
Poverty Reduction in Laos: An Alternative Approach

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*From the point of view of villagers in the assessment it is clear that poverty in the Lao PDR is “new poverty,” not an endemic condition. Poverty is the result of events external to the villager over which he or she has no control, especially weather, war, resettlement, livestock diseases, and poorly implemented development programs. And, because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma etc., and hence its substance is both physical and spiritual (GoL State Planning Committee, National Statistic Center and Asian Development Bank, *Participatory Poverty Assessment: Lao PDR*, 2001).*

INTRODUCTION

Laos’ poverty reduction strategies, developed by the GoL with assistance from bilateral and multilateral donors, are focused on transforming a largely traditional, subsistence-oriented rural economy into a modernized, market-oriented, agribusiness system.¹ The GoL aims to eradicate shifting or swidden agriculture, alter community access to land and forests through land allocation, and relocate villages from upland to lowland areas while aggressively promoting new income-generating opportunities, such as cash crop production through contract farming.

The impacts of these policies are exacerbated by rapid hydropower, mining and plantation development which reduce the availability of fertile lowlands to support people’s livelihoods, as well as undermine the riverine and forest resources upon which they depend. In some areas, communities affected by these concession projects have already suffered the impacts of swidden eradication or resettlement and are still struggling to restore their food security and income sources.

Imposing these changes on rural communities over a short period of time can especially overwhelm the capacity of poor households to manage the transition. Abrupt transitions can be disastrous for local people’s livelihood systems, particularly for ethnic minority communities living in upland areas where poverty is most heavily concentrated.²

This article outlines some of the specific GoL and donor-supported policies and initiatives that may be exacerbating rather than alleviating poverty amongst rural communities in Laos. It then provides recommendations for alternative approaches to improve the security, resilience and sustainability of rural livelihoods, and the management of the Lao economy as a whole.

THE IMPACTS OF GOVERNMENT POLICIES AND DONOR PRACTICES IN LAOS

Involuntary resettlement

While resettlement and movements of people have been

prominent features of Laos’ pre- and post-war history, internal, involuntary resettlement during the last 10–15 years has been increasingly aimed at eradicating shifting cultivation and opium production; improving the access of ethnic minorities in remote upland areas to markets and government services by moving them into “focal sites” or consolidating villages; and facilitating the integration of ethnic minorities into “mainstream society,” by which the GoL means lowland Lao populations.³

A recent European Union/World Bank Poverty and Social Impact Assessment (PSIA) survey⁴ found that the displacement of upland populations to the lowlands has resulted in loss of land, forest resources, and livestock (through diseases) and higher mortality rates for resettled villagers. It has increased the vulnerability of people who were already at risk, rather than being a catalyst for their economic and social development. Over the past decade, tens of thousands of vulnerable ethnic minority people have died or suffered due to impacts associated with resettlement, with many more expected to be impoverished long into the future.⁵

In some cases, communities such as the Brao living in the Nam Kong 1 Dam area (see Case Study Seven) that have been affected by these government resettlement schemes are being doubly impacted by hydropower development. In other areas, such as in the Xekaman 1 and Sekong 4 and 5 hydropower projects, villagers were resettled as part of these GoL initiatives but also to pave the way for future dam development (see Case Studies Six and Eight).

Elimination of shifting cultivation and promotion of cash crops

The GoL has argued that shifting cultivation or swidden agriculture (rotational farming) is a backwards agricultural system and an inefficient, destructive use of upland resources.⁶ GoL policy is to replace swidden agriculture with lowland wet rice, cash crop or plantation production, although swidden agriculture continues to be practiced throughout Laos and particularly in the poorest districts.

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Nonetheless, the restriction of swidden agriculture through land allocation procedures has contributed to acute food shortages in many parts of the country.⁷

In many cases, the impacts of swidden eradication are exacerbated by a lack of adequate training, credit and markets for cash crop production, increasingly eroding villagers' livelihood opportunities. The European Union/World Bank PSIA survey shows that while commercial crop production, such as rubber in Luang Namtha Province, maize in Huaphan Province or coffee in Sekong Province, may open opportunities for some farmers, it brings risks and uncertainties for others. Cash crop cultivation often benefits the better-off and better connected farmers who can afford the necessary investments and can make use of market connections. The poor, on the other hand, often go into debt to establish cash crop production only to find the market price decline or a lack of buyers for their produce.⁸ If monoculture cash crop cultivation is promoted, as is the case with many resettlement and village consolidation initiatives, villagers' livelihoods will become wholly dependent on one commodity with uncertain future returns.

