

# **Belt and Road and the Pan-Asian Railway Network**

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## **The social and environmental impact of the Boten-Vientiane Express Railway in Laos**

In 2013, Chinese President Xi Jinping launched the Belt and Road Initiative (BRI) with the intent to connect the world by strengthening infrastructure development. In the wake of this announcement, the Chinese government and Chinese companies began to lend billions of dollars to developing countries for transportation development, special economic zone expansion, and seaport construction. On the one hand, the initiative could bring tremendous economic opportunities to the least developed areas in the world. On the other, the socio-ecological impacts are considered to be negative.

This article seeks to provide an overall picture of the Pan-Asian Railway Network and will map out the socio-environmental impact of the Boten-Vientiane Express Railway, a segment of the Pan-Asian Railway Network. The railway aims to link Vientiane, the capital of Laos, to the border town of Boten, which is about 600 kilometres to the north. It was started in 2016 and has as of early 2021 reached more than 90 percent completion. Furthermore, informed by lessons learnt from the Boten-Vientiane express railway's impact on Laos, the author will also draft a policy recommendation for the railway line between Thailand's capital Bangkok and Nakhon Ratchasima, one of the major cities in the northeast of Thailand.

## **The Pan-Asian Railway Network from Kunming to Singapore**

The Kunming-Singapore railway, also known as the Pan-Asian Railway Network, is one of the BRI's most important transportation development projects in the Association of Southeast Asian Nations (ASEAN). The network was originally started during the British and French colonial period in the twentieth century. However, due to regional war and conflicts in the 1900s and the financial constraints of participating countries, it was never finished. Before it was adopted as one of the core developments of the BRI, with the financial agreement from China and participating countries, the development of this network was discussed multiple times, such as at the first ASEAN summit in 1995 and at the Trans-Asian Railway Network agreement in 2006.

It is generally acknowledged that Southeast Asian countries were among the fastest-growing in the world at the beginning of the twenty-first century. Concurrently, controlling access to the South China Sea has been a key Chinese strategy for centuries. In summation, when the Pan-Asian Railway Network is finished, China would have advantageous access to (1) one of the world's fastest growing economies, and (2) one of the most strategically important regions in the world. It would not only accelerate their import and export volumes, but also strengthen their geopolitical influence on the participating countries and improve their position on the world stage. These targets fall into two key areas of the BRI, which include (1) developing infrastructure and facilities networks, and (2) strengthening investments and trade relations. Thus, there is no doubt that the Pan-Asian Railway Network is an integral part of the BRI.

There are three routes in the network: the central route starts from Kunming in southern China, goes through Laos and ends in Bangkok, the western route extends through Myanmar and Thailand, and the eastern route crosses Vietnam, Cambodia, and Thailand. All three routes connect in Bangkok, with transport links to Malaysia and Singapore. When completed, the network will connect eight ASEAN countries but will exclude Brunei and Timor-Leste.

### **The Social and Environmental Impact of the Vientiane-Boten Railway**

While other ASEAN countries such as Thailand and Vietnam have been participating cautiously in BRI and using hedging strategies to diversify their relationships with other powerful countries, Laos was among the first to join the Chinese initiative. As Laos is heavily dependent on Beijing for both economic and political reasons, it supported the BRI enthusiastically. Furthermore, the dream of escaping being seen as “landlocked” made Laos even more excited to participate in the railway development project. A reduction from a 21-hour-bus ride to a three-hour express railway seems to pose a good economic opportunity for Laos and its citizens.

However, whether those economic opportunities outweigh the socio-environmental impact is still up for debate. As Daniel Hayward, the coordinator of the Mekong Land Research Forum, told this author: “The idea of connectivity is great, but is this going to benefit civil society or just the business sector?” Hayward is joined in his concerns by Dr. Oulavanh Keovilignavong, a post-doc researcher from the International Water Management Institute (IWMI), who suggested to that, “[b]eyond uncertainty on economic returns, the Boten-Vientiane Express Railway increases public debts to Lao people, negative impacts on society and environment at local construction sites”.

Currently, debating whether large infrastructure development projects would have a long-term impact on both environmental and social aspects of the community is controversial. Although many people may find new employment alternatives, the socio-environmental impact is immeasurable. Firstly, in order to have land for the construction site, land acquisition and resettlement would happen. The land loss here is mainly of agricultural, forest, and residential land. The loss of agriculture and relocation of the communities that live along the construction site would cause changes to the livelihoods and social relations of the communities themselves. The loss of forest land will lead to a loss of species, which in turn will affect the biodiversity of the area. Secondly, the changes to water and air quality caused by construction is a topic that still needs to be addressed. Finally, the immigration of Chinese workers to Laos would also need to be taken into account.

The [Bangkok Post](#) reported that over 4,400 families had to relocate to construct the Boten-Vientiane Railway. Many of these families have received minimal compensation, at a price that is far below the market price. With the small sum of 12,000 US dollars, relocated families are unable to build a new home with space for five family members. In addition, while many households in the affected areas made a living with agriculture and farming, the loss of their land and relocation has a tremendous impact on their livelihoods and causes changes to the community.

