cross-border Gate Area



Source: Photo by author, December 2014

Kéo hàng usually work in a group to ease their work. There are at least three groups of *kéo hàng* at Lao Bảo cross-border checkpoint area. The first group consists of around 10 young women, in their early twenties, under *em Bé* leadership. This group usually comes together at point D (look at figure 4.1), just next to the border gate and in front of the motor cycle parking area. Besides already having regular customers, they usually wait for passengers or potential customers who just arrived at the border by public buses. This location is usually used to stop all public buses and private cars to drop passengers. The second group consists of more than 12 members, mostly related to each other. This group usually gathers at point B, directly facing Lao Bảo cross-border and in front of Mailinh restaurant that is still under

construction. The members of this group are from Vân Kiều and Paco ethnic groups. This group is led by *chị* Lân, a Kinh person. Among three groups of *kéo hàng* at Lao Bảo cross-border area, this group has the most regular customers, so that this group always looks very busy every day. In addition, I also had a good and close relationship with this group during my fieldwork. The third group only consists of two unmarried male Kinh. This group is also based at point B, side by side with the second group. Even though this group only consists of two people, they have plenty of regular customers. Besides those three groups there is a single *kéo hàng* who works alone. His name is *chú* Hiệu, a Kinh person. This is an unusual case, so that is why I am very interested to know him further and I will describe him in the next part.

In contrast, all *đổi tiền* are women and are from the Kinh ethnic group. They are very eye-catching when at work. They usually wear long-sleeved shirts, jeans, shoes, socks, hats, and bring a bag as well as calculator and mobile phone. Their hands are always busy calculating the money. There are hundreds of *đổi tiền* at the border. However, nobody knows the fixed number of *đổi tiền* because everyone can be *đổi tiền* in at any time and can also stop being *đổi tiền* any time. Based on my observation, there are at least two groups of *đổi tiền* at Lao Bảo border crossing. I named the groups as “the poor” and “the rich” group. The first group consists of 15 members. The membership is not fixed because they just usually work together in a group. They are under 40 year olds on average. They also have limited capital; everyone just has more or less VND 10 million as initial capital. They also have to work harder to look for potential customers. It is not surprising that they have to run to get closer to the potential customers when public buses or private cars arrive at the border.

Figure 4.17 The “poor group” *đổi tiền* with Potential Customers



Source: Photo by author, December 2014

The second group, “the rich” group, consists of around 10 members who are aged 50 on average. They look very glamour and more fashionable. They always wear good clothes, have expensive bags and shoes, as well as have the most up to date mobile phones. Some of them, as far as I knew, always come to the border by driving an expensive car. They have “unlimited” capital; it is not surprising that they hold hundreds of millions Vietnam Dong in their hands every day. In addition, they do not need to look for the customers because they already have regular customers; so that they just wait for the customers to come to them to exchange the money. Consequently, it is very hard for me to get closer with them. I tried many times, but I failed. They always avoid having further discussion with me except saying hello when we meet. It might be because I am a foreigner and they still distrust me. I just got further information about them from the “poor group”, including their access to change Lao Kip (LAK) to Vietnam Đồng at a bank on the Laos border side. Thus, given they cannot exchange LAK to VND vice versa at banks in Lao Bảo, they exchange it at a Lao Bank located at Dansavanh cross-border checkpoint.

Figure 4.18 The “rich group” *đổi tiền* Counting Money



Source: Photo by author, December 2014

Interestingly, based on my fieldwork, exchange rates at Lao Bảo border area did not change. All *đổi tiền* seemed to ignore the latest exchange rates. They will offer a reasonable rate to customers, sometimes it is lower than the bank’s rate, but customers may bargain to get a better rate from *đổi tiền*. For example, *đổi tiền* usually will buy US\$ 1 for VND 20,000, but customers can bargain. It can be VND 20,500 for US\$ 1. Similarly, they buy LAK 1,000 for VND 2,600. After bargaining, customers often can get LAK 1,000 for VND 2,700. Conversely, *đổi tiền* take profit from the margin of selling currencies. They usually sell US\$ 1 for VND 21,000¹²⁷ and LAK 1,000 for from VND 2,800 to 3,000. One day, I saw a *đổi tiền* from the “poor” group, *chị Điệp*, get a customer who had just returned from Laos. After they negotiated the rate, LAK 1,000 for VND 2,650, the customer then exchanged LAK 3,000,000 for VND 7,950,000. From this transaction, I calculated that *chị Điệp* will get a margin of VND 150,000 after she exchanged LAK 1,000 for VND 2,700. In short, even though there was a reasonable exchange rate, the fixed exchange rate will also depend on the bargaining deal between *đổi tiền* and customers.

As mentioned above *kéo hàng* and *đổi tiền* have existed at the Lao Bảo border since several decades ago. An informant told me that she has been working as *đổi tiền* since 1990s when

¹²⁷ When I change US\$ to VND in Hanoi, the exchange rate was VND 22,000 for US\$ 1.

the border gate was not at the recent position and the Road No. 9 was still a dirt road. “I started doing *đổi tiền* from 1990 when I had just moved to here from Quảng Trị my home town. At that time, there were only few *đổi tiền* here in the border. I still remember that the VND exchange rate against Lao Kip was 1,000 Lao Kip equivalent with VND 1,900. It is now 1,000 Lao Kip equivalent with VND 2,800 – 3,000”.¹²⁸ Another informant also told me that she has been working as *kéo hàng* for 30 years. She added that at that time being *kéo hàng* was very good because only few people worked as *kéo hàng*. It was very easy to get 1 million Vietnam dong per day. “I was born here in Ca Tang village and have been working as *kéo hàng* for more than 30 years because since a long time ago many Vietnamese traders have been trading to the Laos side. Because there were only few *kéo hàng* at that time, it was very easy to get money. Getting one million Dong a day was very easy. But, it is now very difficult to collect money because there are many *kéo hàng* here. Getting money of VND 200,000 per day is now a good thing.”¹²⁹ In contrast, nowadays hundreds of *kéo hàng* are around the border, so her income is not as much as previously. However, both *kéo hàng* and *đổi tiền* never give up. They go to work at the border every day. Compared to other occupations, such as employee at a company, being *kéo hàng* or *đổi tiền* seems much more promising in terms of income. For example, the average daily income of *kéo hàng* is VND 200,000, so her average monthly income will be VND 6,000,000. Conversely, being an employee at a company, as I described in a previous part, will only gain a salary of VND 1,850,000 monthly.

Daily life activities of *kéo hàng* and *đổi tiền* start early morning, even when the border gate is still closed. They usually arrive at the border before 6.00 am in order to get more customers. It is because most people who want to cross the border, especially from other cities such as Đà Nẵng, Huế, Đồng Hà and Khe Sanh, arrive at the border in the early morning and they prefer to wait for the border gate to open while having breakfast. When an intercity public bus arrives at border, for example, *kéo hàng* and *đổi tiền* will look for potential customers. *Đổi tiền* will come closer to the bus passengers while saying “*đổi tiền không* (do you want to change currencies)”. Like *đổi tiền* do, *kéo hàng* will also look for potential passengers who need their service to cross their goods to Lao side. There is no hierarchy, both in *đổi tiền* and *kéo hàng*, in looking for customers. Everyone may look for potential customers freely.

¹²⁸ Interview Ms. Phuong, Lao Báo, December 29, 2014.

¹²⁹ Interview Ms. Hoa, Lao Báo, January 10, 2015.

However, when a *đổi tiền* is offering her money exchange service to customers and bargaining, other *đổi tiền* will come closer to help as well as to convince the customers. Similarly, even though there is no hierarchy, there is task distribution in the *kéo hàng* group. There is usually a member who is responsible for collecting money and distributing it in the afternoon before going home. Also, there are some members who are responsible for loading and unloading goods to and from their cart. However, all members usually work together in loading and unloading goods of customers. In addition, given not all group members cross the border to send the goods, usually only two persons, other members will remain stay at the border gate area to wait for other customers.

Morning is the most bustling time for *kéo hàng* and *đổi tiền* at the border. When lunch time comes, they usually will have lunch together at food stalls at the border. There are 23 food stalls and coffee shops at the border areas. After having lunch they usually playing cards (poker) while waiting for the customers. Both *kéo hàng* and *đổi tiền* usually leave the border after 4 pm because there are no more customers.

4.4.2 Xe Ôm

Xe ôm or motorbike taxi driver is one of the most important means to move from one point to another in Lao Bảo. The presence of *Xe ôm* at the border has an important role as one of the key links in the chain of economic activity at the Lao Bảo border. Besides serving passengers from the border and to Lao Bảo area, and vice versa with negotiable price, they also often bring goods of passengers from Lao Bảo Trade Center to border. From Lao Bảo Trade Center to the border and vice versa, for example, the rate is only VND 10,000. In 2007, *Xe ôm* had no special point to come together. They were scattered around the border area, especially in front of recent food stalls (see figure 4.1). Conversely, currently they are gathered at point A (map 1). Point A is very close to the cross-border checkpoint gate, where people from Laos usually will pass through. However, there are still some *Xe ôm* going around the border area rather than waiting idly for the passengers at the point A.

Figure 4.19 *Xe ôm* Point at Lao Bảo Border Gate Area



Source: Photo by author, December 2014

Being *Xe ôm* is the easiest way to obtain money in Lao Bảo. It can even be said that all people in Lao Bảo who have a motor cycle are a *Xe ôm*, especially those who do not have permanent jobs. There are hundreds of *Xe ôm* in Lao Bảo border area and all are men. No woman works as *Xe ôm* in Lao Bảo. Unlike *kéo hàng* and *đổi tiền* who are only very busy in the morning, *Xe ôm* will be very busy in the morning and evening. It is not surprising that a *Xe ôm* has an average daily income of at least VND 150,000. As Mr. Phuong told me, “I earn at least VND 150,000 per day, but sometimes when the border areas are more crowded I can have VND 300,000 a day.” Later in the next part I will describe my story when crossing to Laos with anh Phuong.

4.4.3 Street Vendors

In this case, I limit and refer to street vendors as people who trade foods and beverages as well as occupy kiosks in the semi-permanent construction at the border gate area. It is because there are many so-called peddlers who are going around at the border gate area every day, especially to sell fresh meats, vegetables, traditional foods, and so on. As I mentioned earlier, there were 23 kiosks available in the semi-permanent building, which is managed by “*Hội Trường Sơn*” of Lao Bảo town.

Figure 4.20 Food and Beverages Trader at Lao Bảo Cross-border Gate Area



Source: Photo by author, December 2014

Prior to discussing street vendors further, I am going to describe briefly about *Hội Trường Sơn*. *Hội Trường Sơn* or officially named *Hội Truyền Thống Trường Sơn - Đường Hồ Chí Minh Việt Nam* (Vietnamese Association Tradition of Trường Sơn - Hồ Chí Minh Trail) is an association consisting of veterans who won a legendary victory along the Truong Son route, known as the Hồ Chí Minh trail, during the anti-America War. It was officially established in 2011 and has developed into a network of chapters across 47 cities and provinces nationwide, with nearly 300,000 members.¹³⁰ Actually, this association started out as Battalion 559 on May 19, 1959, which was tasked by the Permanent Central Military Commission to do a special military mission in supporting the war in South Vietnam by paving the Trường Sơn route – later the route named Hồ Chí Minh trail. With the slogan “*Ở không nhà, đi không dấu, nấu không khói, nói không tiếng*” or with no home, go unsigned, smokeless cooking, speak with no language, Battalion 559 had successfully completed the mission. Trường Sơn route became a pivotal route to deliver tons of materials and food, weapons, ammunitions necessary as well as soldiers from North to South Vietnam. This route effectively broke through the America blockade and overcame difficulties and hardship. In addition, this route was also becoming an important way for more than two million people entering and leaving the battlefield in Central Vietnam securely.¹³¹

¹³⁰ Nhân Dân Online. 2014. “President Meets with Truong Son war veterans” on <http://en.nhandan.org.vn/society/item/2456402-president-meets-with-truong-son-war-veterans.html>. Accessed September 15, 2015

¹³¹ “Tiếp lửa” trên tuyến đường 559 huyền thoại. Available at <http://hoitruongson.vn/Tu-lieu-Truong-Son/Tiep-lua-tren-tuyen-duong-559-huyen-toai.aspx>. Accessed on September 17, 2015

Given the important role and efforts of war heroes, especially war veterans and former youth volunteers involved in the Truong Son struggle, in risking their lives for national independence and the reunification of Vietnam during the war, it is not surprising that every year the government of Vietnam promises to improve the welfare of war veterans and their families in the future. The establishment of *Hội Trường Sơn* in 2011 is one of the efforts to appreciate the war veterans of Truong Son. It is surprising if *Hội Trường Sơn* may manage kiosks in the semi-permanent stall building in the Lao Bảo border gate area and takes dues from traders who rent those kiosks. I then realized that the *Hội Trường Sơn* establishment was one of the ways of the government of Vietnam respects their heroes.

Moving back to the street vendors in Lao Bảo border gate area, it is known that all 23 kiosks are rented by Kinh people, and no people from Vân Kiều or other ethnic groups rent the kiosks. Most of the street vendors at the kiosks are selling coffee and various kinds of beverages, such as spring water, Fanta, coca cola, energy drinks and cigarettes as well as phone credit of various providers such as Mobiphone, Viettel, and Vinaphone. There are only 4 street vendors who provide breakfast and lunch menu. All kiosks are very crowded every morning. While waiting for the border gate to open, people enjoy coffee or breakfast at the kiosks. It is not surprising because those street vendors usually have prepared their kiosk since early morning at 5 am.

