

Laos: China's "Pivot State" in Mainland ASEAN

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This tiny and impoverished Southeast Asian state is ever more becoming the geopolitical fulcrum for the entire mainland region. Combining close political relations to Vietnam with historical ties to Thailand, Laos is literally in the middle of ASEAN's two strongest mainland states.


Vientiane understands the geopolitical sway that it yields, and it's thus tried to maintain a friendly balance between these two main actors while simultaneously increasing its importance as it prepares to inevitably pick a preferred partner.

Laos' pivotal position in mainland ASEAN has attracted the attention of neighboring China, which has identified its best opportunity yet to establish a concrete foothold right in the heart of ASEAN. **China's moves in Laos are indicative of a much grander strategy, however, which aspires to deepen Chinese-Thai relations, counter Vietnam, and potentially even 'flip' Cambodia from Hanoi's influence.** If successful in any of these three ambitions, then this would represent a strategic victory for China's ASEAN-directed pushback against the US' Pivot to Asia and transform the geopolitical balance in Eurasia between Washington and Beijing.

Part I begins with a brief background on Laos and its ties to the region's three principal actors - Thailand, Vietnam, and China. After that, it explores the energy and physical infrastructure projects in the country that are becoming pivotal factors in the region. The second part of the article connects all of the previous information together by describing China's grand strategy, and it concludes with the two expected means which the US is expected to employ in blocking China's coordinated breakout from the [American-directed Pivot to Asia containment bloc](#).

A Little About Laos

This small former French colony is populated by around 6.7 million people, [mostly concentrated](#) on the Mekong River along the extreme Western border with Thailand. Laos' [untapped mineral wealth](#) in copper, gold, potash, and iron ore, et al, makes it a valuable future supplier for the growing economies next door, each of which is eager to tap into its virgin mines. Additionally, **Laos is the only Southeast Asian country to have five neighbors, thus giving it the potential to be "[land-linked, not land-locked](#)".**

Such a position didn't always work out to its advantage in the past, since it was at times incorporated into or under the tributary of its larger and more powerful Thai, Vietnamese, and Chinese neighbors.  Other times, however, it was able to capitalize off of its location and strengthen its independence, as it did with the historical kingdom of [Lan Xang](#). In the contemporary era, it appears as though the latter trend is on the upswing, but before

addressing Laos' two pivotal power plays that can shake up ASEAN's continental arrangement, let's look a bit more at Laos' position within it:

Thailand:

Laos and Thailand share a [long history](#) and are thus [culturally](#) and [linguistically](#) close to one another. The two people were split during the period of French colonization and Paris' occupation of modern-day Laos from Siam in [1893](#), and this fracture was exacerbated by the political antagonisms of the Cold War period. After the monarchy was overthrown in 1975 following a [decades-long communist insurgency](#) and an equally long [unsuccessful CIA war](#) to prop it up (which saw the US turn the country into the [most heavily bombed in history](#)), Laos [hosted fellow Vietnamese communist forces](#) that were hostile to Thailand, thus leading to a freeze in relations between the two formerly fraternal states. [Both sides](#) supported regime change elements against the other, and a [brief border war](#) exploded in 1987-1988. *The end of the Cold War brought about a renaissance in relations, and the [Australian-financed Thai-Laos Friendship Bridge](#) became the first of a total of [four](#) similar projects linking the civilizational cousins across their Mekong River divide.*

Vietnam:

Hanoi's influence over Laos extends as far back as the early 1950s when the [Pathet Lao](#) communist movement was created inside Vietnam. It was essentially under Hanoi's direct control until its eventual victory in 1975, after which it allowed Vietnam free reign over the country's affairs, including the stationing of troops. [On paper](#) at least, these were withdrawn in 1989, but Vietnam's military still has [close cooperation](#) with its Laotian counterparts, showing that the common revolutionary struggle between them has not been lost throughout the post-Cold War years. **Vietnam is currently the [second-largest foreign investor in Laos](#), and the two sides have [pledged to carry relations even further](#).** It's expected that the [Thailand-Vietnam railroad](#) traversing Laos will be a key component in actualizing this goal, since it symbolizes an understanding by both sides of Laos' geostrategic goal in facilitating interregional trade.

China:

Finally, the last major regional influence in Laotian affairs is China, although constructive relations between the two are a relatively new phenomenon. Scarcely any tangible ties existed prior to the Pathet Laos' victory in the Laotian Civil War, but after that occurred, the Vietnamese pressured their Laotian counterparts to [officially downgrade relations](#) as a result of the brief [1979 Sino-Vietnamese War](#), after which they became de-facto non-existent. All of that changed after the end of the Cold War when Vietnam's grip on Laos loosened, and Beijing is now officially the [largest foreign investor](#) in the country. This sudden reversal of ties is predicated on [Laos' promotion of Chinese interests](#) in ASEAN and its strong potential as the region's [pivot state](#). China plans to capitalize on its close relations with Laos in order to project its influence as far as possible throughout the rest of mainland ASEAN, and it will be seen in Part II how two major infrastructure projects currently being built in the country can extraordinarily facilitate this.