The shortage of lowland areas in Laos suitable for rice paddy cultivation means that restricting upland farming can leave people with few options for growing food for their families. Hydropower development is further limiting the availability of lowland paddy lands around the Nam Tha 1, Nam Theun 2 and Xekatam projects, for example (see Case Studies One, Four and Ten). This only increases pressure on upland resources as villagers will head to the uplands to cultivate rice if lowland areas are unavailable.

Reduced access to land and resources

Since 1996, the GoL has been pursuing a Land and Forest Allocation Program aimed at rearranging, stabilizing and formalizing property relations in order to increase productivity (by farmers and investors) and facilitate taxation (of farmers and investors) in rural areas. In 2004, it was estimated that 50% of the country's villages had been subjected to the process,⁹ sometimes losing the agricultural and forest land they previously had available to them. Villagers' participation in the process has been limited, and the allocation has often been carried out in the space of a few days with little follow-up and virtually no monitoring.¹⁰ Land and Forest Allocation has also been used as a major instrument to "stabilize" upland areas by limiting shifting cultivation to three-year fallow cycles, preventing the regeneration of land and resulting in nutrient depletion, decreased yields and increased food insecurity.¹¹



Children collect wild vegetables from a dry season paddy field which may be lost after the Nam Tha 1 Dam is built. Photo: David J.H. Blake

Villagers' lands and their access to resources are also increasingly threatened by the granting of land concessions for hydropower, mining, forestry and plantations. Mining, hydropower and plantation investments in particular have grown significantly over the last five years, accounting for a large share of foreign direct investment in Laos.¹²

Hydropower

The hydropower sector in Laos has recently taken off, with at least six large dams under construction and close to 15 more at advanced planning stages. These projects are primarily to produce power for export, and the benefits for Laos come largely in the form of revenues generated for the central government from electricity sales. As documented extensively in this report, large dams have had significant impacts on rural livelihoods through the resettlement, fisheries losses and water quality problems that often accompany hydropower schemes. The developers' and the GoL's inability to effectively mitigate these impacts and compensate communities for their losses has exacerbated food insecurity in dam-affected areas.

Mining

Mining concessions expropriate land, forest and water resources from villagers for private gain, contributing to a decline in their natural resource base. In Laos, some significant gold and copper mines have started production in recent years and many more are in the pipeline, including a large bauxite mining-aluminum smelting project on the Bolaven Plateau. In 2006, there were 121 mining concessions in Laos.¹³ Exports of copper and gold accounted for almost 60% of total exports in 2007¹⁴ up from 10% in 2004. Just north of Vientiane in the Nam Ngum River Basin—where the GoL plans to build up to nine hydropower dams over the next 13 years—6,000km² (or 35% of the total area) of mining concessions had been approved as of 2006, with the Australian Phu Bia Gold/

Copper Mining Ltd. occupying more than half of the area. Mining concessions and sites of future hydropower reservoirs are partly overlapping in the Nam Ngum Basin, posing significant threats to water quality and villagers' lands (see Case Study Five).

Logging and plantation development

While the GoL says it plans to increase forest cover in Laos from 40% to 70% by the year 2020,¹⁵ logging of the remaining native forests by primarily Lao and Vietnamese military-owned companies continues unabated.¹⁶ Logging often has links to hydropower development: it occurs in particular in reservoir areas for proposed dams, and when it takes place in watershed areas, logging threatens the viability of existing and proposed hydropower projects.

The increase in forest cover is intended to come from large-scale plantations with fast-growing, industrial tree species. Through logging and plantation expansion, local communities are being robbed of non-timber forest products (NTFPs), which contribute 40% of total rural income.¹⁷ Provincial authorities have granted significant tracts of land to primarily Chinese, Japanese, Indian, Vietnamese and Thai companies for industrial tree plantations, such as rubber, eucalyptus and acacia for paper production, and jatropha, sugarcane, oil palm, and cassava to meet the growing international demand for biofuels.¹⁸ It is estimated that more than 1 million ha of land (about 4% of Laos' land area) have been granted as plantation concessions.¹⁹ Recent studies²⁰ have shown that plantation development has caused people to lose access to some or even all of their livelihood resources, including upland swidden areas, community forests, NTFPs, wildlife, fuel wood and construction materials, as well as their spiritual environment.

Increasingly, villagers are being hit from all sides. For example, communities living along the lower Hinboun River, whose livelihoods have been severely damaged by the flooding and erosion caused by the Theun-Hinboun Hydropower Project, have had to resort to upland rice cultivation to feed their families. Yet the land available for upland cultivation is increasingly being taken for industrial tree plantations owned by Oji Pulp and Paper (see Case Study Three). As a result, villagers have few opportunities for sustaining their livelihoods.