In regard to the rent payment, the street vendors have to pay rent money to the *Hội Trường Sơn* monthly. The range of rent money is from VND 500,000 to VND 1,000,000. It depends on the number of the kiosk. The closer the kiosk to the cross-border checkpoint gate, the higher rent money must be paid. It means that kiosk number 1, the farthest kiosk from the border gate, will only be charged VND 500,000 monthly. Conversely, kiosk number 23, which is closest to the border gate, has to pay rent VND 1,000,000 monthly.

Among 23 street vendors who rent kiosks at Lao Bảo cross-border gate area, I knew very well two of them, *chị Hien* and *chị Diep*. *Chị Hien* is a food trader who rents kiosk number 7 where I used to have lunch at the border area. Meanwhile, *chị Diep* occupies kiosk number 13 and sells various kinds of soft drinks and Vietnam coffee. I also used to drink coffee at *chị Huế* kiosk with *chú Hiệu*. *Chị Hien*, 47 years old, has been trading food at kiosk number 7 since 2011. As she told me, “Before 2011, I was a peddler, selling *bánh mì* around Lao Bảo and sometimes crossed to Laos. When this kiosk was ready in 2011, I started selling foods

here. I rent this kiosk for VND 550,000 per month.”¹³² Every day, she starts preparing her kiosk in the early morning, around 4 am. Helped by her husband, she prepares foodstuffs, cooking ware, and cutlery. Around 5 pm, her kiosk is ready to serve customers. In the morning, for breakfast menu, she usually provides bread (*bánh mì*), sticky rice (*xôi*), and porridge (*cháo*). The price of bread with a slice of meat or pork or eggs was only VND 10,000. Meanwhile, a bowl of porridge and a small plate of sticky rice was also VND 10,000 respectively. For lunch menu, she provides rice, various vegetables and side dishes. Most *đôì tiề̀n* at Lao Bảo cross-border usually have lunch at *chị* Hien kiosk because the price was affordable. For example, a plate of rice with vegetables, omelet, and salty fish, was only VND 15,000. If we have rice with vegetables and fried chicken or duck curry, it was only VND 20,000. Her average income daily is from VND 150,000 to VND 200,000 net.

Like *chị* Hien, *chị* Diep, 51 years old, also started doing trade at the kiosk in 2011. Besides providing Vietnam coffee as her main menu, she sells various kinds of soft drinks as well, such as Coca Cola, Fanta, Sprite and Red Bull energy drink. Mineral water, snacks, cigarettes, and cellular phone credit from various providers such as Vinaphone, Mobiphone, and Viettel, are available at her kiosk as well. I thought selling cellular phone credit at Lao Bảo border gate area is a very brilliant idea, because most people already have a cellular phone. In regard to the high demand for cellular phone credit at the border, *chị* Hien provides those three providers with varied price, VND 25,000, VND 50,000, VND 100,000, and VND 150,000. Besides, at *chị* Hien’s kiosk, the average price of beverages was VND 10,000, while a cup of black coffee (*ca`phê đền*) and milk coffee (*ca`phê sữ̀a*) was VND 5,000 and VND 10,000 respectively.

Chị Diep’s kiosk was also well-known for its cigarette brands, such as ERA, Fasol, Craven A, Khan Hoi, JET, Hero, State Express, Dunhill, White Horse, War Horse, and 555 Gold. Unlikely, she did not allow me to take picture of those various brands of cigarettes, because some brands, especially JET, HERO, and Craven A, were illegal, smuggled from Laos. As she said, “...please do not take picture of cigarettes I sell, because some brands are smuggled from Laos. In addition, some of them do not have warning labels on its pack...”¹³³ Indeed, some cigarettes brand packs, such as JET, HERO, and Craven A have no warning labels telling of the dangers of smoking.

¹³² Interview with *chị* Hien, Lao Bảo, December 29, 2014.

¹³³ Interview with *chị* Diep, Lao Bảo, December 27, 2014

4.4.4 Daily Life and Activity Stories

4.4.4.1 Chú Hiệu Story: From Fisherman to Kéo hàng

As I previously mentioned, amongst dozens of *kéo hàng* at Lao Bảo cross-border area, there are only four men involved in this activity. Of those four men, *chú* Hiệu is the one who works single-handed as *kéo hàng*. In addition, he is also the only *kéo hàng* man who comes from the Kinh people. Most *kéo hàng* are from Vân Kiều or also called Bhru-Vân Kiều ethnic groups. There are also some *kéo hàng* from Paco and Kado ethnic groups. Doing *kéo hàng* by oneself is an unusual phenomenon because *kéo hàng* usually work in a group that at least consists of two people. Hence, this phenomenon triggered my curiosity to know further about *anh* Hiệu life story. I knew his name when we became directly acquainted at a coffee stall after he returned from crossing to the Laos side. I call him *chú* Hiệu or uncle Hiệu. Since then, we often discuss about everything, including his life stories.

Chú Hiệu is still looking healthy and strong at 54. Of course, I think healthy and powerful are two important keys in accordance with *kéo hàng* activities that usually rely on more physical strength. He is very friendly and a humorist as well. It is not surprising that every single morning I meet him at the border area, I always greet him by saying “*chào chú, khỏe không a? Ăn sáng chưa?*” (Hello uncle, how are you? Have you had breakfast?). Interestingly, he always answered with the same words, “*Khỏe. Chưa ăn, chưa có tiền?*” (I am fine. I have not breakfast yet, I have not got money yet). Actually, those greetings were very simple and common, but it was a very effective way of maintaining my relationship with informants in the fieldwork.

One day, after having lunch together at the border, I asked him why he works by himself. While sipping *cà phê đen* (black coffee) he told me that: “If I work in a group with many people, the money will also be divided to many people. If there are four people in a group, it means that one person will only get a quarter. If I work alone, the money will go to one person; so that I do not need to share it with other”. I was little bit surprised to hear his simple answer but it was very logical. However, given he is the only *kéo hàng* man who is from the Kinh people and is already old as well, I assumed that it might be not easy to find a partner to work together with him at his current age. In fact, among the four *kéo hàng* man at Lao Bảo border gate, *chú* Hiệu is the oldest while three others are still fewer than 45. In addition, *chú* Hiệu never works the whole day. He only works from early morning to lunch time. After that he returns home. He will only come back to the border in the afternoon when

he gets a call from his customers who need his service. He told me that he could not work a whole day anymore. Conversely, most of the *kéo hàng* from Vân Kiều people work at the border from early morning to evening every day.

In early January 2015, beyond my expectations, *chú* Hiệu invited me to come to his home. It was a coincidence for me because I had really wanted to visit his house and family since the early days of knowing him. *Chú* Hiệu lives in Ca Tang village (sometimes written Ka Tang), just 250 meters away from Lao Bảo cross-border gate. Ca Tang village is one of three villages in Lao Bảo, (the others are Ka Tup and Khe Da villages), that are dominated by the Vân Kiều ethnic group. According to *chị* Lân, Ca Tang has 186 households that consist of 84 Vân Kiều households, 60 Kinh households, 30 Kado households, and 12 Paco households.¹³⁴ In general, she added, Paco and Kado ethnic groups were often associated with Bhru-Vân Kiều because their language has similarity with Bhru-Vân Kiều language even though they have their own dialect. However, when they speak amongst those three ethnic group members, they can understand each other. To be honest, before doing fieldwork I did not know that Kado people also live in Lao Bảo. I thought that Kado people are only living in certain places of northern Laos bordering China. Later, I learned that Joachim Schliesinger already mentioned about Kado in his work, “Kado people who live in southern Lao and Central Vietnam, including in Lao Bảo, is a small ethnic group which were from Southern China in origin, especially from Mojian and Yuanjiang counties of Yunnan province.”¹³⁵

Chú Hiệu’s house is located just 100 meters from the gate of Ca Tang village, next to *Nhà khóm* Ca Tang or Ca Tang village hall. There is a *nhà nghỉ* or guest house in front of his house and Ca Tang Elementary School next to the guest house. Suddenly I remember my talk to *chú* Hiệu few days ago when he suggested me to move, staying over at the guest house next to his house. He told me that the guest house’s rate per night was very cheap, only VND 100,000. It is exactly much cheaper compared to the price rate at Bảo Ngọc hotel. *Chú* Hiệu’s house is not too big but still looks new. A few days ago he told me that he bought this land, with a measurement of 8 x 10 meters, in 2005. The price was VND 3,000,000 per meter square, but nowadays, he adds, the land price in Lao Bảo is very expensive. Unfortunately, he does not mention the current price of land in Lao Bảo. Subsequently, I heard from *anh* Thuan, a Xe Om driver, that the land price is now fifty millions per square meter especially

¹³⁴ Interview with *chị* Lân, Lao Bảo, December 14, 2014.

¹³⁵ Joachim Schliesinger. *Ethnic Groups of Laos 4. Profile of Sino-Tibetan-Speaking People* (Bangkok: White Lotus, 2003), p.141.

that located along the main road, especially along Road No 9. However, the land price is still reasonable if it is located in a remote area. He told me that he bought land measuring 7 x 34 meters in a remote area of Duy Thân village in the last two years. The price was VD 120 million.¹³⁶ He was constructing new house over the land because since he came to Lao Bảo ten years ago he lives in a rented house. A couple of months after I left Lao Bảo, he sent me a text telling me that his house was already completed and he had moved to his new house immediately.

Entering *chú* Hiệủ's house, his wife welcomes me warmly at the living room. There is a bed covered with grey sheets in the corner of the living room. Later I learn the bed was used by *chú* Hiệủ's wife to treat her patients. Indeed, *chú* Hiệủ's wife is an acupuncturist. Sometimes she went to Khe Sanh or other communes to visit her patients who cannot come to her house. Besides the living room, there was also a kitchen with dining area, two main rooms and one bath room. The floor is still made from cement and in the kitchen was still dirt. After having lunch together, *chú* Hiệủ asked me to join him in karaoke in his room. It was both bedroom as well as karaoke room. There was a set of karaoke that consists of tape recorder, TV, amplifier and two microphones. There was also a bed with discolored mattress and two pillows. The bedroom has no window. Like most Vietnamese people, *chú* Hiệủ could sing karaoke very well. Singing karaoke is one of *chú* Hiệủ's daily activities after working at the border. After enjoying karaoke for several songs, we continue chatting about his story.

Chú Hiệủ has two sons who already grew up. His oldest son is working at a timber company in Laos and the younger one is working in Hồ Chí Minh City. He lives at home only with his wife. His sons very rarely come home. While enjoying *trà xanh* (green tea) in the living room, *chú* Hiệủ started telling me about his life's experiences. He moved to Lao Bảo in 2000. He was previously living in Quảng Trị, which is located between Đồng Hà city and Huế. He was a fisherman in Quảng Trị. However, "living as a fisherman was uncertain" he told me. "It depends on the season" he added. He explained that during dry monsoon, from March to August, he could go fishing and the fish were often abundant. However, during wet monsoon, from September to February, "waves were very big and high so we could not go to the sea because it was very dangerous", he said. It means that fishermen could only go fishing for six months in a year and were idle in the remaining months. That was the main

¹³⁶ Interview with Thuan, Lao Bảo, January 15, 2015.

reason he then decided to move to Lao Bảo to be a *kéo hàng*. Without any skills, except fishing, being *kéo hàng* was the only reasonable option for *chú* Hiệu since he moved to Lao Bảo fifteen years ago. It does need much capital and skills but physical strength and good relations with customers. As I mentioned earlier, there were many *kéo hàng* at the Lao Bảo border gate area, indicated from the cart numbers embedded in each cart used to load the goods. Using his cart with number 31, *chú* Hiệu waits for both potential customers and regular ones to use his service transporting the goods to the Laos side, mostly to Karon market. His earning is from VD 50,000 to VD 150,000 per day. He told me that his life is now much better than before.

4.4.4.2 Four Companions Story: *Đổi Tiền* at Lao Bảo Trade Center

As I mentioned earlier, Lao Bảo cross-border gate area and Lao Bảo Trade Center are two important spots for Lao Bảo people to interact in terms of economic activities. Those two places also constitute the center of *đổi tiền* to run their business. Even though Lao Bảo border gate area is the most promising spot for running *đổi tiền*, but there are some *đổi tiền* seeking sustenance at the Lao Bảo Trade Center. After a few days observing *đổi tiền* activities at Lao Bảo Trade Center, I found that there are only four *đổi tiền* who always take action here to look for customers. I was interested to know them further and decided to follow them during their work. Before I tell more, I am going to describe my first acquaintance with one of those four *đổi tiền* and then follow their activities.

I usually go to Lao Bảo in the early morning by walking through Lao Bảo Trade Center. This is a shortcut to reach the border faster. One day, I left for the border little bit late. Entering Lao Bảo Trade Center complex, I saw stalls and kiosks in the three main building already open. As I mentioned earlier, Lao Bảo Trade Center formally open from 8 am to 5 pm, but it usually gets crowded after 10 am. However, the additional building located behind the main building, which is provided for traders selling fresh vegetables, meats and fish, livestock, kitchen utensils, plastic appliances, and processed foods, usually opens from 1 pm to 6 pm. Suddenly a *đổi tiền* shout stopped my footsteps. “Anh, *đổi tiền* không?” (will you exchange money?), she persuaded me. “Anh có rồi, chị có tiền gì?” (No, I already have. What currencies do you have?), I asked her while smiling. Actually I did not want to exchange money at all, but I wanted to get information about her activity. “Anh là người Lào phải không?” (Are you Laotian?) She continues asking me without answering my previous question. “Không, anh là người Indonesia,” my answer. She looked rather surprised while

saying “A, Indosia, a”. I was smiling to listen her answer because she could not pronounce “Indonesia” properly. She omitted the sound “ne” so it sounded very funny. Suddenly, she said “*anh ngồi đi*” (have a seat please) while she invited me to sit at a coffee shop next to the main gate of Lao Bảo Trade Center.

