

The “One Belt One Road” Initiative and the Immigration Risks from the Border: The Case Study of China-Laos, China-Vietnam Borders

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Introduction

On March 28, 2015, China’s top economic planning agency, the National Development and Reform Commission (NDRC), released a new action plan outlining key details of Beijing’s “One Belt, One Road” initiative. The “Silk Road Economic Belt” and “21st Century Maritime Silk Road” are initiatives first introduced by Xi in the fall of 2013 during visits to Kazakhstan and Indonesia. The “Belt” is a planned network of overland road and rail routes, oil and natural gas pipelines, and other infrastructure projects that will stretch from Xi’an in central China, through Central Asia, and ultimately reach as far as Moscow, Rotterdam, and Venice. The “Road” is its maritime equivalent: a network of planned port and other coastal infrastructure projects that dot the map from South and Southeast Asia to East Africa and the northern Mediterranean Sea. The new Belt and Road plan, jointly released by the NDRC and the Ministries of Foreign Affairs and Commerce, highlights that the scope of the initiative will extend well beyond infrastructure construction. The program will also include efforts to promote greater financial integration and use of the Renminbi by foreign countries, create an “Information Silk Road” linking regional information and communications technology networks, and lower barriers to cross-border trade and investment in the region, among other initiatives. New regional institutions, such as the Asian Infrastructure Investment Bank (AIIB) and New Silk Road Fund (NSRF), are also designed in part to complement and support the Belt and Road’s development.

Given that infrastructure is at the heart of the Belt and Road, there is room for the initiative to play a constructive role in regional economic architecture. In addition, if this leads to more sustainable and inclusive growth, it could help strengthen the political institutions in the region and reduce the incentives and opportunities for terrorist movements. Besides

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The “One Belt One Road” Initiative

the benefit from the initiative, the risk is the geopolitical impact of the Belt and Road, especially the demographic security of those countries which share the borders with China. This paper will mention the demographic risk from the border of China – Vietnam and China – Laos.

The paper will have five parts. The first part is introduction. The second part is the overview of the China – Vietnam relation, China – Laos’s relation and the One Belt One Road Initiative. The third part is the data and analysis. The next part is the demographic risk from their borders and then come to conclusion.

Overview of China – Vietnam relation, China – Laos relation, “One Belt On Road” initiative



Figure 1: China, Laos, Vietnam

Vietnam is a developing economy in the Southeast Asia. The nation is near China to the north, Laos to the northwest, Cambodia to the southwest, Thailand across the Gulf of Thailand to the southwest, and the Philippines, Malaysia and Indonesia across the South China Sea to the east and southeast. The culture of Vietnam is influenced from China, India and Western cultures, most notably France and the United States.

Since 1986, through the Doi Moi reform period, Vietnam has made a shift from a highly centralized planned economy to a mixed economy that uses both directive and indicative planning through five-year plans. Over that period, the economy has experienced rapid growth. In the twenty-first century, Vietnam is in a period of being integrated into the global economy when joining to ASEAN, WTO, APEC and other international organizations. In recent years, the nation has been rising as a leading agricultural exporter and an attractive foreign investment destination. The reform transferred economic control from a central planning system to a

market oriented economy. Since the adoption of “*doi moi*” (renewal) and the open-door policy in 1986, Vietnam’s trade policies have proven dynamic with the most impressive reforms in three major aspects: the right to foreign trade, trade instruments and policies, and liberalization of foreign exchange.

Laos, officially the Lao People's Democratic Republic, commonly referred to by its colloquial name, is a landlocked country in the heart of the Indochinese peninsula of Mainland Southeast Asia, bordered by Myanmar (Burma) and China to the northwest, Vietnam to the east, Cambodia to the southwest and Thailand to the west and southwest.

The Laos government began to adopt economic reforms, focusing on encouraging the private sector since 1986. Thanks to these innovative measures, the growth rate has reached 6% since the year 88. 2008 (a few years affected by the Asian financial crisis of 2007). In 2009, Laos' GDP reached 6.5%. Despite the relatively high economic growth rate, infrastructure facilities in Laos are still weak, especially in rural areas. The road system is very primitive, telecommunication and electricity is not provided to remote areas. As of 2011, Lao PDR is still heavily dependent on agriculture with a share of over 27.8% of GDP and a major source of labor (over 70%). In addition, Laos integrates itself into regional and global economy by joining ASEAN in 1997. Under the ASEAN-China Free Trade Agreement (ACFTA), Laos removed import duties step by step over time. At the end of 2015, all of them are removed. Such trade liberalization of Laos not only results in robust economic growth but also chronic trade deficits of the country. Because of these governmental efforts, the trade of Laos increases tremendously, especially trade with China. Before 2010, trade share with China has been kept at around 45% of total trade in Laos. In 2012, trade with China increases sharply after implementation of ASEAN-China Free Trade Agreement (ACFTA). In 2007, FDI inflows are about US\$950 million, a 60% increase over the previous year. About 90% of the Chinese FDI is associated with resource industry, such as mining and hydropower.