The Common Denominator:

The interests of Thailand, Vietnam, and China in Laos all have one thing in common, and it's that the nation's geopivotal placement gives its partners strategic depth and a forward

operating location within the region. During and after the Vietnam War, Hanoi used Laos as a springboard for projecting influence along the Thai border and safeguarding its own vulnerable western flank. Having a satellite state along [its border](#) (just as Cambodia was at the time) was necessary for insulating Indochina's hegemon from conventional Western subversion, which was bound to occur due to Washington's resentment over its humiliating defeat in the region. **Nowadays, Vietnam's strategy of trying to keep Laos snugly under its wing is thought to prevent Vientiane from taking unfriendly steps towards Hanoi, especially as regards the [Mekong River dam projects](#) (which seems to be a losing battle for Vietnam thus far).**

Likewise, Laos fulfills a similar, albeit modernized, role for Thailand and China today. While there's no realistic threat of a Thai-Vietnamese war any longer, Thailand's restoration of civilizational ties with Laos gives it 'breathing room', if one will, and creates a friendly state along its border in which it could project soft power influence. *More importantly, it also provides a direct land route to China and its gigantic market, which inversely also provides China with access to ASEAN's, in what is certainly to Beijing's benefit as well.* Continuing along the Chinese perspective, Beijing recognizes the importance of Laos' hydroelectric initiatives (to be described in the follow section) in exerting economic and political pressure on Vietnam and Cambodia, and it's betting that if it fortifies its ties with Vientiane, then it can indirectly use these projects for its own advantage to ideally either ['flip' Cambodia](#) from [Vietnamese influence](#) and/or asymmetrically counter Vietnam's diplomatic belligerence in the South China Sea.

Small state, Big Pivot

It's appropriate at this point to transition to Laos' pan-regional infrastructural projects that it's building within the country, since these major endeavors have the capability of becoming China's battering rams in breaking out of the American-directed containment coalition being constructed along its southern flank. This section will describe those said projects and explain their significance to Laos, while the next part will examine their placement in China's grand strategy towards mainland ASEAN.

Muddling The Mekong:

The most important indigenous infrastructure project ongoing in the country right now is the plan to build key hydroelectric power plants along the Mekong River, such as the [Xayaburi and Don Sahong](#) dams. **Laos' quest to become the '[Battery of Southeast Asia](#)' has met with strong resistance from [Vietnam and Cambodia](#), which allege that the projects will lead to dire [environmental consequences](#) downstream that could [ravage](#) their important fishing economies.** Some [Thai NGOs](#) and [local communities](#) have also opposed the dam, although Bangkok has yet to publicly come out against it, indicating a pragmatic stance that may likely be coordinated with China's long-term geopolitical considerations for the project.

The dams are thus important not only for their massive energy and revenue potential, but precisely because of the concerns they generate downstream with Cambodia and Vietnam. Laos can manipulate this issue to its advantage in order to elevate its regional importance vis-à-vis China and Thailand, which both have an interest in exerting pressure on Cambodia in order to bring it closer to their spheres, for instance. *If Laos succeeds in its plans to become a regional energy exporter, then the countries it exports electricity to become stakeholders in its stability.* This is exceptionally true in the case of Thailand, which

has [agreed to purchase 95%](#) of the Xayaburi Dam's electricity, so in view of this, Laos' insistence on going against the will of its former Hanoi hegemon must be seen in the prism of its overall political diversification and general redirection towards its cultural cousin, with all of the relative political losses for Vietnam.

The Laotian Land Link:



Kunming-Singapore railroad.

Equal in importance to Laos' pivot policy is its placement along China's planned high-speed [Kunming-Singapore railroad](#), which is intended to link Yunnan province with the island metropolis in [10 hours](#) once it's completed. Although it also envisions [supplementary routes](#) through Myanmar and Vietnam/Cambodia, the direct path through Laos is the quickest and most efficient, as well as being the one most relatively free from [chaos and containment intrigue](#). [Laos](#) and [Thailand](#) have already reached deals with China for its construction, which is set to begin [this September](#), so even if Malaysia for whatever reason decides against it (perhaps if one of Washington's [Color Revolution attempts there](#) finally succeeds), then China would still at least have access to the Andaman Sea (and consequently, the Bay of Bengal and henceforth the Indian Ocean) through the Isthmus of Kra.

Myanmar is currently [too unstable](#) and [not politically reliable](#) enough as a result of its [recent flirtations](#) with the West, and Vietnam is [clearly involved](#) in containing China, so it makes sense for Beijing to focus most of its infrastructure efforts in going through stable and friendly Laos en route to its projected Thailand hub. Laos understands these regional dynamics too, so it was no surprise to its decision makers when China approached it with its infrastructure plans. Additionally, Vientiane benefits from being the most important of China's three gateways for the ASEAN Silk Road since it makes Beijing the ultimate stakeholder in its success, and ensures that it will stand by its Southeast Asian ally both politically and financially. Such support raises hopes that the ASEAN Silk Road can transform Laos' economy and bring development to some of its more far-flung reaches, which would revolutionize the standard of living in [one of the world's least developed countries](#) and decrease the chances that domestic destabilization can be instigated and thenceforth exploited for outside (American) benefit.

Concluding Thoughts

The most important role that Laos geostrategic position and pivotal infrastructure projects play is to connect China with Thailand, which is the objective of all three parties. *No other country is as capable of bridging these two partners as directly as Laos is, and its hydroelectricity plans and Silk Road land linkage give both Beijing and Bangkok stakes in its success and stability. Considering the transformative consequences that Chinese-Thai strategic coordination would have for regional and global politics, Laos' geostrategic position becomes of the utmost importance, and the final part describes exactly how China plans to utilize this to its maximum anti-containment advantage.*

To be continued...

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