While drinking coffee and enjoying a snack of *hạt hướng dương* (roasted sunflower seed), she told me about her daily activities. Her name is Đường, 27 years old with two children. She is originally from Lâm Đồng Province. She moved to Lao Bảo four years ago after marrying with a man who was originally born in Lao Bảo. Her husband works in Đồng Hà since three years ago and goes back home once a week. Đường has been working as *đổi tiền* since four years ago. She usually works from 8 am to 4 pm. Our talk halted when other young *đổi tiền* came closer. Đường introduced her to me. She is Đường’s friend. Her name is Xuỳnh, 21 years old, and she is still single. I then offered to order her drink. She then ordered a bottle of O Long green tea. Before finishing her drink, suddenly Xuỳnh got up and ran, approaching a group of visitors who just arrived at Lao Bảo Trade Center. From a distance I saw she persuaded those visitors to exchange money.

Because I was still curious, I continued blathering with Đường. I was thinking why she prefers to do *đổi tiền* at Lao Bảo Trade Center, not at Lao Bảo cross-border gate area. I thought doing *đổi tiền* at the cross-border gate would have many more customers. As if she knew my curiosity, she told me, “I do not do *đổi tiền* at border gate area because there are many *đổi tiền* over there. However, sometimes I also go to the border gate in early morning. Doing *đổi tiền* here is less competition. There are only four people doing *đổi tiền* here, me, Xuỳnh, Thuy, and May. Many Lao people come to Lao Bảo Trade Center every day to go shopping.”¹³⁷ Đường stopped talking and immediately ran, approaching some Lao people who just arrived with a very luxury car, Toyota Hilux four-wheel drive. I assumed that most Lao people who often come to Lao Bảo Trade Center are very rich, indicated by their luxury car and clothes they wore. Đường came back and sat in front of me after she apparently failed to convince those customers. While fixing her seat position, she said, “Not all Lao people coming here want to change their money, because there are also *đổi tiền* at the Lao border’ side. They might also change it at Lao Bảo border gate”.

Given Đường and her group’s story was very interesting, I then decided to meet other

¹³⁷ Interview with Đường, Lao Bảo, December 17, 2015.

members and follow them to know further about their daily activities. Luckily, Đường was very excited to hear it and engaged me going around Lao Bảo Trade Center to look for customers. She finally brought me to Mukdahan-Thailand duty-free shop, which is located next to Lao Bảo Trade Center's complex and flanked by Bảo Cường hotel and Vietnam's Petrolimex branch building. This duty-free shop is one of the biggest duty-free shops in Lao Bảo and sells miscellaneous products from Thailand, Singapore, Malaysia, and United States. It is not surprising that many visitors come here every day to buy those miscellaneous products. I saw Xư̄ng and two other *đổi tiền* were already there offering their money exchange service to customers. I guessed those two *đổi tiền* along with Xư̄ng must be Thuy and May.

Indeed, Đường then introduced me to Thuy and May. Shortly we were involved in a warm conversation. Thuy, 31 years old, has been working as *đổi tiền* for seven years. Previously she worked odd jobs. She has a child and lives in Xuân Phước village, 2 km away from Lao Bảo Trade Center. Every day she goes to both Lao Bảo border gate and Lao Bảo Trade Center by motor cycle. She said her daily earnings from doing *đổi tiền* was not much, around VND 100,000 on average, but enough to meet the daily needs. She usually goes to Lao Bảo border gate in the morning and to Lao Bảo Trade Center in the afternoon. Meanwhile, May, 42 years old, is typically a shy person. She was more silent during our chatting.

There were many people busy packing all kinds of goods into boxes in the parking area of Mukdahan-Thailand duty-free shop. There were also seen many cars and medium-size buses parked there. According to Thuy, they are traders from other cities, such as Đồng Hà and Huế, who often come to Mukdahan-Thailand duty-free shop to buy miscellaneous products, such as toiletries, fans, televisions, clothes, shoes, sandals, cooking wares, appliances, and so on. She added, "They usually come here by private or rented cars as well as public buses. They then resell those miscellaneous products in Đồng Hà or Huế."¹³⁸

At lunch time, I invited those four *đổi tiền* to have lunch together at the restaurant "Kim An," which is located across Lao Bảo Trade Center on Tran Hung Dao street, not far from Sepon hotel as well as Bảo Ngọc hotel. This restaurant is next to the Sacombank office and is always crowded with customers because this restaurant provides a diverse menu with affordable prices. For example, for all of our lunch, 5 persons, was only VND 115.000. In

¹³⁸ Interview with Thuy, Lao Bảo, December 17, 2014.

addition, this restaurant also becomes the point of departure for the Lao Bảo – Hanoi intercity bus. As Mr. Phu Tran told me few days ago, “The route of Lao Bảo – Hanoi intercity bus has existed since two years ago. It is served by the VIP sleeping bus “Hoa Hong”. The bus usually arrives in Lao Bảo at 2:30 pm and departs to Hanoi at 4:30 pm. The ticket price is VND 300,000. It departs from restaurant Kim An.”¹³⁹ He added that the bus usually stops at Đồng Hà to take passengers and at Nghe Æn to have dinner. It will be arriving in Hanoi at around 7 am.

After having lunch, we separated. They continued working while I went to Building 3 at Lao Bảo Trade Center, which is dominated by clothes and shoes traders. Most of the clothes and shoes here are products of Thailand, China, and Vietnam. In this building, I met chị Be for the first time. Later, as I mentioned in chị Be story above, I got some important information on Lao Bảo Trade Center, including rent price, trade route of traders in Lao Bảo Trade Center as well as other information on Lao Bảo. Around 4 pm, when the fresh market at Lao Bảo Trade Center complex was getting crowded with buyers, I met with those four *đổi tiền* again. They already finished doing *đổi tiền* for today and before going home, as usual, they buy some daily needs and food for dinner. At that moment, bluntly I asked them how much today earnings they received. They did not answer my question clearly, but diplomatically Đường answered that she got seven customers while Xưŕng got four customers. Not only were those four *đổi tiền* at Lao Bảo Trade Center, but also all *đổi tiền* at Lao Bảo cross-border area would always have the same answer when asked about their daily revenue; “môt tram nghìn” or mentioning the number of customers they got.

4.4.4.3 Crossing to Laos with *Xe Ôm*

Prior to telling my story about crossing to Laos with a *Xe ôm*, I am going to briefly describe the *Xe ôm* I crossed to Laos with. His name is *anh* Phuong. He was born in Hồ Chí Minh City in 1970 when his parents were evacuated from Đồng Hà city because of war. When he was 5 years old, in 1975, his parents returned to Đồng Hà. It was just 4 months after returning to Đồng Hà, *anh* Phuong’s parents then moved to Lao Bảo to participate in the government program of the New Economic Zone. *Anh* Phuong is now living in Tay Chin village with his wife and two children. His wife is a peddler in Karon Market, Laos. Sometimes she does not go home for two or three days and stays over in Laos with her friends. Before being a *Xe ôm*, *anh* Phuong was also doing cross-border trade. He traded beef and pork. He bought those

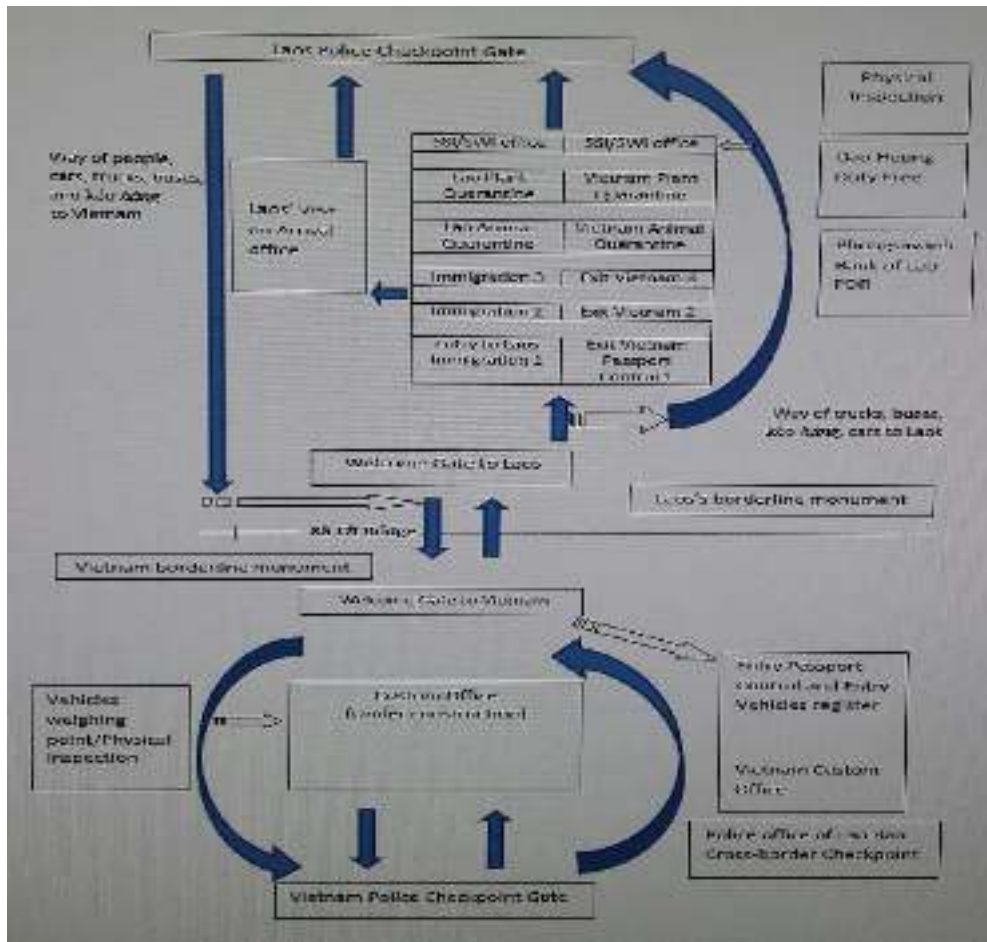
¹³⁹ Interview with Mr. Phu Tran, Lao Bảo, January 12, 2015

commodities in Karon market and sold it in Lao Bảo. Given the profit he got from doing cross-border trade was not significant, he stopped trading five years ago. He has tried to be *Xe ôm* since then. He told me that being *Xe ôm* is not tiring and much easier to obtain money. His daily average income is VND 150,000, much better compared to his previous job.

In order to observe the updated condition on the Laos side as well as to know the implementation of single stop inspection applied in the Lao Bảo-Dansavanh cross-border checkpoint, I decided to cross to Laos with *anh* Phuong. Because *anh* Phuong motorbike is not allowed to cross to Laos, he will cross to Laos through a traditional footpath which is located in Ka Tang village and is guarded by Lao security. Given he is Lao Bảo people, he will be allowed to cross through the footpath by giving the security guards Kip 10,000. The traditional footpath ends just around 300 meters from Dansavanh cross-border gate. He will wait for me at the Dansavanh cross-border gate, and meanwhile I will cross the border through Lao Bảo checkpoint alone.

Entering Lao Bảo cross-border checkpoint, the main building that used to serve exit and entry passport control, custom, and immigration, is being constructed. All people from the Vietnam side are served at Laos's Dansavanh checkpoint. On the right of the main building, there is a new building to serve entry passport control, entry vehicle register and customs office. According to a customs staff I met, recently the immigration process is under one stop or single inspection stop, integrated at Dansavanh checkpoint, so that I was asked to process the immigration there. When I arrived at Dansavanh cross-border checkpoint, I saw a new long building. There were many people lining up in front of the exit passport control counter as well as Laos immigration counter, which are both located just side by side, at that main building. On the left of the building, there is Laos' visa on arrival office and on the right, there are Phongsavanh Bank office, Dao Heung duty free, and the physical inspection office. Indeed, this is an integrated cross-border checkpoint building. There are 12 counters with 6 rows, two counters side by side in every row. The right counter belongs to Vietnam and left counter belongs to Laos People Democratic Republic. The counters from row 1 to row 3 are for exit passport control and entry to Laos' immigration respectively. Row 4 is for animal quarantine counters, while rows 5 and 6 are for plant quarantine and single stop inspection/single window inspection counters respectively (see figure 4.20 below).

Figure 4.21 Outline of Lao Bao – Dansavanh Cross border Checkpoint Flow



Source: Drawn by author based on fieldwork, January 2015

Even though one stop office service has been implemented at the Lao Bao–Dansavanh cross-border checkpoint, by which everyone just needs to shift their step from right counter to left counter or vice versa, it still takes more time, especially for foreigners. In my experience, when I gave my passport to the exit passport control counter, a staff member checked my passport suspiciously. He opened every single page of my passport while asking some unnecessary questions to me. Several times he even brought my passport to other counter. I was thinking, it might be because I did not tuck some money in my passport as others did. Truly, I saw that all Vietnamese and Lao passport holders, who were lining up at the checkpoint, tucked some money, VND 10,000 or Kip 5,000 in their passport. Amazingly, they did not take longer time to get a stamp from the counter. I did not know whether it was a legal or illegal levy. After waiting for 30 minutes, I finally got back my passport. However, I was surprised when I checked my passport, because I was only allowed to stay in Laos for 15 days, not 30 days as it should be. As far as I know, besides visa free, all ASEAN countries

citizen are allowed to stay in other ASEAN countries for 30 days. He or she needs a visa if he/she stays in other ASEAN countries more than 30 days.