China shares a land border of 1,300 km with Vietnam. China and Vietnam have interacted since the Chinese Warring States period and the Vietnamese Thục Dynasty of the 3rd century BC. Vietnam was subjects of imperial Chinese domination in 1000 years. After Vietnam regained independence, a serious wars between China and Vietnam occurred in the Ly Dynasty. The Ming Dynasty invaded Vietnam and occupied Vietnam in what would be the Fourth Millennium, only be defeated by the army of rebel leader Lê Lợi, who later founded the Later Lê Dynasty in Vietnam. The Qing Dynasty had also attempted to conquer Vietnam but was

The “One Belt One Road” Initiative

defeated by Emperor Quang Trung at 1789. Both China and Vietnam faced invasion and occupation by Imperial Japan during World War II, while Vietnam languished under the rule of the pro-Nazi Vichy French. Along with the Soviet Union, Communist China was an important strategic ally of North Vietnam during the Vietnam War. The Chinese Communist Party provided arms, military training and essential supplies to help the Communist North defeat Capitalist South Vietnam and its ally, the United States, between 1954 and 1975. Vietnam was an ideological battleground of the Sino-Soviet split of the 1960s. After the Gulf of Tonkin incident in 1964, Chinese Premier Deng Xiaoping secretly promised the North Vietnamese 1 billion yuan in military and economic aid, on the condition that they refused all Soviet aid. With the collapse of the Soviet Union and Vietnam's exit from Cambodia in 1990, Sino-Vietnamese ties began improving. Both nations planned the normalization of their relations in a secret summit in Chengdu in September 1990, and officially normalized ties in November 1991. A border agreement was eventually signed in 1999 following border skirmishes throughout the 1980s. In 2007, the building of the Hanoi-Kunming highway was announced that marked a significant improvement in Sino-Vietnamese relations.

China shares a border of 505 km with Laos based on a border treaty signed in 1991. Although Sino-Laos relations were strained during the Cold War due to China's involvement in Cambodia and Vietnam, diplomatic relations have been normalized since the early 1990s and China has become the largest foreign investor in Laos. Relations have consisted of trade and aid, largely in road construction in the northern provinces of Laos, without directly challenging the interests of Thailand or Vietnam in the central and southern regions.

The One Belt One Road Initiative

Several routes are proposed for the 'new Silk Road.'



Figure 2: Routes of the "One Belt One Road" initiative (Source: McKinsey & Company website)

The “Silk Road Economic Belt” and “21st Century Maritime Silk Road” are initiatives first introduced by Xi in the fall of 2013 during visits to Kazakhstan and Indonesia. The “Belt” is a planned network of overland road and rail routes, oil and natural gas pipelines, and other infrastructure projects that will stretch from Xi’an in central China, through Central Asia, and ultimately reach as far as Moscow, Rotterdam, and Venice. The “Road” is its maritime equivalent: a network of planned port and other coastal infrastructure projects that dot the map from South and Southeast Asia to East Africa and the northern Mediterranean Sea. The official document lays out the basic goals of the Belt and Road Initiative: “It is aimed at promoting orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve economic policy coordination and carry out broader and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all.” Transport connectivity is at the core of the initiative. It will build with participating countries seamless and sustainable intermodal transport links along its corridors following common standards.