Implications of these policies

The resettlement and land expropriation resulting from the government and donor policies mentioned above have caused a breakdown of traditional cultures and belief systems, loss of community identity, disorientation, and food and income insecurity. The loss of traditional livelihood constitutes more than just an economic blow; it involves the weakening of family and communal structures of labor and governance that revolve around that livelihood. It also results in the erosion of cultural and spiritual frameworks that provide the psychological foundation by which people interpret daily events. While these experiences are more traumatic for ethnic minority upland populations than for lowland Lao farmers who have more opportunities to

adapt their traditional livelihood to the requirements of a modern market economy,²¹ they have negatively affected all Lao ethnic groups to some degree.

ALTERNATIVE APPROACHES

Human well-being depends upon access to a sustainable livelihood, including food security and income generation. In Laos, as in many other countries of the developing world, a sustainable rural livelihood requires the practice of sustainable agriculture and access to common resources such as land, forests and rivers. Given the specific context of most rural communities in Laos' poorest districts, the most important factor is food security. Therefore, protecting local food security where it exists, and assisting communities to attain food security where it does not, must be central to the task of supporting the rural poor. Community resilience also needs to be strengthened through local grassroots organizations and the provision of basic services that better reflect local needs and aspirations.

In this context, the concept of sustainable livelihoods includes: a) ecological sustainability; b) financial sustainability that avoids dependence on external support; c) secure tenure over resources (land, forest, rivers); d) appropriate technologies that build on existing knowledge systems; and e) freedom of expression and organization to allow space for collectively expressed needs and aspirations for a fair and equitable community management of resources.

With access to sustainable livelihoods, local organization and basic services, communities' vulnerability to externally induced changes will be reduced. From such a position, villagers are better empowered to face change and take advantage of new opportunities that may be available. Following are some recommendations for the GoL and donors for ways to promote and support sustainable livelihoods in Laos. Many, if not all, of these approaches are in fact already being studied or tested by various projects in cooperation with GoL agencies.

Considering opportunities for small-scale farmers' commercial crop production

In order to minimize economic and environmental risks, cash crop production should be considered as only one component of a diversified, smallholder livelihood system. Opportunities for commercial production in the diverse ecological and geographical contexts of the uplands can be found in niche items such as NTFPs and agro-forestry products, organically-farmed produce, handicrafts, and livestock. The United Nations Development Program (UNDP) recognizes in its National Human Development Report for Laos that "dynamic growth of agriculture has direct effects on the incomes of rural families and indirect effects on the rest of the economy." The report cites sustainable export of NTFPs, Arabica coffee, organic jasmine rice and unprocessed products as some of the crops that could significantly contribute to improving rural incomes in Laos.²²

The GoL should ensure the provision of organizational and institutional support—such as in extension/research,



Fishing near Thonglom Village on the Hinboun River. Photo: David J.H. Blake

credit systems, transportation, and marketing—to villagers cultivating new crops that come with unfamiliar cultivation techniques. Furthermore, Laos would be wise to follow the example of neighboring countries and establish programs that support farmers during periods of crop price declines.

Smallholder farmer groups, organized by farmers themselves or with support from the GoL, should be developed to strengthen cultivation, harvesting, processing and marketing of new crops. These independent farmer associations could assist with the dissemination of information, knowledge sharing and protection of farmers' rights.

Legal mechanisms in Laos are currently inadequate and agreements for contract farming are often incomplete (with no specifications on the value of land, quotas or prices), unenforceable under Lao law, and generally to the disadvantage of small-scale farmers. Strengthening legal protections for Lao farmers would help ensure that they benefit from cash crop production rather than being left in debt. Agricultural extension workers should help farmers negotiate better contracts rather than acting as the agents of the traders or investors. The GoL should establish clear investment policies and improve its supervision of contracts and concessions to maximize potential economic returns and create advantages for farmers.

Reducing involuntary resettlement

There is a compelling and growing volume of evidence demonstrating that involuntary resettlement caused by focal site development and hydropower projects, for example, is having a major and generally negative impact on the social systems, livelihoods and cultures of many communities.²³

To avoid the possibility of being drawn into support for involuntary resettlement, donor organizations need to take a more critical and culturally and ethnically sensitive approach to their rural development work in Laos. This includes attempting to better understand local people's livelihood strategies from their perspectives, to recognize their basic rights of freedom of movement and residence, and their entitlement to productive land. Donors and NGOs that have not developed a "code of conduct" for use when confronted with the prospect of supporting involuntary resettlement should do so.