Walking out from Laos' immigration office, I did not need to get a visa on arrival because ASEAN countries citizen are visa free. At Dansavanh cross-border gate, I saw some money traders, motor cycle taxi drivers, and a restaurant. A public bus was being stopped, just 100 in front of the border gate, to drop passengers. The bus looked very old and its paint had faded. It is totally different to public buses in Lao Bảo. I saw *anh* Phuong was waiting for me next to the bus. We then left the border heading to Karon market. The side of the main road, a part of the East West Economic Corridor, was still dirt. There were still many wooden houses among a few brick walled houses. There were also many banana plantations alongsides the road. After riding around 1 km, we turned left passing through a dirt road heading to Sepon River. Stilt houses were very dominant in this area. Some children were playing football on grassland, while some pigs were also roaming around them. Arriving at Sepon River, I got down because the water was receding. Some farmers seemed to be watering vegetables across the river. Some building in Lao Bảo were clearly seen from where I stood. Indeed, Sepon River is a natural boundary between Laos and Vietnam.

Figure 4.22 Public Transportation on the Laos side of Dansavanh



Source: Photo by author, January 2015

Riding back to the main road from Sepon River to Karon market, forests and banana plantations still dominated the landscape on both sides. At some points, some banana collectors were busy weighing and loading banana to motor cycles. Shortly after passing through Houay Alone Bridge, we arrived at Karon market. I saw some *kéo hàng* were

unloading commodities from their cart in front of the market. There were no significant changes around Karon market. The market still looked the same as seven years ago when I visited it for the first time. Three gold shops and fruits stalls were still remained on both sides of the entrance. The floor was still dirt and tarnished because the roof leaked when it rains. Groceries, clothes, and household appliances stalls seemed to be dominated by Vietnamese traders. Not surprisingly, 60% of traders at Karon market are Vietnamese traders. Meanwhile, most of the Lao traders provide a variety of traditional kitchen equipment such as rice containers made from bamboo, wood chopsticks and cutlery. They also took control of fresh market kiosks, located at the rear of Karon market, providing vegetables and meats, including livestock such as pig, goat, and chicken.

Figure 4.23 Karon Market in Laos



Source: Photo by author, January 2015

After going around the market, we stopped at a food stall in the market to have lunch. Verily, the trader, Mrs. Hien, is *anh* Phuong's cousin. She has been trading Vietnamese foods at Karon market since 20 years ago. Previously, she opened such a food stall in Lao Bảo, but it stopped because there were not many customers. Shortly after she rented food stall at Karon market, she got many regular customers. I thought it makes sense, because 60% traders at Karon market are Vietnamese. In addition, even though physically Karon market is still looking more traditional compared to Lao Bảo Trade Center, there are more visitors at Karon market¹⁴⁰. It is not surprising that Mrs. Hien has many customers, both Vietnamese and Lao.

¹⁴⁰ Karon market is the nearest traditional market in the border side of Laos. The more modern trade centre is located in Dansavanh, which has role as importat as Lao Bao as Special Economic Zone.

However, all of her commodities, foods and beverages, are bought at Lao Bảo Trade Center because most commodities are cheaper in Lao Bảo. Every month, as Mrs. Hien told me, she has to pay rent VND 300,000 to the local government. Indeed, like in Lao Bảo border area, both Lao Kip and Vietnam Dong are also accepted at Karon market. Like most Vietnamese traders at Karon market, Mrs. Hien also commutes every day because she lives in Lao Bảo. Therefore, she has to leave for Karon market in the early morning and return home in the evening.

From Karon market, we moved to Dansavanh bus station, located about 3 km from Karon market. The bus station was still very poor, dusty, and unpaved yet. There were some permanent food stalls on the right side of the bus station. I also saw some money traders as well as motorbike taxi drivers waiting passengers around food stalls. Some intercity buses and intra-state buses were lining up to wait for passengers. There were many bus routes that depart from Dansavanh bus station, such as Dansavanh-Đồng Hà, Dansavanh-Lao Bảo, Dansavanh-Savanakhet, Dansavanh-Seno, and so on. Like at Lao Bảo cross-border gate, when a bus arrives at the station, shortly some money traders and motor bike taxi drivers come closer to seek customers. It should be noted that most intercity buses in Laos, especially those that depart from and arrive at Dansavanh bus station, not only bring passengers, but also load miscellaneous commodities as well as livestock such as pigs, goat, and chicken.

Next, we continued moving farther into the Laos area of Dansavanh. We stopped at ban Pheung, about 5 km from Dansavanh bus station. I met some Vietnamese banana traders collecting bananas from the plantations. Hundred bunches of bananas are collected and weighed before loading on motor cycles. Using motor cycle as the main mean to bring banana from Laos to Vietnam side is the common way to circumvent import tax. They will be regarded as cross border trader living in the border area who can cross the border every day. Buying banana from the banana plantation owner directly is much cheaper. In addition they can also choose directly from the plantation. The price of a bunch of banana from the plantation varies, from VND 40,000 to VND 80,000, depending on the size and kind of banana. In Lao Bảo, the price of a bunch of bananas will be from VND 60,000 to VND 120,000. Most banana traders, who buy it directly from the plantation in Laos, usually will resell it to banana collectors in Lao Bảo. There were two banana collectors in Lao Bảo, in Ka Tang village and in Ka Tup village. It is not surprising that dozens of trucks loaded full of

bananas are seen back and forth in Lao Bảo. Besides being sent to other cities such as Hanoi, Hồ Chí Minh, and Đà Nẵng, those bananas were also exported to China.

4.4.4.4 *Đánh Bài, Lottery, and Togetherness*

The heartbeat of border economy involves not only economic activities, but also social and cultural ones. The daily life activities at Lao Bảo cross-border area cannot be separated from *đánh bài* (playing cards), lottery (*xổ số*), and coming together. Those activities chain are the soul of social and culture's daily border life. As Van Schendel pointed out to understand the people living at the borders which usually have their own long-standing ideas and ways of life, it is important appreciate “the interrelated cultures and histories of borderlands inhabitants.”¹⁴¹ Togetherness is one of long-standing cultures and still can be seen clearly at Lao Bảo border crossing area. Not only at work, but togetherness also can be seen when they are having lunch and waiting for the customers as well as playing *đánh bài*.

Figure 4.24 Having Lunch Together with *Đổi Tiền*



Source: Photo by author, January 2015

Đánh bài is one of the most popular games at Lao Bảo border. Most people at the border, after having lunch, usually play *đánh bài*. When playing *đánh bài*, sometimes they put money as bet. However, sometimes they play cards without for money. They do it just for fun, in order to keep togetherness and fill free time while waiting their work or customers. It

¹⁴¹ W. van Schendel, “Geographies of Knowing, Geographies of Ignorance: Jumping Scale in Southeast Asia”, in *Environment and Planning D* 20 (6), 2002, p. 653 – 654.

is no surprise when playing *đánh bài*, a *đổi tiền* suddenly shouts “*đổi tiền anh đi*” or “*tiền không*” (exchange money, please or need money?) when someone comes around.

Figure 4.25 Playing Card at the Cross-border Gate Area



Source: Photo by author, January 2015

Similarly, lottery is also one of the important things in daily life activities at the border. Most people buy a lottery ticket every day. This is because the lottery is legalized by the government and each province may issue it. No surprisingly that government radio station announces the lottery's winning numbers every night. However, besides legal lottery, there is also an illegal one. There are striking differences between the legal and illegal lotteries, even though mostly the sellers are the same. In other words, legal lottery sellers are also providing illegal tickets. They usually sell illegal lottery secretly and only serve loyal customers. Some differences of both legal and illegal lotteries are as follows: Firstly, the price of a piece of legal lottery ticket, which usually has six serial numbers on it, is VND 10,000 (US\$ 0.48) even though the lottery is issued by difference provinces. Legal lotteries in Lao Bảo are commonly issued by Quảng Trị, Ninh Thuận, and Thừa Thiên Huế Provinces, which are printed in Đà Nẵng and Hồ Chí Minh. Conversely, illegal lottery price is not fixed. It varies from VND 5,000 to VND 100,000. When buying illegal lottery tickets, customers will choose certain number series listed on the legal lottery and the seller will note it on a small book. The customers will only receive a small piece of the paper with numbers he/she chose on it as evidence.

Figure 4.26 Sample of Legal Lottery



Source: Photo by author, December 2014

Secondly, the legal lottery seller will only get profit VND 1,000 (US\$ 0.047) per piece of sold lottery or 10% of the lottery price while the remaining VND 9,000 will go back to the government as official provider. In contrast, the illegal lottery seller will make profit as much money as they get from selling the lottery tickets. Not surprisingly, in order to get more profit, all legal lottery sellers actually prefer to sell illegal one. In other words, selling legal lottery is solely as a guise to sell illegal lottery. Thirdly, in terms of legal lottery prize, the winner for two correct numbers (from behind) will get VND 100,000 (US\$ 47.6), three correct serial numbers get VND 250,000 (US\$ 11.9); four correct serial numbers get from VND 500,000 to 1,000,000 (US\$ 23.8 to 47.6), five correct serial numbers get from VND 2,500,000 to 40,000,000 (US\$ 119.05 to 1,904.7), and six correct serial numbers get VND 1,500,000,000 (US\$ 71,428.6). Meanwhile, the illegal lottery prize range is not very clear. From an illegal lottery seller at the border I got information that buying three serials number for VND 10,000 will get VND 7,000,000 (US\$ 333.3). Playing card, buying lotteries, and eating and or drinking together are one of the important moments to tell their happiness or difficulties, family problems, update news, and so on among them. In short, playing card, lotteries, and getting together are the daily social activities amongst economic activities that can strengthen relations among those who make living at the border.

To sum up, Lao Bảo cross-border became one of the most important nodes of economic growth in Central Vietnam since the end of 1990s. The development of Lao Bảo cross-border area along with the implementation of GMS-ECP projects created more opportunities for

people living at the border. However, the benefits of border development and economic growth are often unevenly distributed among those who make a living there, especially among Kinh people, Vân Kiều, Paco, and Kado. In terms of border economic activities chain, Kinh people, as newcomer in the region, dominate cross-border trade and *đổi tiền* sector. Meanwhile, mostly Vân Kiều, Paco, and Kado, engage in service sector such as *Xe ôm* and *kéo hàng*. Only few of them engage in cross-border trade and no one involve in *đổi tiền*. In addition, the main participant groups of the border economic activities chain, namely cross-border traders, *Xe ôm*, *kéo hàng*, *đổi tiền*, and street vendors, play a pivotal role in driving economic activities in the region. Besides, it should be noted that the heartbeat of Lao Bảo cross-border life is not only about economic activities, but also social and culture ones. Playing card, buying lottery, and coming together are the soul of social relations and are one of long-standing cultures in the border daily life.

Chapter 5 Conclusion

This thesis explores the historical dynamic development of the Lao Bảo–Dànsavanh cross-border areas in Vietnam’s Quảng Trị Province since the end of the so-called Vietnam War. Quảng Trị Province, where Lao Bảo border areas is located, has been badly affected during the Vietnam War but I argue that in spite of such destructions Lao Bảo cross-border has emerged as one of the most notable nodes of economic growth and development in central Vietnam.

In 1975, immediately after the end of the Vietnam War the government of Vietnam started paying more attention on Lao Bảo cross-border area development. Through *Khu Kinh Tế Mới* (New Economic Zones) policy, Kinh people were sent to borders areas to build new zone as well as to secure the borders. Following this policy, several border agreements between Vietnam and Lao PDR also encouraged the early stage of Lao Bảo cross-border area development. These policies demonstrated how the government of Vietnam had actively been developed its borders since war ended. Importantly, the initial of doing so triggered for later Lao Bảo cross-border development.

Historically, development in the border areas has been overlooked in the state building efforts. This situation changed since 1990s along with the changing view of international relations. In this light, border areas are understood as links of integration and cooperation among countries. An increased development and cooperation among countries change the development of border areas. In the context of Southeast Asia, this improved cooperation and an increased flow of goods have facilitated the peacebuilding among countries engaged in cold war and informed a regional economic cooperation and integration. Such cooperation includes the establishment of some economic development partnership such as *growth triangle*, *growth areas*, *development triangle area* of Cambodia-Laos-Vietnam (CLV), and, the foremost of this study, Greater Mekong Sub-region Economic Cooperation Program (GMS-ECP).

This study shows that at the outset GMS-ECP focused on transportation and infrastructure development. The aim of such development is to open the access and strengthen the relations among GMS country members. In other words, transport infrastructure development was spearheading of later GMS-ECP programs implementation in the region. Lao Bảo Special

Economic and Commercial Area (SECA), East West Economic Corridors (EWEC) and Cross-border Transport Agreement (CBTA) are several models of successful GMS-ECP implementation programs in GMS countries in general and in Lao Bảo cross-border area in particular. As a result, GMS-ECP has successfully boosted the development of Lao Bảo cross-border area and removed the barriers of the border as well as created cooperation in the borders. Most importantly, Lao Bảo cross-border development area has completely transformed this border from contested area to be cooperation zone

This thesis shows that border development and cross-border trade have contributed to the live of the people in Lao Bao. New and creative economic activities were initiated to accommodate the change. This includes, traders, motor cycle taxi driver (*xe ôm*), porter (*kéo hàng*), money trader (*đổi tiền*), and so on. In many ways, this has contributed to additional household income. But this thesis has also demonstrated that those opportunities are distributed unevenly among the local people. For the ethnic minorities such as Van Kieu, Pako, and Kado, for instance, selling fresh crops and raw food is their only livelihood option. This means they were excluded from the emerging livelihood opportunities of the border development and cross-border trade. The Van Kieu ethnic minorities of Ka Tup village for example, have to cross the border and trade through informal point in order to make a living. From local point of views, no boundaries have been trespassed because it has always been their daily activities even before any border development exist. For them, it does not matter whether borders are developed or not, they will still continue the border-crossing activities, doing trading, and keep contact with their relatives across the border. This is a kind of local people strategy to manipulate the government border policies. On the one hand, it undermines the sovereignty of a nation-state. But on the other hand, it creates local employment and contributes significantly to people's additional income

Border development has played notable role in boosting cross-border trade and border economic activities. By and large this has contributed to government and local people's poverty alleviated efforts. However, there is still disparity between ethnic minorities and the majority. This gap is clearly illustrated in the types of economic activities that people involved. It implies that the benefits of cross-border trade are still unevenly distributed among those groups. While government policies and regional and international cooperation can facilitate new livelihood activities and change the life of people along the border areas, this thesis suggests that more needs to be done in the Lao Bao areas to make sure that such

benefit can be cultivated evenly by all the people regardless of their ethnic backgrounds.