The “One Belt One Road” initiative envisages six economic corridors for greater economic cooperation and integration across a vast region extending to China’s west and south: Bangladesh-China-India-Myanmar Corridor (BCIM) which is on cooperation in transportation infrastructure, investment and commercial circulation and people-to-people connectivity; China-Indochina Corridors (ICP) which are the multiple connecting international transport links in Mekong River area; China-Central-West Asia Economic Corridors (CAWA) which runs from Xinjiang China and exits the country via Alashankou to join the railway networks of Central and West Asia and beyond; New Eurasian Land Bridge (NELB) which is an international rail line running from Lianyungang Jiangsu through Alashankou Xinjiang to Rotterdam Holland; China-Mongolia-Russia Economic Corridor (CMR) which will strengthen the long-established, frontier trade and cross-border cooperation between these countries and China-Pakistan Economic Corridor (CP) which runs from Kashgar Xinjiang to Pakistan’s Gwadar port. Vietnam and Laos belong to the countries in the China-Indochina Corridors which are building multiple connecting international transport links.

Data

This paper will use data analysis to describe the situation. China is one of the important investors to Southeast Asia countries. According to this chart below, from 2012 to 2016, Chinese investment increased every year.

The “One Belt One Road” Initiative

China invested to Vietnam 34.943 million USD in 2012, increased to 56.017 million USD in 2015. The Chinese FDI reached 127.904 million USD in 2016, double the FDI in 2015. The Laos case is different. The Chinese FDI was 80.882 million USD in 2012, increased to 102.69 million USD in 2014, but decreased rapidly in 2015 with 51.721 million USD, 32.758 million USD in 2016. Although the FDI decreased, China is still the main investor in Laos. Because of these governmentalefforts, the trade of Laos increases tremendously, especially trade with China. Before 2010,trade share with China has been kept at around 45% of total trade in Laos. In 2012, tradewith China increases sharply after implementation of ASEAN-China Free Trade Agreement(ACFTA). In 2007, FDI inflows are about US\$950 million, a 60% increase over the previousyear. About 90% of the Chinese FDI is associated with resource industry, such as miningand hydropower.

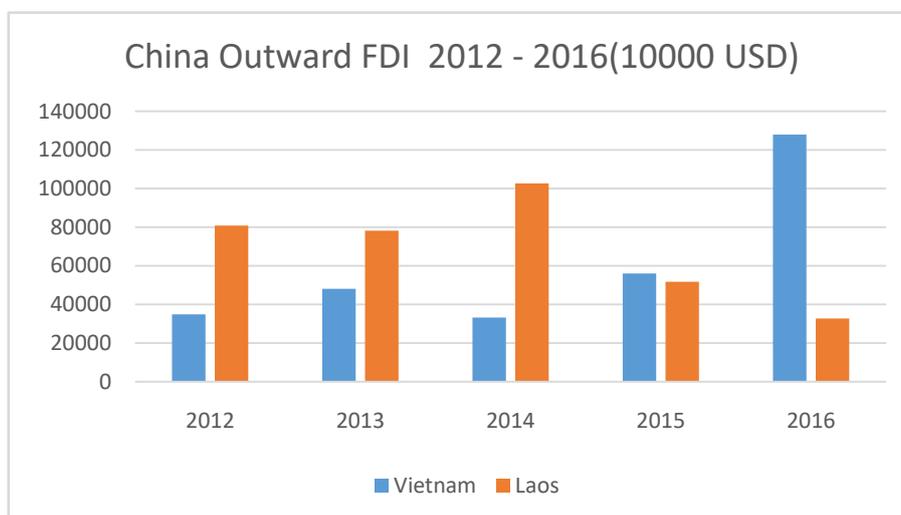


Chart 1: China Outward FDI 2012 - 2016 (10000 USD) (Source: National Bureau of Statics of China)

		2012	2013	2014	2015	2016
Vietnam	Export	3420811	4858630	6373001	6601702	6110413
	Import	1623129	1689189	1990640	2983175	3717160
Laos	Export	93414	172258	183948	122576	98710
	Import	78663	101008	177788	154734	135961

Chart 2: China Export/Import 2012 – 2016 (10000 \$USD) (Source: National Bureau of Statics of China)

China economic development depends on the export. Southeast Asia countries is one the main export market of China. The export increases rapidly. China exported to Vietnam in 2012 34.301811 billion USD, in 2015 66.01702 billion USD, increased more than 30 billion USD. The import from Vietnam to China also increased, from 16.23129 billion USD in 2012 to 37.17120 billion USD in 2016, increased more than 30

billion USD. China export to Laos in 2012 is 93.414 million USD, in 2014 is 1839.48 million USD, increased doubly. But it decreased in the next two years, in 2015 is 1225.76 million USD and down to 987.1 million USD in 2016. In 2012, China imports from Laos is 78.663 million USD, to 2014 it increased to 177.788 million USD. China imports from Laos more than exports to Laos in 2015 and 2016. In 2015, the import is 154.734 million USD, higher than the export. Compare to Laos, Vietnam is a bigger market with the big population, both in export and import.