There is an urgent need for further research into the costs and benefits of promoting development in the uplands versus the resettlement of upland communities to lowland areas and along roads. There is also a need to critically examine the local and national benefits of hydropower, mining and plantations projects

compared with their costs, including the resettlement of lowland villages and impacts on valuable paddy fields, forests and fisheries.

Where space for negotiations with local authorities exist, donor organizations and international NGOs should make use of their influence and facilitate discussions between local authorities and communities on these issues. These negotiations could help to prevent resettlement through, for example, the provision of rural infrastructure or alternative siting of concession areas.

Protecting individual farmers' and communities' lands

In most villages, community resources, such as forests, shrubland and rivers, are collectively owned, while paddy land and housing lots are individually owned. Swidden plots hold one or the other status according to local customs and land availability. In areas where livelihoods continue to be dependent on swidden agriculture, villagers should be encouraged to identify "agricultural use zones" within their village lands where rotational swidden agriculture would be permitted for selected families in areas large enough to maintain locally-adapted rotation periods of at least seven to ten years to avoid degradation of the natural resources.

Population and land capacity assessments should be carried out ahead of any land-use planning and land allocation process, while agro-ecological zoning needs to be done together with villagers to identify land-use potential. If farmers are asked to move away from upland rice cultivation, processes should be established to enable a gradual shift to other—and multiple—income-generating options.

Capital-intensive hydropower and mining projects generate only limited employment and are not the best means of promoting broad-based growth or improving human development.

With growing demand for land from farming communities and from private companies, the rights of communal land use and access to forests and rivers are the most vulnerable. There is a need for a fundamentally different approach to the “ownership” of natural resources, one that recognizes the rights of local communities to their resources. These resources should not be taken from communities without a negotiation process that arrives at their consent and provides just compensation. Providing communities with legal recognition of these ownership rights would likely boost incomes and security. There is an urgent need to better recognize and protect communal land rights through consideration of forms of community land title, as is common in other countries.

Improving government accountability

Laos is characterized by a decentralized intergovernmental system, where a high degree of provincial autonomy exists alongside poor regulatory mechanisms and a lack of transparency, rule of law and popular participation. The argument for decentralization asserts that efficiencies arise when local governments are able to plan their expenditures in accordance with local priorities. However, although the Lao political system includes some community consultation, it is governed by a largely top-down decision-making process; there are no bottom-up mechanisms through which local preferences can be expressed and translated into expenditure priorities, meaning that the benefits of decentralization are lost.

While policies are centrally decreed, provincial governors enjoy great autonomy in the administration and implementation of these policies (referred to as “autonomy without accountability”). In Laos, the priorities of provincial authorities have often moved away from espoused national goals.²⁴ This constrains economic growth, limits more equal development throughout the country, undermines attempts to improve the fiscal position of the central government, jeopardizes user-friendly, pro-poor service delivery, and perpetuates governance weaknesses. Reforming the intergovernmental structure is thus one of the key conditions for improving the country’s performance in these areas, and for reducing poverty as a general development goal. Greater controls need to be put in place to ensure that provinces spend their revenues in line with the GoL’s overall poverty reduction goals, emphasizing expenditures in areas such as health, education and road construction.

Laos is also plagued by endemic corruption. In spite of GoL policies and repeated campaigns to stamp out corruption and nepotism, corrupt practices still frustrate attempts to improve the living standards of Lao citizens.²⁵ In the 2007 corruption index published by Transparency International, Laos ranks 168 out of 179 countries, between Guinea and Afghanistan. Such a high level of corruption makes it unlikely that revenues from projects such as dams, mines and plantations will actually trickle down to the poor.

Critical steps towards a more sustainable development path for Laos include: 1) reforming the intergovernmental fiscal system; 2) directing export revenues and government expenditures to those most in need; 3) redistributing resources from richer to poorer provinces; 4) ensuring direct benefit sharing with communities negatively affected by industrial projects; and 5) enhancing accountability at all levels of government. Until government capacity has been significantly improved, explicit revenue management frameworks should be developed for hydropower and mining projects to more effectively direct GoL proceeds to the poor.

Reducing reliance on revenue-generation projects that increase rural poverty

Given the challenges the GoL faces in promoting pro-poor revenue management, large-scale hydropower and mining projects with significant economic, social and environmental costs should be reconsidered as a primary means of generating export revenue and promoting development. In addition to undermining rural livelihoods, these projects degrade other important economic resources, such as wild-capture fisheries, forests, agricultural land, and tourism sites.