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Interview:

Mr. Phuong, 44 years old, Lao Bảo, December 23, 2015.

Mr. Kiem, 65 years old, Lao Bảo, December 21, 2014.

Ms. Hoa, 60 years old, Lao Bảo, January 3, 2015.

Mr. Hoang, 67 years old, Lao Bảo, January 10, 2015.

Mrs. Art, Lao Bảo, December 24, 2014.

Mr. Binh, 48 years old, Lao Bảo, 13 December 2014.

Mr. Phan, Lao Bảo, December 20, 2014.

Mr. Binh, Lao Bảo, December 11, 2014.

Ms. Hien, Lao Bảo, December 12, 2014

Mr. Tran Phu, Lao Bảo, December 13, 2014.

Mr. Sun, Vientiane, January 23, 2015.

Ms. Giang, Dong Ha, December 10, 2014.

Mr. Hoa Hang, Dong Ha, December 8, 2014.

Mrs. Loi, Lao Bảo, December 28, 2014.

Mrs. Doan, Lao Bảo, December 23, 2014.
Mrs. Hoa, Lao Bảo, December 27, 2014.
Mrs. Art, Lao Bảo, December 24, 2014.
Mr. Iden, Hanoi, January 22, 2015.
Mrs. Be, Lao Bảo, January 2, 2015.
Ms. Làn, Lao Bảo, December 14, 2014.
Ms. Yen. Lao Bảo, 27 December 2014.
Mr. Hieu, Lao Bảo January 1, 2015.
Mrs. Hiep, Lao Bảo, January 9, 2015.
Ms. Phuong, Lao Bảo, December 29, 2014
Ms. Hoa, Lao Bảo, January 10, 2015
Chị Hien, Lao Bảo, December 29, 2014.
Chị Diep, Lao Bảo, December 27, 2014
Mr. Thuan, Lao Bảo, January 15, 2015.
Mrs. Đường, Lao Bảo, December 17, 2015.
Mrs. Thuy, Lao Bảo, December 17, 2014.
Mr. Phu Tran, Lao Bảo, January 12, 2015

Appendix 1. Promulgation the Regulation on Lao Bao Area of Quang Tri Province

**THE PRIME MINISTER OF
GOVERNMENT**
No: 11/2005/QD-TTg

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom - Happiness
day 12 month 01 year 2005

DECISION OF THE PRIME MINISTER

Promulgating the Regulation on Lao Bao special trade-economic zone,

Quang Tri province

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;

Pursuant to the Agreement on Economic, Cultural, Scientific and Technical Cooperation between the Government of the Socialist Republic of Vietnam and the Government of the Lao People's Democratic Republic for the 1996-2000 period and subsequent years;

At the proposal of the Minister of Trade and the President of the People's Committee of Quang Tri province,

DECIDES:

Article 1.- To issue together with this Decision the Regulation on Lao Bao special trade-economic zone, Quang Tri province.

Article 2.- This Decision takes effect 15 days after its publication in the Official Gazette and replaces the Prime Minister's Decision No. 219/1998/QD-TTg of November 12, 1998 and Decision No. 08/2002/QD-TTg of January 11, 2002 promulgating the Regulation on Lao Bao economic and trade development encouragement zone, Quang Tri province.

Article 3.- The Ministers of Trade; Defense; Planning and Investment; Finance; Transport; Construction; and Public Security, the other ministers, the heads of the ministerial-level agencies, the heads of the Government-attached agencies and the President of the People's Committee of Quang Tri province shall have to implement this Decision./.

REGULATION ON LAO BAO SPECIAL TRADE-ECONOMIC ZONE

(Issued together with the Prime Minister's Decision No. 11/2005/QD-TTg of January 12, 2005)

Chapter I GENERAL PROVISIONS

Article 1.- Regulation scope

This Regulation provides for the import and export of goods and services; the entry, exit, residence and travel; the preferential investment, construction and tax policies and other relevant matters in Lao Bao special trade-economic zone, hereinafter referred to as Lao Bao TEZ for short.

Article 2.- Application

subjects This Regulation

applies to:

1. Organizations and individuals conducting business activities in Lao Bao TEZ;
2. Individuals residing and traveling in Lao Bao TEZ.

Article 3.- Geographical boundary of Lao Bao TEZ

Lao Bao TEZ is a region which has its geographical boundary determined to be within the national territory and sovereignty, but constitutes a separate trade-economic space, encompassing Lao Bao and Khe Sanh district towns and the communes of Tan Thanh, Tan Long, Tan Lien, Tan Lap and Tan Hop of Huong Hoa district, Quang Tri province.

Article 4.- Objectives of the establishment of Lao Bao

TEZ Lao Bao TEZ is set up in order to:

1. Further enhance economic and trade cooperation between the Socialist Republic of Vietnam and the Lao People's Democratic Republic as well as other neighboring countries;
2. Exploit economic interests through regional cooperation mechanisms so as to boost socio- economic development in Central Vietnam and contribute to the development and international economic integration of the whole country.
3. Experimentally apply a number of new economic management mechanisms pending the application thereof nationwide when conditions permit;
4. Create an attractive environment for foreign investment; exploit to the utmost the existing advantages; develop production and services of all types; speed up export and expand markets.
5. Generate jobs and boost the training and raising of quality of human resources.
6. Build a mountainous urban center, create a motive-force economic zone and contribute to speeding up economic restructuring in Quang Tri province.

Article 5.- Encouragement and protection policies

The Government of the Socialist Republic of Vietnam encourages and protects the legitimate rights and interests of domestic and foreign investors that invest and/or do business in Lao Bao TEZ in the domains of urban and infrastructure development investment; industrial development; goods trading, service provision and other business activities in accordance with the provisions of Vietnam's laws and international treaties which Vietnam has signed or acceded to.

Article 6.- Rights of organizations and individuals that invest and/or do business in Lao Bao TEZ

Organizations and individuals that invest and/or do business in Lao Bao TEZ, apart from their entitlements prescribed by Vietnam's laws and international treaties which Vietnam has signed or acceded to, shall also have the rights to:

1. Enjoy preferences prescribed in this Regulation;
2. Use infrastructure and public-utility works as well as common services for Lao Bao TEZ
such as traffic roads, technical infrastructure system, lighting electricity, water and electricity supply, communications and information at charges agreed upon with enterprises dealing in infrastructure.
3. Transfer land-use rights and/or assets attached to land within land-lease or -sublease duration in accordance with law provisions and the land-use purposes of invested projects. In cases where there is any change in the projects' initial investment purposes, the transfer of land-use rights and/or assets attached to land shall be effected only after it is approved by competent agencies.
4. Mortgage the land-use right value and/or assets attached to land within the land-lease or - sublease duration at Vietnamese or international credit institutions operating in Vietnam according to current provisions of Vietnam's laws.

Article 7.- Capital sources for development of Lao Bao TEZ

1. Lao Bao TEZ shall be developed with the following main capital sources:
 - a/ The State budget capital apportioned within the annual budget estimates provided as target support for the construction of important works and infrastructure necessary for the operation of Lao Bao TEZ;
 - b/ The State's development investment credit capital;
 - c/ Capital of domestic enterprises and population through direct investment projects, issuance of project bonds, advance capital of subjects wishing to use infrastructures and capital in the form of co-financing credit;
 - d/ Foreign capital, including foreign direct investment, covering the forms of build-operate-transfer (BOT), build-transfer (BT), build-transfer-operate (BTO); capital of credit institutions; capital of foreign organizations and individuals.

2. Technical and social infrastructure works of Lao Bao TEZ shall be included in the list of projects calling for official development assistance (ODA) capital.

Chapter II

GOODS AND SERVICE IMPORT AND EXPORT

Article 8.- Exchange of goods and services between Lao Bao TEZ and domestic market

1. The relations of goods and service exchange between Lao Bao TEZ and domestic market shall be considered import-export relations;

2. At the border-gate between Lao Bao TEZ and the inland, there shall be a customs office to perform goods inspection and supervision according to current law provisions.

Article 9.- Customs procedures at Lao Bao TEZ

1. Goods banned from import and/or export and goods in service of national security, when being introduced into Lao Bao TEZ from foreign countries and vice versa via the border-gate between Lao Bao TEZ and Laos, shall be subject to the customs office's supervision;

2. Goods, transport means, luggage and foreign exchange brought into Lao Bao TEZ from the inland and vice versa via the border-gate between Lao Bao TEZ and the inland must go through all customs procedures and be subject to the customs office's inspection and supervision according to current provisions of Vietnam's legislation on export and import goods;

3. Farm produce turned out by residents and goods produced and/or processed in Lao Bao TEZ without using raw materials or components imported from foreign countries, when being imported into Vietnam's inland, shall be exempt from customs procedures;

4. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the People's Committee of Quang Tri province in, providing detailed guidance on customs procedures at Lao Bao TEZ, ensuring that the customs clearance procedures are clear and convenient, thus meeting requirements for production and business investment of Lao Bao TEZ.

Article 10.- Import and export at Lao Bao TEZ

1. Organizations and individuals doing business in Lao Bao TEZ may import and export goods of all categories, except goods on the list of those banned from import and/or export as provided for by Vietnam's laws;

2. The import and export of goods on Vietnam's list of those banned from import and/or export but not on Laos' list or international lists, must be permitted by the Prime Minister.

3. The import and export of goods on the list of those subject to conditional import and/or export or restricted business shall be carried out under the Trade Ministry's guidance.

Article 11.- Processing, temporary import for re-export, transshipment, transit and

transportation at Lao Bao TEZ

1. Goods processed, temporarily imported for re-export and transshipped in, or transiting through, Lao Bao TEZ shall comply with current provisions of Vietnam's laws on processing, temporary import for re-export, transshipment and transit as well as international treaties which Vietnam has signed or acceded to;
2. The transportation of goods between Lao Bao TEZ and Lao trade-economic zones as well as Laos shall comply with relevant agreements concluded between the Vietnamese Government and the Lao Government as well as current regulations of each country.

Article 12.- Goods banned from circulation in Lao Bao TEZ

Goods on the following lists are banned from circulation in Lao Bao TEZ:

1. Goods banned from import and/or export according to Vietnam's laws;
2. Goods banned from circulation according to Vietnam's laws.

Article 13.- Goods managed under separate regulations

Goods managed under separate regulations in Lao Bao TEZ include:

1. Gifts;
2. Removed assets;
3. Appliances of diplomatic missions or international organizations currently operating in Vietnam as well as luggage of people entitled to diplomatic immunity.

Chapter III

ENTRY, EXIT, RESIDENCE, TRAVEL

Article 14.- Entry and exit of Lao citizens residing in provinces bordering on Quang Tri province

1. Citizens of the Lao People's Democratic Republic (hereinafter called Lao citizens for short), who reside in provinces bordering on Quang Tri province, shall be allowed to travel in and out of Lao Bao TEZ with their border identity cards or border laissez-passers, issued by Lao competent agencies. The temporary residence duration in Lao Bao TEZ must not exceed 07 days.
2. In cases where the above-stated Lao citizens are invited by agencies or organizations based in Quang Tri province to travel to other places in Quang Tri province, the inviting agencies or organizations shall have to send written requests to Quang Tri province's Police Department for the issuance of travel permits. A travel permit is only valid for single travel for no more than 05 days and shall not be extended.

Article 15.- Entry into, exit from, residence and temporary residence in, Lao Bao TEZ

1. Foreigners and overseas Vietnamese entering Lao Bao TEZ for market study, work or investment and business activities and members of their families shall be granted multiple visas for durations suitable to their working, investment and business periods in Lao Bao TEZ according to the provisions of Vietnam's legislation on entry and exit;
2. The residence and temporary residence in Lao Bao TEZ shall comply with the regulations of Quang Tri province's Police Department;
3. The Ministry of Public Security shall guide Quang Tri province's Police Department to implement the provisions of Clause 1 and Clause 2 of this Article.

Article 16.- Vietnamese citizens' travel in and out of Lao Bao TEZ

1. Vietnamese citizens shall be free to enter and exit Lao Bao TEZ via designated border-gates.
2. In cases where Vietnamese citizens go abroad through Lao Bao TEZ, they must strictly comply with Vietnam's legislation on entry and exit.

Article 17.- Registration of motorized vehicles at Lao Bao TEZ

1. Motorized transport means of organizations and individuals that are engaged in investment and/or business activities and have their head-offices officially registered at Lao Bao TEZ shall be registered with number plates exclusively used for Lao Bao TEZ;

The Ministry of Public Security shall guide the registration and grant of number plates and management of motorized transport means according to this provision;

2. In cases where motorized transport means registered with Lao Bao TEZ number plates circulate outside Lao Bao TEZ, they shall be subject to the management by competent police offices like foreign motorized transport means transiting Vietnam. All cases where vehicles bearing Lao Bao TEZ number plates illegally circulate outside Lao Bao TEZ shall be handled according to law provisions.
3. In cases where motorized transport means registered with Lao Bao TEZ number plates are sold into the inland, the sale thereof must comply with Vietnam's current regulations on goods import and tax must be fully paid as prescribed by laws;
4. Motorized vehicles with right-wheel drive are permitted to travel in and out of Lao Bao TEZ for cargo and passenger transportation between Lao Bao TEZ and Laos as well as other neighboring countries; when means of such type enter Vietnam's inland, they must comply with international treaties which Vietnam has signed or acceded to.