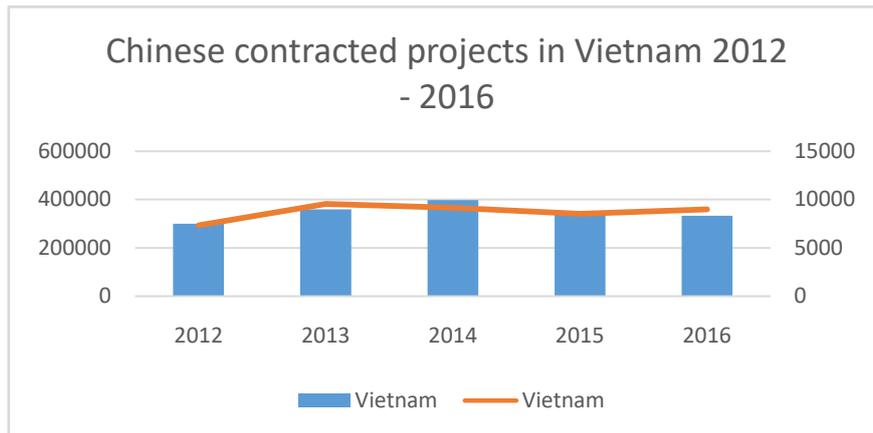


Chart 3: China's foreign contracted project in Vietnam 2012 - 2016 (Source: National Bureau of Statics of China)

With the FDI increases every year, more and more Chinese enterpreshes come to foreign countries to do business. In Vietnam, turnover of completed foreign contracted projects increase also lead to the increasing of the contractors. In 2012, there is 2997.63 million USD of turnover of completed forein contracted project and 7310 contractors. To 2013, there is 3593.83 million USD and 9542 contractors. When turnover of completed forein contracted project decreased, for example in 2015, there is 3523.17 million USD, the number of contractors decreased to 8521 contractors.

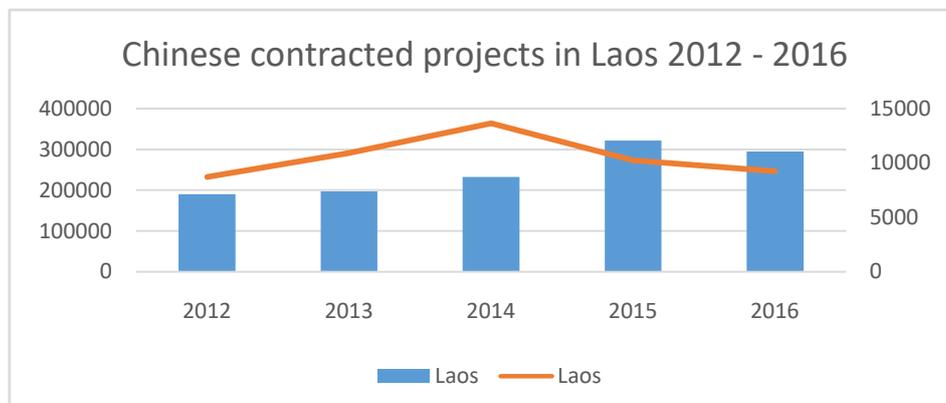


Chart 4: China's foreign contracted project in Laos 2012 - 2016 (Source: National Bureau of Statics of China)

The “One Belt One Road” Initiative

In Laos, turnover of completed foreign contracted projects increasing led to the increasing of the contractors from 2012 to 2014. In 2012, there is 1905.23 million USD of turnover of completed foreign contracted project and 8715 contractors. To 2014, there is 2327.73 million USD and 13664 contractors. But in 2015, the situation changed. There is 3216.06 million USD of turnover of completed foreign contracted project but the number of contractors decreased to 10247 contractors. In 2016, it returned back to the period 2012 – 2014. There is 2947.39 million USD and 9248 contractors.



Chart 5: Chinese employees in Vietnam, Laos at the end of the year 2012 – 2016 (person) (Source: National Bureau of Statistics of China)

The number of Chinese employees in Vietnam decreased in the period 2012 – 2015, from 4624 persons in 2012 to 3246 persons in 2015. It increased in 2016 with 3452 persons. In Laos, the number of Chinese employees is not stable. It increased from 1458 persons in 2012 to 1664 persons in 2013. But in 2014, it decreased to 1151 person. In the period 2015-2016, it increased again with 1534 persons in 2015 and 2060 persons in 2016. The number of Chinese employees in Vietnam is more than the number Chinese employees in Laos. It can be explained by the different size of market in two countries. The increasing of Chinese employees in Laos is faster if we compare to Vietnam ones.