Farming requires a stable quality of land, water, and climate, all of which differ from area to area. Moving to a new area will impact the way local communities practice their traditional ecological resource management, the skills of which are passed from generation to generation. This displacement by relocation will impact both social structure as well as social relations among the farmers themselves and between the farmers and nature.

Moreover, Laos is still an agricultural country, with around 70 percent of workers employed in the farming sector. This is the highest percentage of people working in the agriculture industry among the neighbouring countries Thailand, Vietnam, Cambodia, and Myanmar. According to [Nick Freeman](#) of the Yusof Ishak Institute in Singapore, the railway will more likely facilitate the export of Chinese

goods to Laos and other ASEAN countries, rather than the other way around. In addition, after finishing the railway, Laos will owe the Chinese government almost half of its gross domestic product. This situation would make Laos fall into a 'debt trap', owing money to China for a long time. The more dependence Laos has on China, the more influence China will have on the policy and decision-making processes of the Laos government.

In regard to the forestry land lost, one report by the [World Wide Fund for Nature \(WWF\)](#) categorized the railway across Laos as having a highly negative environmental impact on the biodiversity of the area. The report claims that almost 265 threatened species, 1,739 important bird areas, and 46 biodiversity hotspots are overlapping with transport corridors globally. Forest is a habitat for many fauna and flora species. The Indo-Pacific is a conservation hotspot, it contains nearly half (17 out of 36) of the world's biodiversity hotspots according to the [FAO Regional Office for Asia and Pacific](#). Any negative impact on this hotspot could lead to food insecurity and unstable rural livelihoods in the future.

Moreover, in the construction areas and affected communities, irrigation systems have been damaged and the tunnel that drains water to the Mekong River has been blocked. [Radio Free Asia](#) reported that waterways are polluted with unidentified chemicals and fish have been poisoned in the Vangvieng district. When the local community reported the surface water pollution in one particular village to the research team of the [International Water Management Institute \(IWMI\)](#), the villagers told the research team that the "water now hurts their skin, poisons their poultry and reduces their crop yields".

According to a study conducted by the IWMI, although the project brings some opportunities, such as the improvement of access to goods and tourism development, the positives are outweighed by the negatives, especially the water and air pollution affecting the communities and surrounding areas. According to Dr. Oulavanh Keovilignavong, one of the study's team members, the Belt and Road Initiative "is just part of the Chinese strategy to influence ASEAN and Mekong countries".

Last but not least, the construction of the railway has failed to generate expected employment opportunities for the local community. The labour force for the railway was mainly Chinese. It is estimated that about 30,000 Chinese workers were employed by the Chinese contractor. It seems that one way or another, Chinese money just comes back to Chinese pockets. However, the main concern here is that the Chinese workers, after completing their employment with the railway construction company, tend to choose to become immigrants to Laos. They work in almost all aspects of the Laos economy, from manual labour to investing. On one level, they create job opportunities for the local community. On another level, the profit still flows back to China, their home country. Additionally, the spread of Chinese culture and language is unavoidable. Chinese influence on Laos grows stronger from a combination of the large debt from the railway construction and the growing presence of a Chinese community in the country.

### **Lessons Learned for the Nongkhai-Bangkok Express Railway?**

Looking further south one finds the Nongkhai-Bangkok railway, another section of the Pan-Asian Railway Network. It will link the north-eastern part of Thailand to Bangkok, the centre of the three Pan-Asian routes—the central route, the western route, and the eastern route. This 873-kilometres-long high-speed railway has been postponed multiple times due to the Thai and Chinese governments' inability to reach an agreement on both financial and technical aspects of the railway. Although Thailand has received a lot of pressure from the Chinese government because of its strong desire for a strong economic link, the Thai government proved to be cautious.

After being postponed multiple times, in October 2020, the Nakhon Ratchasima-Bangkok high-speed

rail project was officially launched by the Thai government. The Nongkhai-Nakhon Ratchasima section, however, has not been confirmed yet. As Dr. Oulavanh of IWMI stated to the author: "Thailand is in a better position than Laos, but faces political instability itself." Despite this political instability, Ekamol Saichan, a former lecturer of political science at Chiang Mai University, suggested that Thailand's "government does not see a high economic return for the BRI project, and the Chinese loan is too high".

The question is whether the Thai government finds a way to minimize China's power over the country. The lessons learned from Laos's experience with the BRI suggest it would be better if the Thai government considered the costs and benefits as proposed below:

- Jointly assess social and environmental impacts with diverse stakeholders
- Encourage the participation of local communities in the process of—and decision-making around—relocation
- Minimize the loss of forest and agricultural land
- Minimize the impact on fragile ecosystems and biodiversity, like the Mekong River and its ecosystem

In summary, it is believed that the Belt and Road Initiative is one of the biggest initiatives of the twenty-first century, and that it will shape a whole new landscape over the next 30 years. China will become the largest lender in the world, as more and more countries become dependent on them.

To survive this power game, less powerful countries have to prepare by (1) strengthening their internal solidarity and economic power, (2) joining or linking together into a strong economic and cultural community such as the ASEAN Economic Community, (3) making that community work with strategic policies that push human resource development in the region to the next level, and last but not least by (4) joining together when making any decision to work with similar large initiatives.

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