Chapter IV PREFERENTIAL POLICIES

Article 18.- Investment preferences

1. Foreign-direct investment projects and domestic investment projects in Lao Bao TEZ shall be approved according to the process of registration for granting investment licenses.

2. All investment projects in Lao Bao TEZ shall enjoy maximum preferences applicable to geographical areas meeting with particular socio-economic difficulties according to the provisions of the 1996 Law on Foreign Investment in Vietnam, the 2000 Law Amending and Supplementing a Number of Articles of the Law on Foreign Investment in Vietnam, the 1998 Law on Domestic Investment Promotion (amended), the Value Added Tax Law, the Law on Special Consumption Tax, the 2003 Law on Enterprise Income Tax and other preferences under international treaties which Vietnam has signed or acceded to. In cases where legal documents provide for different preferential levels for one case, the highest preferential level shall apply.

3. Lao Bao TEZ shall enjoy infrastructure construction investment preferences like border-gate economic zones;

4. Organizations and individuals that have merits in calling for investment capital from capital sources other than the State budget for investment in socio-economic works in Lao Bao TEZ shall enjoy a certain commission amount allocated from the local budget according to the Finance Ministry's regulations after the investment projects are put into operation and turn out products for circulation on domestic and overseas markets.

Article 19.- Geographical area-based preferences

Trade and service activities in Lao Bao TEZ shall be entitled to preferences under policies on economic development in mountainous regions, offshore islands, deep-lying and remote areas and ethnic minority regions according to the Government's current regulations.

Article 20.- Preferences on enterprise income tax

Investment projects in Lao Bao TEZ shall enjoy exemption of enterprise income tax for 04 years after taxable incomes are generated, a 50% reduction of the payable tax amounts for the subsequent 9 years, and the tax rate of 10% for the following years.

Article 21.- Preferences on personal income tax

People working in Lao Bao TEZ, who are payers of personal income tax according to law provisions, shall enjoy a 50% reduction of the payable tax amounts.

Article 22.- Preferences on value added tax and special consumption tax

1. Goods and services produced and/or consumed in Lao Bao TEZ and goods and services imported from foreign countries into Lao Bao TEZ shall not be subject to value added tax;

2. Goods and services brought from Vietnam's inland into Lao Bao TEZ shall enjoy the value added tax rate of 0%; goods and services brought from Lao Bao TEZ into Vietnam's inland for consumption shall be subject to value added tax as prescribed by laws;

3. Goods and services subject to special consumption tax, which are produced and consumed in Lao Bao TEZ, and goods and services subject to special consumption tax, which are imported from foreign countries into Lao Bao TEZ, shall not be subject to special consumption tax;

4. Goods and services subject to special consumption tax brought from Lao Bao TEZ into

Vietnam's inland shall be subject to special consumption tax as prescribed by laws.

Article 23.- Preferences on import tax and export tax

1. Goods originating from Vietnam's inland and goods imported into Lao Bao TEZ from foreign countries shall be exempt from import tax and export tax;
2. Goods produced, processed, recycled or assembled in Lao Bao TEZ, when being exported to foreign countries, shall be exempt from export tax;
3. For goods produced, processed, recycled or assembled in Lao Bao TEZ with the use of raw materials and/or components imported from foreign countries, when being imported into Vietnam's inland, the import tax shall be paid only for the part of imported raw materials and/or components constituting such goods; in cases where raw materials and/or components imported from foreign countries are not used, when such goods are imported into Vietnam's inland, the import tax shall not be paid.
4. Goods originating from Laos, which are imported into Vietnam's inland from Lao Bao TEZ, shall enjoy the import tax reduction according to Vietnam's current law provisions and the international treaties signed between the two Governments;
5. Domestic and foreign tourists, when entering Lao Bao TEZ, may purchase duty-free goods (goods outside the list of those banned from import) to bring inland with a value not exceeding VND 500,000/person/entry/day. If the goods value exceeds VND 500,000, goods owners must pay import tax for the excessive amounts according to Vietnam's law provisions.

Article 24.- Credit preferences

Enterprises of all economic sectors, engaged in investment, production and/or business activities in Lao Bao TEZ, shall be considered for State credit loans by the Development Assistance Fund according to the Vietnamese Government's current regulations on the State's development investment credit.

Article 25.- Transfer of business losses

Organizations and individuals engaged in goods production and/or trading, or service provision, foreign-invested enterprises and foreign parties to business cooperation contracts operating in Lao Bao TEZ, that, after making the final settlement with tax offices, suffer from losses, shall be allowed to carry forward such losses to the subsequent years, and these loss amounts shall be deducted from their taxable incomes. The loss-carrying duration shall not exceed 05 years.

Article 26.- Preferences on land and dwelling houses

1. Organizations and individuals that have investment projects in Lao Bao TEZ shall be exempt from land rents for the first 11 years as from the date of signing land-lease contracts and, from the 12th year on, enjoy the land rents equal to 30% of the rents applicable to mountainous districts of Quang Tri province;

2. Vietnamese, overseas Vietnamese, foreigners residing in Vietnam and foreign investors may invest in building dwelling houses for sale or lease; invest in building infrastructure for lease or transfer the right to use land on which infrastructures have been built, and buy dwelling houses in Lao Bao TEZ according to law provisions;

3. The whole acreage of land and water surface already planned for investment in the development of Lao Bao TEZ shall be assigned in the lump to Lao Bao TEZ Management Board. Lao Bao TEZ Management Board shall pay compensation and organize ground clearance according to law provisions for re-allotting or leasing land to investors. The allotment and lease of land to every specific project shall be decided by Lao Bao TEZ Management Board according to current law provisions, which shall bear responsibility for the efficient use of allotted land and water surface fund. The land rents shall be based on the rent levels issued by the People's Committee of Quang Tri province;

4. Before building works in Lao Bao TEZ, enterprises and organizations must send dossiers of application to Lao Bao TEZ Management Board. Lao Bao TEZ Management Board shall have to reply within 07 working days after receiving complete and valid dossiers; in cases of refusal, it must clearly state the reasons therefor;

The management of construction projects in Lao Bao TEZ shall comply with the State's current regulations.

Chapter V

IMPLEMENTATION OF FINANCIAL-ACCOUNTING REGIMES

Article 27.- Implementation of financial-accounting regimes

Organizations and individuals operating in Lao Bao TEZ shall comply with financial-accounting regimes according to Vietnam's current law provisions.

Article 28.- Transaction and payment currencies

The sale, purchase, payment, transfer and other transactions between organizations and individuals operating in Lao Bao TEZ shall be made in Vietnam dong, Lao kip and freely convertible foreign currencies as prescribed by Vietnam State Bank.

Chapter VI STATE MANAGEMENT

Article 29.- Lao Bao TEZ Management Board

1. Lao Bao TEZ Management Board shall be set up under the Prime Minister's decision (at the proposals of the President of the People's Committee of Quang Tri province and the Minister of Home Affairs) to perform the uniform and concentrated management over all investment and economic development activities in Lao Bao TEZ;

2. Lao Bao TEZ Management Board is a State management agency which has the legal person status, seal bearing the national emblem, payrolls and operation funds allocated by the

State budget and is a main planning unit entitled to separately balance capital construction capital from the State budget source;

3. The head of Lao Bao TEZ Management Board shall be appointed by the Prime Minister. Its deputy heads shall be appointed by the President of the People's Committee of Quang Tri

Province;

4. The Ministries of Trade; Defense; Public Security; Construction; Transport; Planning and Investment; and Natural Resources and Environment, the General Department of Tourism and concerned agencies shall, within their functions, tasks and powers, coordinate with the People's Committee of Quang Tri province in authorizing and guiding Lao Bao TEZ Management Board to effectively realize the one-door management mechanism on spot.

Article 30.- Responsibilities of the People's Committee of Quang Tri province The People's

Committee of Quang Tri province shall have the responsibility:

1. To direct the formulation and submission to the Prime Minister or competent authorities for approval overall and detailed development plannings and the Charter on operation of Lao Bao TEZ;

2. To direct the management of projects according to approved plannings and authorize Lao Bao TEZ Management Board to approve development investment projects and annual plans on capital construction investment in Lao Bao TEZ;

3. To assume the prime responsibility for, and coordinate with concerned ministries and branches in, organizing the management and administration of operation of Lao Bao TEZ;

4. To direct Lao Bao TEZ Management Board to fulfill the tasks prescribed in this Regulation;

5. To decide on the exemption and/or reduction of land rents and the provision of support in expenses for training laborers in Lao Bao TEZ according to current law provisions;

6. To direct the People's Committee of Huong Hoa district and specialized agencies of the province to coordinate with Lao Bao TEZ Management Board in carrying out measures to ensure security, social order and safety, create favorable conditions for operations of enterprises in Lao Bao TEZ and effectively combat smuggling, dealing in smuggled goods and other illegal trading acts in the province related to the operation of Lao Bao TEZ;

7. To make written agreement with the administration of Laos's Savannakhet province on principles for coordinated management and administration of operation of Lao Bao TEZ and Den Savane trade zone on the basis of current law provisions of each country and in compatibility with the special friendship between the two peoples.

Article 31.- Tasks and powers of Lao Bao TEZ Management Board

Lao Bao TEZ Management Board shall perform tasks and powers prescribed for provincial-level Industrial Park Management Boards, Border-Gate Economic Zone Management Boards and the provisions of this Regulation; and have the following tasks and powers:

1. To formulate overall and detailed development plannings and the Charter on operation of Lao Bao TEZ for the People's Committee of Quang Tri province to submit them to the Prime Minister or competent authorities for approval and organize the implementation thereof according to approved plannings;
2. To make lists of investment projects and annual capital construction investment plans for submission to competent authorities for approval and organize the implementation thereof;
3. To grant and withdraw business registration certificates, investment licenses, licenses for establishment of representative offices and branches of foreign traders or tourist enterprises, investment preferences certificates, goods origin certificates and other certificates according to authorization of competent State agencies in Lao Bao TEZ;
4. To allot or lease land and water surface to investors for the implementation of investment projects according to current law provisions;
5. To formulate and submit price, charge and fee brackets to competent State agencies for promulgation and implementation in Lao Bao TEZ according to current law provisions;
6. To act as a main unit in settling issues arising in the course of formulating and implementing projects on investment, business and operation in Lao Bao TEZ;
7. To assume the prime responsibility for, and coordinate with local administrations and concerned agencies in, ensuring that all activities in Lao Bao TEZ are carried out in accordance with this Regulation and the Charter on operation of Lao Bao TEZ;
8. To perform tasks of managing and using investment sources in Lao Bao TEZ, manage projects funded with the State budget capital in Lao Bao TEZ in strict accordance with regulations;
9. To organize, deploy, recommend, negotiate and promote trade, investment and tourism at home and abroad;
10. To coordinate with Den Savane Trade Zone Management Board (the Lao People's Democratic Republic) so as to ensure that these two trade-economic zones are developed in strict accordance with current agreements between the Socialist Republic of Vietnam and the Lao People's Democratic Republic as well as current agreements between Quang Tri province and Savannakhet province.

Article 32.- Coordination in State management in Lao Bao TEZ

The concerned ministries and agencies shall perform the functions of State management over Lao Bao TEZ and authorize Lao Bao TEZ Management Board to perform functions and tasks under their competence in the fields of investment, construction, planning, natural resources and environment management, urban management and development, labor management, import-export and some other domains according to law provisions and this Regulation.

For domains where Lao Bao TEZ Management Board is not authorized, the ministries,

branches and People's Committee of Quang Tri province shall perform the functions of State management over Lao Bao TEZ by organizing their attached units in Lao Bao TEZ in order to perform their tasks and exercise their powers, aiming to create favorable conditions for operation of investors and enterprises in Lao Bao TEZ.

Chapter VII IMPLEMENTATION PROVISIONS

Article 33.- Implementation organization

1. Other provisions related to operation of organizations and individuals in Lao Bao TEZ not provided for in this Regulation shall comply with equivalent provisions of the Commercial Law, the Law on Foreign Investment in Vietnam, the Law on Domestic Investment Promotion, the Enterprise Law, the Land Law, other legal documents and international treaties which Vietnam has signed or acceded to.

2. In cases where the National Assembly, the National Assembly Standing Committee, the Government or the Prime Minister issues legal documents providing for higher preferences, such preferences shall automatically apply to Lao Bao TEZ./.

**THE PRIME MINISTER OF
GOVERNMENT
PRIME MINISTER**
(signed)

Phan Van Khai

Source: <https://luatminhkhue.vn/en/decision/decision-no-11-2005-qd-ttg-dated-january-12--2005-of-the-prime-minister-promulgating-the-regulation-on-lao-bao-special-trade-economic-zone--quang-tri-province.asp/> Accessed on August 7, 2015

Appendix 2. Circular No.16/1998/TT-BNV on Border Laissez-Passers to Vietnamese Citizen Who Travel to Laos

**THE MINISTRY OF THE
INTERIOR**

No: 16/1998/TT-BNV

SOCIALIST REPUBLIC OF VIET NAM

Independence - Freedom - Happiness

lay 12 month 01 year 1998

CIRCULAR No.16/1998/TT-BNV OF JANUARY 12, 1998 GUIDING THE GRANTING OF BORDER LAISSEZ-PASSERS TO VIETNAMESE CITIZENS WHO TRAVEL TO LAOS

In furtherance of Article 5 of the Protocol on amendments and supplements to the Agreement on National Border Statute between the Socialist Republic of Vietnam and the People's

Democratic Republic of Laos concluded on August 31, 1997 concerning the granting of border laissez-passers to citizens of the two countries to travel across the border, the Ministry of the Interior hereby provides the following guidance:

I. OBJECTS OF APPLICATION

1. Vietnamese citizens who are State officials, workers and employees; and managed by authorities of provinces bordering Laos and sent by the People's Committees of such provinces to the opposite Laotian provinces for working missions or friendship visits shall be granted border laissez-passers in accordance with Article 5 of the Protocol on the amendments and supplements to the Agreement on National Border Statute between the Socialist Republic of Vietnam and the People's Democratic Republic of Laos concluded on August 31, 1997.