	2012	2013	2014	2015	2016	2017
Vietnamese visitors come to China (10000 persons)	113,72	136,54	170,94	216,08		
Chinese visitors come to Vietnam (10000 persons)	142,87	190,78	194,72	178,09	269,68	400,83

Chart 6: Visitors from China to Vietnam and from Vietnam to China (Source: National Bureau of Statistics of China, National Bureau of Statistics of Vietnam)

The number of Vietnamese visitors come to China increases every year. In 2012, number of visitors is 113,72 million persons. To 2015, the number is more 100,000 million, 216,08 million persons. From 2012 to 2014, the number of Chinese visitors come to Vietnam increased rapidly, from 142,87 million persons in 2012 to 194,72 million persons in 2014. It has a little falling in 2015 with 178,09 million persons but keep increasing again in 2016 with 269,68 million persons and in 2017 with 400,83 million persons. The number of Chinese visitors is more than the number of Vietnamese visitors. Beside the good environment for investment, Vietnam has become favorite tourism destination of Chinese with beautiful scences, good conditions and cheap cost in recent years.

	2012	2013	2014	2015	2016
Chinese visitors come to Laos (persons)	199,857	245,033	422,44	511,44	545,49

Source: 2016 Statistical Report on Tourism in Laos

The number of Chinese visitors come to Laos is not many as the number of Chinese visitors come to Vietnam. The number of Chinese visitors come to Laos increases every year. In 2012, the number is 199,857 persons. But in 2014, the number is double with 422,44 persons. It keeps increasing with 511,44 persons in 2015 and 544,49 persons in 2016. The priority markets for tourism in Laos from Asia and Pacific are Thailand, Vietnam, Korea, China, Japan, Australia, Malaysia and India.

China is one of the important investors to Southeast Asia countries. According to this chart 1, from 2012 to 2016, Chinese investment increased every year. China economic development depends on the export. Southeast Asia countries are one the main export market of China. The export increases rapidly. Compare to Laos, Vietnam is a bigger market with the big population, both in export and import. With the FDI increases every year, more and more Chinese enterprises with Chinese employees come to foreign countries to do business. The number of Chinese employees in Vietnam is more than the number Chinese employees in Laos. It can be explained by the different size of market in two countries. The number of Chinese visitors is more than the number of Vietnamese visitors. The number of Chinese visitors come to Laos is not many as the number of Chinese visitors come to Vietnam. Beside the good environment for investment, Vietnam has become favorite tourism destination of Chinese with beautiful scences, good conditions and cheap cost in recent years.

The “One Belt One Road” initiative is intended to help make use of China’s enormous industrial overcapacity and ease the entry of Chinese goods into regional markets. At that time, the people movement will be

The “One Belt One Road” Initiative

easy. The number of Chinese contractors and employees will increase. The foreign labors and visitors from the Southeast Asia countries come to China will also increase. It will be a challenge for the government (center and local) to govern the immigration.

The Risks from the Borders

The “One Belt One Road” initiative is intended to help make use of China’s enormous industrial overcapacity and ease the entry of Chinese goods into regional markets. It also eases the entry of demographic risks. The main security issues also the main risks at the border are the drugs smugglers and illegally immigrants. China borders is a major international center of opium and methamphetamine production in the Golden Triangle, which includes Myanmar, Laos and Thailand. Officials say Guangxi and the adjacent province of Yunnan are the most drug-plagued areas in China. Between Sept 16 and Nov 15, 2015, China and Vietnam conducted a two-month-long special operation to target major drug trafficking rings and drug smuggling crimes. Law enforcement officers from China and Vietnam have investigated 1,466 drug smuggling cases, detained 2,054 suspects and confiscated 2,383 kilograms of drugs since the operation began, the ministry said. In addition to opium and meth, synthetic drug smuggling from Vietnam is also a significant problem and requires urgent cooperation, the ministry said. China and Vietnam will enhance law enforcement cooperation to crack down on drug trafficking, as the border has become the second largest channel for drug smuggling to China.