2. State officials, workers and employees of central-level branches and provinces which do not border on Laos, who are sent to Laos for working missions or friendship visits; persons who reside in Vietnamese provinces bordering Laos and travel to Laotian provinces which do not border on Vietnam for working missions must have passports or papers of passport- substitute value granted by the Vietnamese competent agency(ies).

3. Vietnamese citizens throughout the country who travel to Laos for such personal purposes as: tourism, visits to relatives, medical treatment, self-supporting labor or study must have passports or papers of equivalent value granted by the Ministry of the Interior (the Department for Exit and Entry Management) in accordance with Clause 3, Article 6 of Decree No.48-CP of March 8, 1993 of the Government.

4. Vietnamese citizens who reside in border areas (border communes) and travel to Laos' border areas for visits to their relatives, exchange of goods essential for daily life,... shall not be granted border laissez-passers but shall use border identity cards.

Persons who reside in border areas and travel to non-border areas of Laos shall have to comply with Point 3 above.

II. THE PROCEDURES FOR GRANTING BORDER LAISSEZ-PASSERS

1. Persons mentioned in Point 1, Section I who apply for border laissez-passers to Laos shall fill procedures at the Section of Exit and Entry Management section under the Police Department of the province where they reside, including the following:

-Decisions of the competent agencies to send their officials to Laos for working missions or friendship visits. Such decisions must clearly state the names of the subject persons and the purposes for which they are sent to Laos.

-An application by each person for "border laissez-passers" according to the form set out by the Ministry of the Interior (the Department for Exit and Entry Management), enclosed with 03 (three) his/her recent photographs of 4 cm x 6 cm size, with face in straight position and a bare head, one of such photographs shall be stuck to the application. The head of the managing agency shall directly affix its seal on such photograph and write certification on the application.

-The payment of fees in accordance with the regulation jointly issued by the Ministry of Finance, the Ministry of the Interior and the Ministry for Foreign Affairs.

The handling time limit: within 5 working days from the date the provincial Police Department receives the complete and proper dossiers.

2. Border laissez-passers shall be granted by the Police Departments of the provinces bordering Laos and valid for one year.

The border laissez-passers shall be valid for use within the opposite Laotian provinces bordering on Vietnam and be granted to person by person. The border laissez-passers holders shall be exempt from Laos' exit and entry visas as provided for by Article 5 of the above said Protocol.

III. ORGANIZATION OF IMPLEMENTATION

1. The Department for Exit and Entry Management under the Ministry of the Interior shall have to set the form of "border laissez-passers", the form of "application for border laissez-passers" and guide, inspect and urge the police offices of all levels to implement this Circular.

2. This Circular takes effect after its issuance.

For the Minister of the Interior Vice Minister

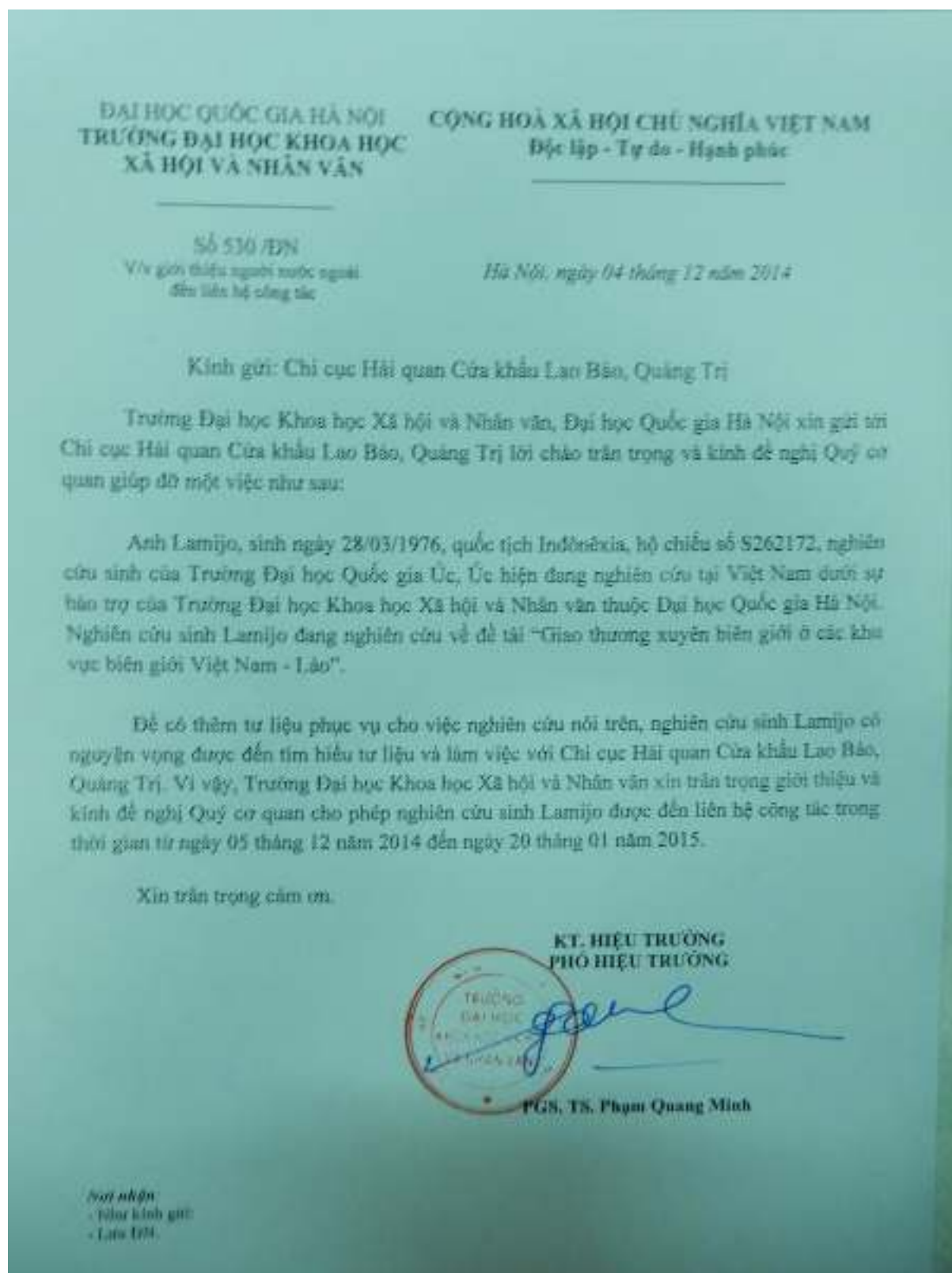
NGUYEN KHANH TOAN

**MINISTRY OF THE
INTERIOR**
VICE MINISTER
(signed)

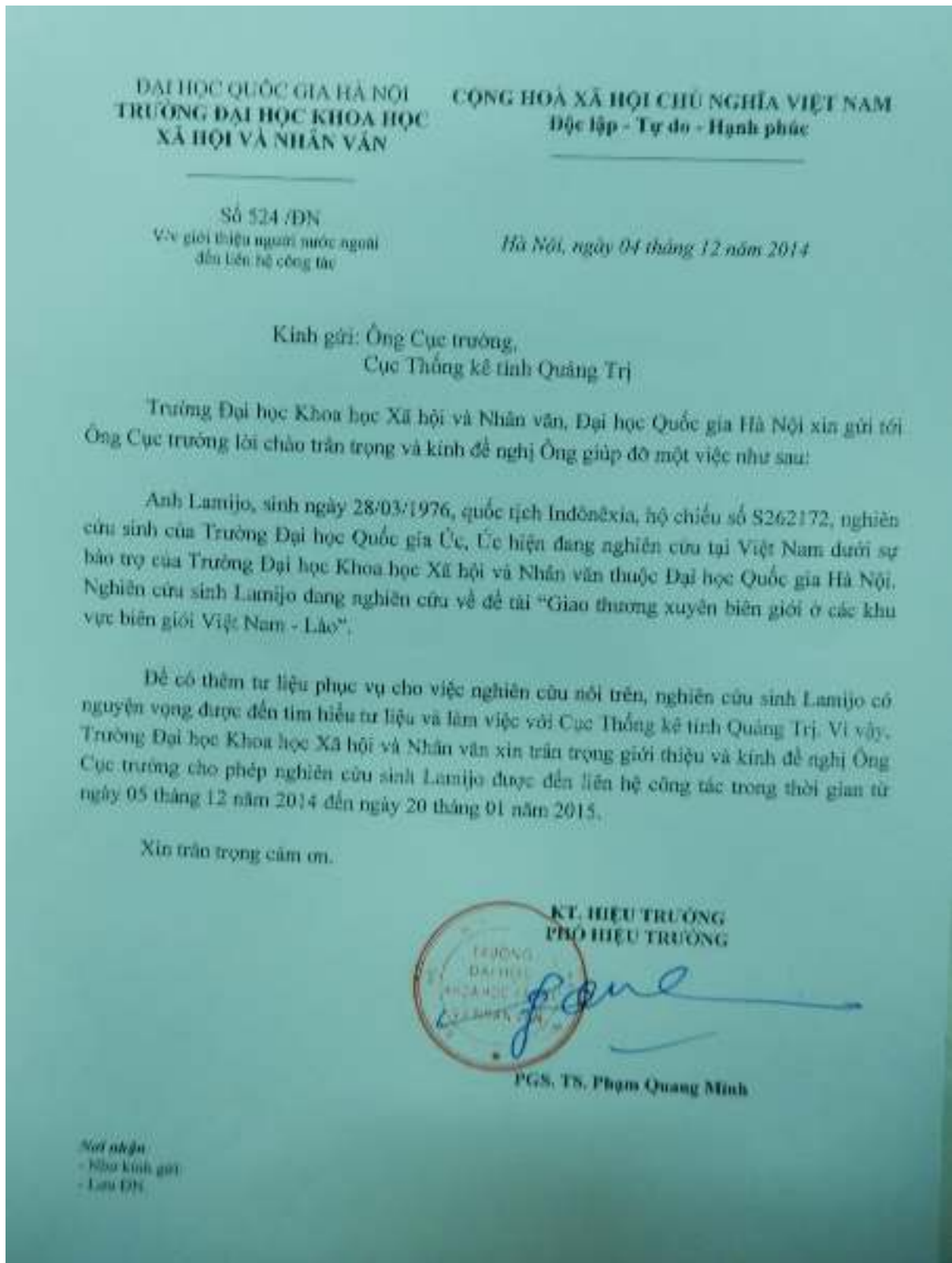
Nguyen Khanh Toan

Source: <http://luatvietnam.vn/VL/750/Circular-No-161998TTBNV-dated-January-12-1998-of-the-Ministry-of-Home-Affairs-guiding-the-granting-o/2E401CC4-68E1-4BB4-BF9D-1AE5F2125A4A/default.aspx>. Accessed on September 5, 2015

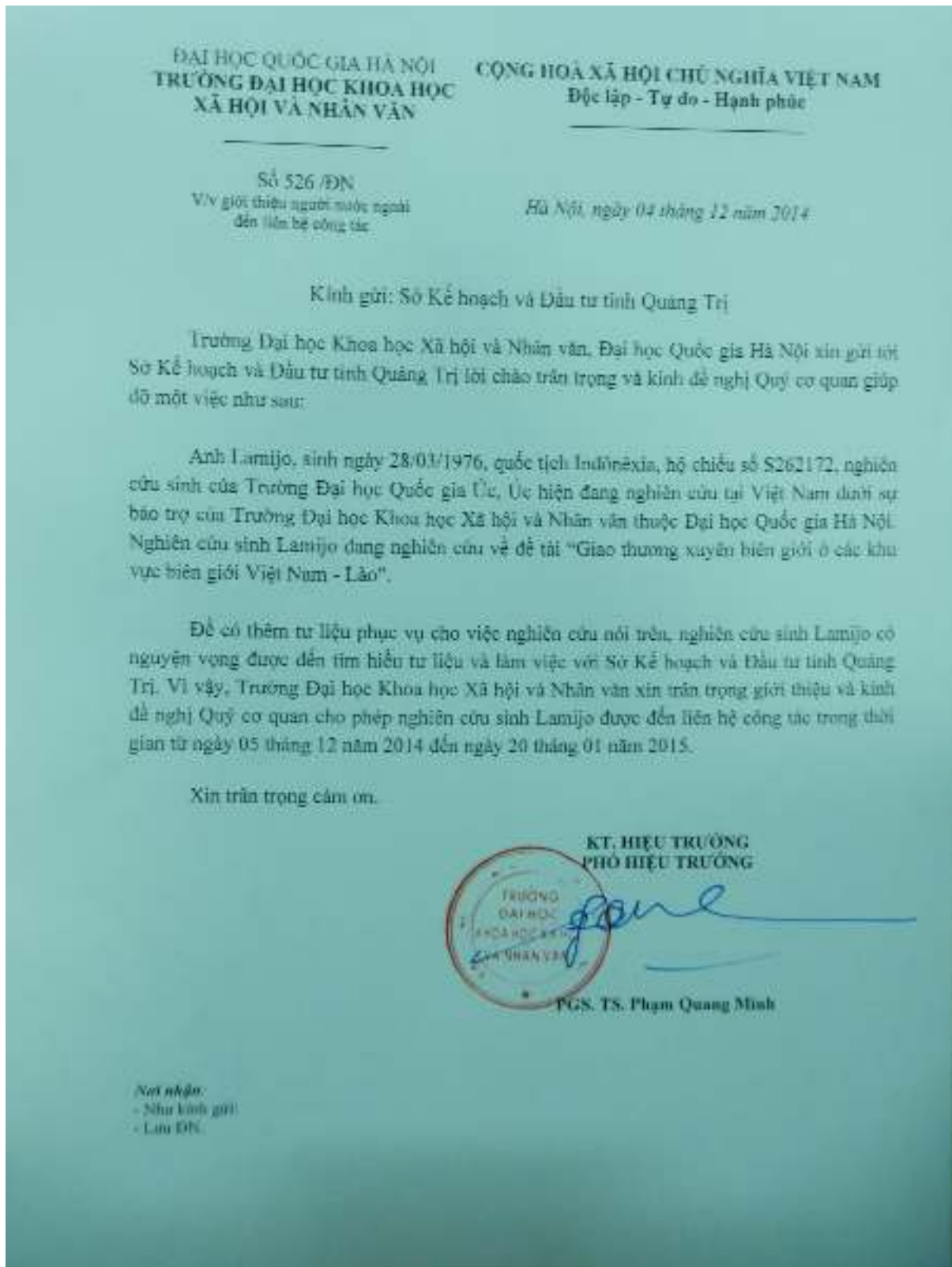
Appendix 3. Endorsement letter from University of Social Sciences, Vietnam National University, to Lao Bảo Border's Customs Branch, Quảng Trị