Another issue is illegal immigrants. Tens of thousands of illegal aliens from Vietnam and other Southeast Asian nations are crossing into southern China each year. China has busted several criminal rings this year importing Vietnamese workers. In a publicized crackdown on two networks operating in Guangxi in 2010, police caught 369 illegal immigrants who were fanning out across southern China to work. The jobs pay less than \$5 a day, but that's three times the average wage in Vietnam and perhaps half as much as a Chinese worker could demand, including benefits and overtime, in today's more discriminating labor market. The Chinese labor market can absorb low-paid workers for now, and the Vietnamese labor market doesn't have enough well-paying jobs. Besides that, more and more Vietnamese women were sold to Chinese men. Chinese men in rural area are difficult to get married with a Chinese woman. It is easier and cheaper to have a Vietnamese wife. In poor, remote areas, many Chinese men "buy wives" from abroad for up to \$ 12,000. In 2012, more than 1,280 foreign women and girls were rescued and repatriated to Vietnam, Laos and Myanmar.

In 2016 so far, the Hà Giang border guards discovered 16 human trafficking cases, rescuing 10 women and three children. Individuals from both sides of the border are involved in the kidnapping and trafficking of Vietnamese children and women. The number of human trafficking cases uncovered in Vietnam between 2011 and 2015 increased by 11.6 percent compared to the previous five-year period, according to the Ministry of Public Security. More than 2,200 cases were reported since 2011, in which nearly 4,500 victims fell prey to traffickers. About 3,300 offenders were involved in human trafficking rings in Vietnam. Approximately 70 percent of Vietnamese trafficking victims are taken to China, according to the latest national police report.

The main security issues at the border of China and Laos are also the drugs smugglers and illegally immigrants. It is the same situation to all Southeast Asian countries which share border with China. China borders a major international center of opium and methamphetamine production in the Golden Triangle, which includes Myanmar, Laos and Thailand. Officials say Guangxi and the adjacent province of Yunnan are the most drug-plagued areas in China. Laos is the focus here because it is the starting point of the Southeast Asian drug trade. The recent arrests of prominent Laotian drug lords confirmed the rising status of Laotian nationals as leader players in the regional trafficking web. Furthermore, in the absence of an existing railway system in the One Belt One Road implementation process, Laos has no experience in railway security. It is the weakest link in the Southeast Asian anti-narcotics nexus. While the pan-Asia railway project will move enormous amounts of people and goods across mainland Southeast Asia, it is clear there may be downsides too. Countries in the region can expect a rise in drug trafficking, and the international community must give special attention to Laos in order to nip it in the bud.

China conducts monthly joint patrols with its Laotian and Myanmar counterparts, who – petrol permitting – do additional patrols alone. There have been successes. In 2013, a Chinese-Laotian patrol found 580 kg (1,280 lbs) of ya ba, worth more than 100 million yuan (£10.9m), hidden in a cargo ship. But more patrols are needed, said the UNODC's Douglas, and Mekong countries also need to coordinate and share intelligence to interdict more drugs.

The northwest border in the Golden Triangle area is the main gateway for drug flow into Laos, while the southern border is increasingly used for drug outflow. Methamphetamine tablets are the most abused drug in Laos, while the number of opium users remains almost stable. According to a recent report from the Ministry of Public Security, more than 2,200 drug-related cases were handled in the first nine months of this year with more

The “One Belt One Road” Initiative

than 3,200 suspects arrested. More than 1,850kg of methamphetamine tablets were seized along with 181kg of heroin, 106kg of raw opium, 300kg of dried cannabis, more than 130kg of crystal amphetamine (ice) and 1,105kg of powder used to mix and produce drugs.

Another issue is illegal immigrants. Tens of thousands of illegal aliens from Vietnam and other Southeast Asian nations are crossing into southern China each year. It is cheap labors from Southeast Asian nations which China need for its industry. The Chinese labor market can absorb low-paid workers for now, and the Laos labor market doesn't have enough well-paying jobs. Besides that, many illegally Laos women comes to China to get married. It is easier and cheaper to have a wife from neighbor countries like Laos, Vietnam, Myanmar. Northern villagers in various areas have reported Chinese men entering their villages under the guise of being wealthy, eligible suitors looking for a bride to take home and care for. Girls as young as 16 and 17 are being enticed to drop out of school and willingly take a husband based on the promise of a better life in China.

However, when they arrive in China, the unfortunate girls are sold into brothels and forced into prostitution. They come from all over the country, the South, the center and Vientiane. Laos and China signed an anti-human trafficking memorandum of understanding in 2014, and the two countries have devised an action plan to take a stand against human trafficking.

The “One Belt One Road” construction connects two important transportation lines from China to mainland Southeast Asia. One is the Kunming–Bangkok Expressway, which starts in Kunming, the capital of China’s Yunnan Province, passes through Boten, then over the Thai–Lao Friendship Bridge, and finally arrives in Bangkok. The other line is the China–Lao Railway, which runs from Kunming to Vientiane, a strategic location along the East–West Corridor that connects Vietnam’s Danang with Phitsanulok in central Thailand and Mawlamyine in Myanmar. While the Kunming–Bangkok Expressway was completed in December 2013, construction of the disputed China–Lao Railway project, possibly causing severe environmental problems in northern Laos, only began in December 2015. All this is being brushed aside in the name of future economic gains. But the railway could create new problems as well, critics say. Improved infrastructure will also undoubtedly benefit the burgeoning cross-border drug trade, of which Laos is a major transit point. The demographic risks can’t be resolved by one country. It needs the cooperation of all countries. The governments should cooperate to govern the foreign contractors and employees, enhance law enforcement cooperation to crack down the illegal immigrants. Besides that, we should

focus on the education. The one who has working skill can easily get a good job. They will not be a victim to human trafficking. Vietnamese government had some actions to control the labor flow. From Vietnamese perspective, the government, promoting tourism as a major source of export service growth to the economy. On January 1, 2015, Vietnamese government enacted a new immigration law, The Law of Entry, Exit, Transit, and Residence of Foreigners, to manage the flows. Many laborers arrive on tourist visas and then apply for work permits within Vietnam. The Vietnamese government has sought greater control of migrant labor entering and working in Vietnam with the 2015 law by restricting foreigners from changing visa status while in the country. The law also adds new entry restrictions on criminals and past violators of Vietnamese immigration law, restricts the exit of foreigner subject to court proceedings, and expands the number of visa categories to 20.

Notwithstanding its surplus labor supply, Vietnam has also become a destination for foreign labor migrants in recent years, largely from China and other Asian countries. As of 2012, the Vietnamese government reported that more than 77,000 foreign laborers, mostly Chinese, were working in Vietnam in construction, clerical positions, and the medical sector, including 24,000 without work permits; 58 percent were from Asia and 28 percent from Europe. Public opinion views foreign workers as further increasing Vietnamese unemployment, leading authorities to deport hundreds of such workers. Foreign labor is a major source of employment. Therefore, the government should have a strategy to manage the flow of labor which can also bring the risks to country. Vietnam and China have recently discussed cooperation at four sites in Lang Son, Mong Cai, Cao Bang and Lao Cai, and publicized a plan to establish a so-called "two countries, one checkpoint" – a "free trade zone" where the two countries can work together to control the crossing of goods and labor, reducing administrative burdens and promoting trade. On the meeting of the Committee for Cooperation in Land Border-Gate Management of Vietnam – China on March 2018, the two sides exchanged and agreed on the measures to implement the automatic customs clearance system for exporters and importers through the international border gates Huu Nghi (Vietnam) - Youyiguan (China) and Mong Cai (Vietnam) - Dongxing (China).

In 2017, Vietnam has 134,751 employees (53,340 female workers, accounting for 39.6%); exceeding 28.3% of the annual plan and equaling 106.7% of the total number of labors going to work abroad in 2016. This is the fourth consecutive year the number of Vietnamese labors working in foreign country in excess of 100,000 labors per year. Oversea labors are managed by the Department of Oversea Labor Management of the

The “One Belt One Road” Initiative

Ministry of Labor-Invalids and Social Affairs with the support from the embassies. They will be trained skill and language before go to other countries under the contracts.