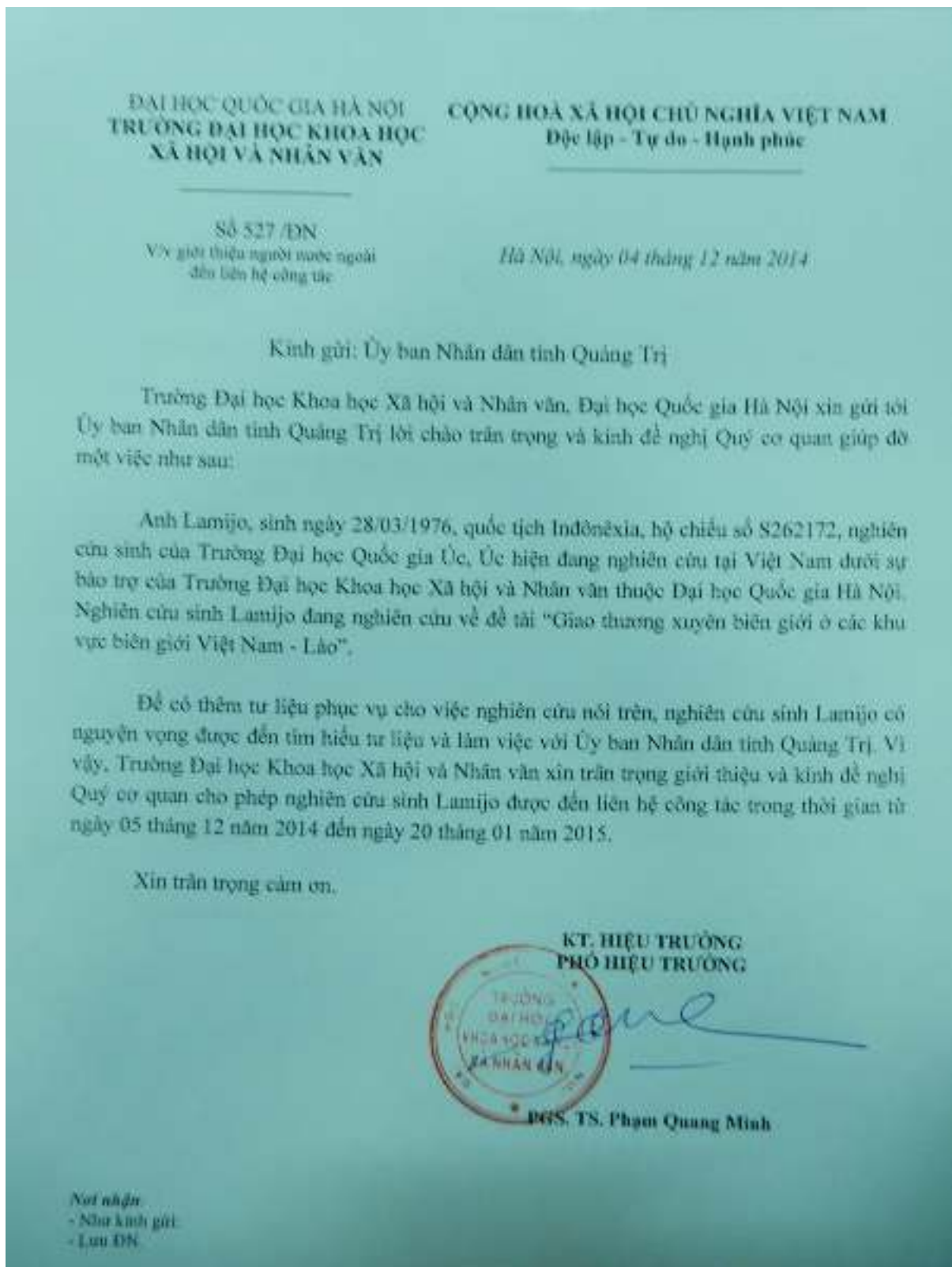
Appendix 4. Endorsement letter from University of Social Sciences, Vietnam National University, to Statistic Office of Quảng Trị



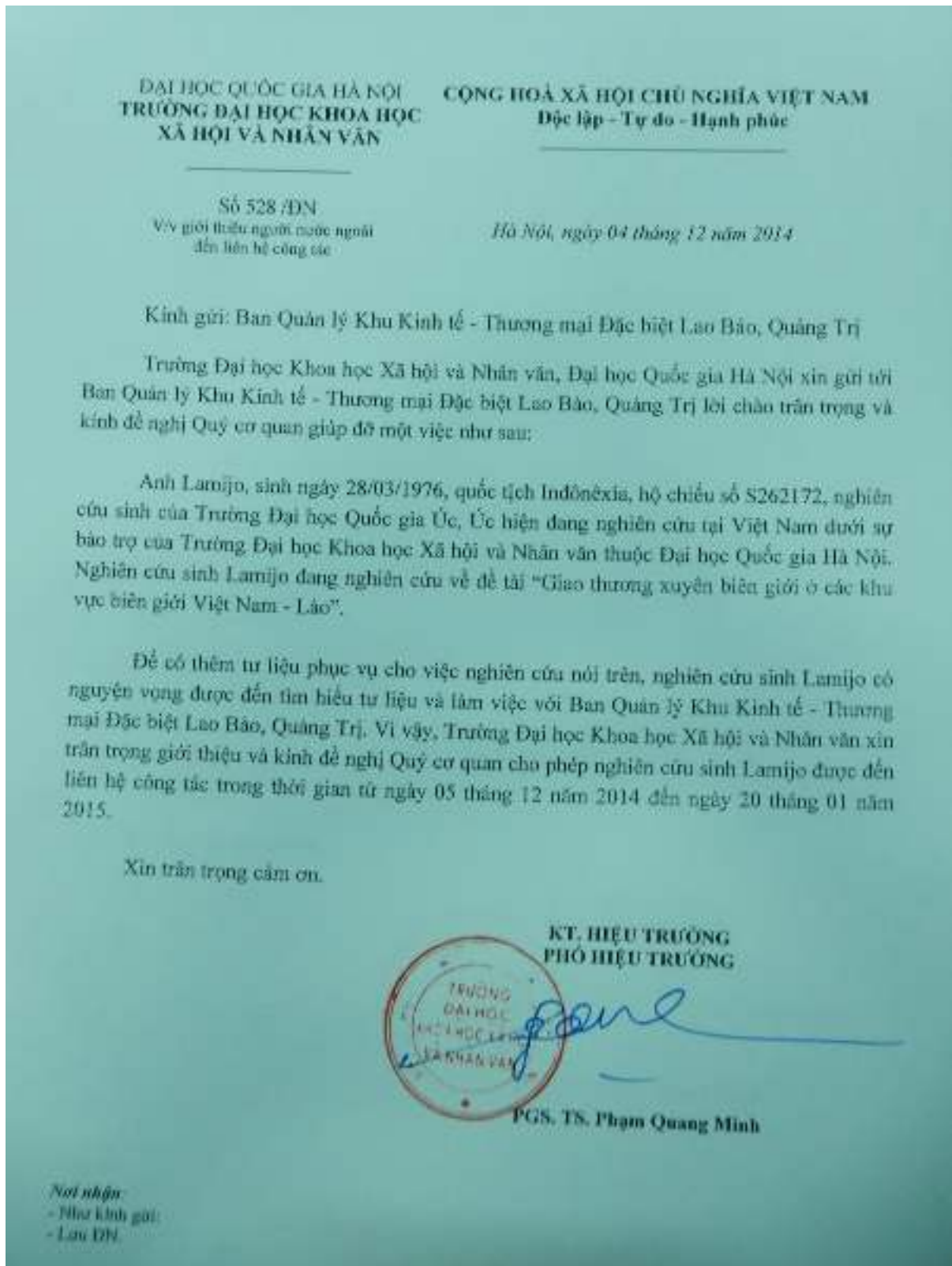
Appendix 5. Endorsement letter from University of Social Sciences, Vietnam National University, to Department of Planning and Investment, Quảng Trị



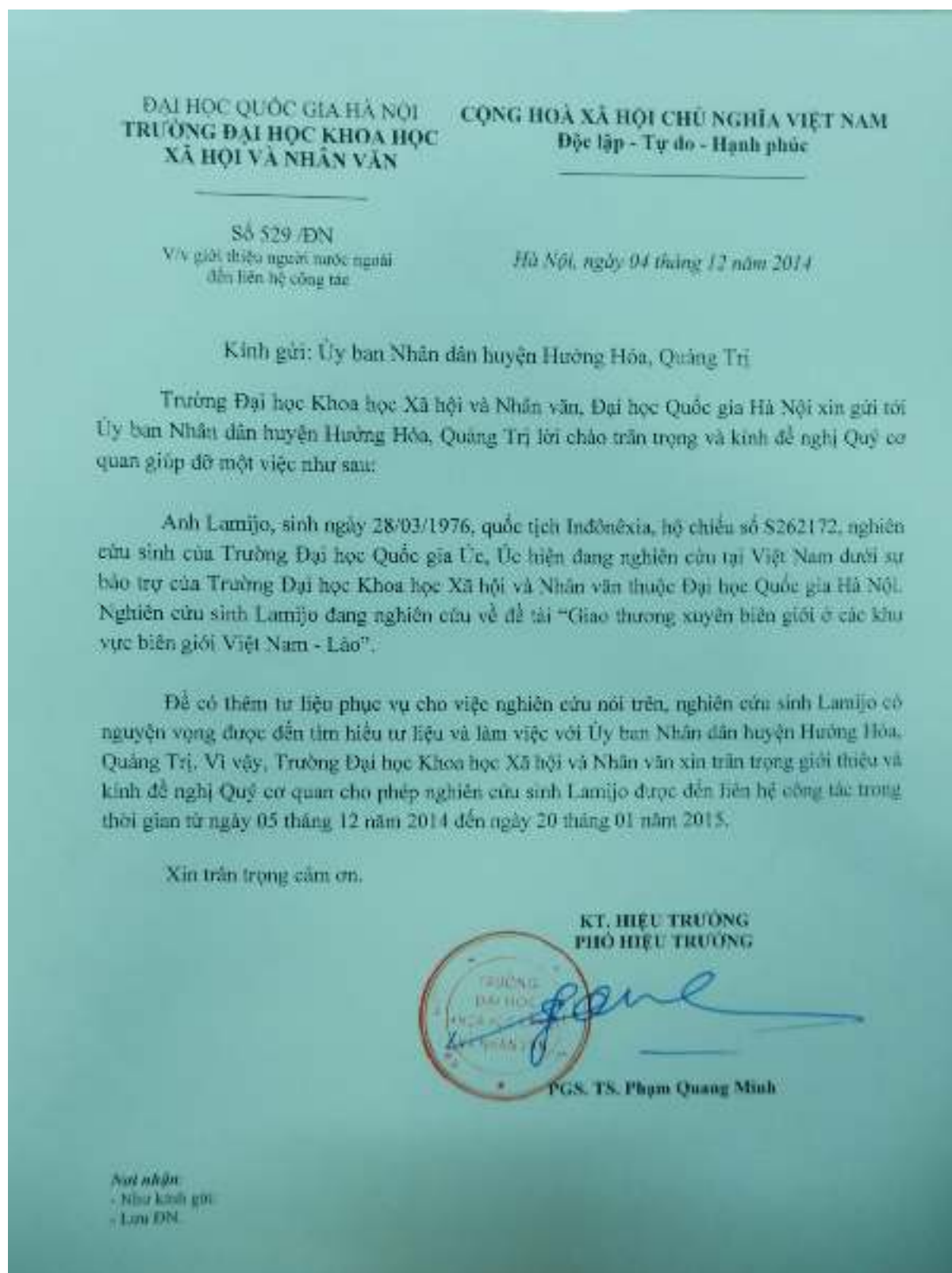
Appendix 6. Endorsement letter from University of Social Sciences, Vietnam National University, to People's Committee of Quảng Trị Province



Appendix 7. Endorsement letter from University of Social Sciences, Vietnam National University, to Management Board of Lao Bảo Special Economic Area.



Appendix 8. Endorsement letter from University of Social Sciences, Vietnam National University, to People's Committee of Hương Hóa District.



Appendix 9. Endorsement letter from University of Social Sciences, Vietnam National University, to Customs Department of Quảng Trị Province.