Laos has the law to manage the foreign labor. Employers have a duty to give priority to Lao nationals, approval must be obtained from the Ministry of Labor and Social Welfare to employ foreign workers. Foreigners undertaking manual labor can make up no more than 15% of the total number of Lao employees, and no more than 25% of the Lao workforce for professionals with specialized skills. Foreign workers must hold a valid business visa and work permit. Foreign workers can enter into employment agreements for a period of 12 months, renewable for another 12 months. The total working period for foreigner workers in Laos cannot exceed 5 years. Employers can however submit a request to the Labor Administration Authority for a foreign employee to continue working in Laos for an additional period (up to 5 years) based on the expertise of the employee and the requirements of the business/organization of the employer

Migrant smuggling is considered to be a widespread phenomenon within Southeast Asia, and countries in the region are particularly focused on countering smuggling through bilateral cooperation, as well as through multilateral mechanisms such as ASEAN and the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. Many migrants also transit the region using the services of smugglers. Mixed migration flows (involving movements of people with and without international protection needs) occur as do migration flows underpinned by mixed motivations. Considerable income disparity in the subregion is a major factor underpinning the strong trend of people to migrate from lower-income countries to higher-income countries within (and beyond) the subregion. Many migrants face exploitation in Southeast Asia, stemming from their irregular status. Migrant workers in particular industries also face forced labour, exploitation and serious abuse. Memorandum of Understanding and Bilateral Agreements are the important tool to put order in the migration process. They establish standards for the employment of migrant workers and protect migrant workers and provide admission procedures.

Memorandum of Understanding and Bilateral Agreements can be one of the tools to strengthen the labor flow and human trafficking through borders. Laos and China signed an anti-human trafficking memorandum of understanding in 2014, and the two countries have devised an action plan to take a stand against human trafficking. China and Vietnam will enhance law enforcement cooperation to crack down on drug trafficking, as the border has become the second largest channel for drug smuggling

to China. China and Southeast Asian countries should cooperate to find the solution for this issues. A plan to establish a so-called "two countries, one checkpoint" –a "free trade zone" where the two countries can work together to control the crossing of goods and labor, reducing administrative burdens and promoting trade – is the model to manage the labor flow.

Conclusion

The new Belt and Road plan, jointly released by the NDRC and the Ministries of Foreign Affairs and Commerce, highlights that the scope of the initiative will extend well beyond infrastructure construction. The program will also include efforts to promote greater financial integration and use of the Renminbi by foreign countries, create an “Information Silk Road” linking regional information and communications technology networks, and lower barriers to cross-border trade and investment in the region, among other initiatives. Besides the benefit from the initiative, the risk is the geopolitical impact of the Belt and Road, especially the demographic security of those countries which share the borders with China.

China is one of the important investors to Southeast Asia countries. According to this chart 1, from 2012 to 2016, Chinese investment increased every year. China economic development depends on the export. Southeast Asia countries is one the main export market of China. The export increases rapidly. Compare to Laos, Vietnam is a bigger market with the big population, both in export and import. With the FDI increases every year, more and more Chinese enterpreshes with Chinese employees come to foreign countries to do business. The number of Chinese employees in Vietnam is more than the number Chinese employees in Laos. It can be explained by the different size of market in two countries. The number of Chinese visitors is more than the number of Vietnamese visitors. The number of Chinese visitors come to Laos is not many as the number of Chinese visitors come to Vietnam. Beside the good environment for investment, Vietnam has become favorite tourism destination of Chinese with beautiful sences, good conditions and cheap cost in recent years. As the “One Belt One Road” inititative is constructed, the number of Chinese contractors and employees will increase. The foreign labors and visitors from the Southeast Asia countries come to China will also increase. It will be a challenge for the government (center and local) to govern the immigration.

The “One Belt One Road” initiative is intended to help make use of China’s enormous industrial overcapacity and ease the entry of Chinese goods into regional markets. It also eases the entry of demographic risks.

The “One Belt One Road” Initiative

The main security issues at the border of China and Laos, Vietnam are the drugs smugglers and illegally immigrants. It is the same situation to all Southeast Asian countries which share border with China. The demographic risks can't be resolved by one country. It needs the cooperation of all countries. The governments should cooperate to govern the foreign contractors and employees, enhance law enforcement cooperation to crack down the illegal immigrants. A plan to establish a so-called "two countries, one checkpoint" –a "free trade zone" where the two countries can work together to control the crossing of goods and labor, reducing administrative burdens and promoting trade – is the model to manage the labor flow. Memorandum of Understanding and Bilateral Agreements also can be one of the tools to strengthen the labor flow and human trafficking through borders. They establish standards for the employment of migrant workers and protect migrant workers and provide admission procedures. Besides that, we should focus on the education. The one who has working skill can easily get a good job. They will not be a victim to human trafficking. Foreign labor is a major source of employment. Therefore, the government should have a strategy to manage the flow of labor which can also bring the risks to country. China and Southeast Asian countries should cooperate to find the solution for this issues.

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