Capital-intensive hydropower and mining projects generate only limited employment²⁶ and are not the best means of promoting broad-based growth or improving human development. The UNDP’s Human Development Report states that the export of minerals, timber and electricity has “lower potential for human development” as these sectors are “capital intensive, use much less labour, and may damage the environment, local livelihoods and other exports.”²⁷ Since mining and hydropower concessions reduce the availability of cultivatable land—a major cause of poverty, according to a 2007 poverty assessment²⁸—the trade-offs that these projects involve need to be more closely examined.

Instead, an expansion of the agriculture sector is critical for raising living standards and creating employment opportunities. The UNDP’s Human Development Report also lists the export of garments, wood products, processed foods, handicrafts, international tourism, and labor to Thailand as means to more directly contribute to human development. These sectors rely less on government policy or the redistribution of export revenues, create greater employment opportunities, increase the incomes of rural families and women, and are more likely to reduce poverty by directly benefiting rural communities.²⁹

Furthermore, given the limited capacity of the GoL to enforce environmental laws and social safeguards³⁰ and the weaknesses in the government's public expenditure management systems,³¹ it seems clear that local communities will bear the costs of hydropower and mining projects with little hope of receiving any of the benefits. Government capacity is one problem, and government commitment is another: in spite of large donor contributions, Laos still spends much less on health and education than other low-income countries.³²

Both the World Bank and the International Monetary Fund have identified the challenges of managing an economy largely dependent on natural resource revenues. Commodity price volatility, climate and hydrological variability, and upward pressure on inflation and the exchange rate mean that the resource sector could be more of a curse than a blessing for Laos.³³ The lack of productive linkages between the resource sectors and non-resource sectors of the economy could dampen growth in other critical areas, such as agriculture and manufacturing. Additionally, the GoL's equity stake in hydropower projects tends to be financed through loans that exacerbate the country's debt burden.³⁴ Broadening the tax base and improving revenue administration nationally have great potential to offset the need for destructive hydropower and mining projects.

CONCLUSION

At the turn of the 21st century, subsistence farmers in Southeast Asia in general, and in Laos in particular, stand at the helm of social and economic changes of great



High voltage transmission towers for Nam Theun 2.
Photo: Shannon Lawrence

magnitude that will alter their physical and socio-cultural landscape to an extent never before experienced. The implications of Laos' increasing exposure to the forces of globalization, regional integration and cooperation need to be recognized. Governments and donors alike should be more critical towards their own pre-conceived ideas and characterizations. "Poverty," for example, is a conceptual category applied by national governments and donor agencies to describe certain social groups as "poor" for many different reasons and in a large variety of contexts. To better understand the causes of poverty and the impacts of various "poverty reduction programs," it is essential to let people speak for themselves.

To respond to changes in ways that benefit the poor, the consideration of communities' needs in the areas in which they live must be the starting point. In the case of Laos, donors should reject social engineering on a national scale that relies on a blueprint of stabilizing or eradicating shifting cultivation, land use allocation and planning, village relocation, and the lure of large-scale hydropower, mining and plantation schemes. These policies have disrupted diverse household livelihood systems and brought turbulence, uncertainty and increased food insecurity to many communities. The livelihood options proposed in exchange are often vague and ultimately ineffective due to a lack of land, access to credit and markets, and long-term training.

The GoL has the opportunity to control how and when mining, hydropower, and plantation projects proceed. There is no need to rush to develop as many dams and mines as possible in a short timeframe, since the demand for these resources is likely to remain strong. In fact, many of the environmental and social costs would be reduced, and the benefits increased, if the GoL approached these developments more cautiously and slowly. Revenue from initial investments could be used to build capacity to regulate future investments, to protect resources and livelihoods, and to provide services and compensation. Pressure from neighboring countries, donors or investors for rapid extraction of Lao resources should be resisted.

There are alternatives that promote sustainable livelihoods, pro-poor revenue generation and government accountability. A number of these initiatives are already being promoted by certain donors and agencies of the GoL. For example, some donors are now writing clauses into their project agreements that exclude support for involuntary resettlement. Others are working to improve the public expenditure management system, establish community land titles, and develop farmer associations and niche markets. These are promising opportunities that need to be further developed, prioritized and scaled-up with the broad support of the GoL and the donor community.

NOTES

1 See for example, the *National Growth and Poverty Reduction Strategy* (NGPES), Government of Lao PDR (Vientiane, Laos: 2003), and the *Sixth National Socio-Economic Development Plan 2006-2010* (NSEDPP), Government of Lao PDR, Committee for Planning and Investment (Vientiane, Laos: October 2006).

2 *Poverty and Social Impact Assessment: Impact of Public Expenditures on Ethnic Groups and Women*, Final Report, European Union and the World Bank (Vientiane, Laos: March 2007).

3 Baird, I.G. and Shoemaker, B., "Unsettling Experiences: Internal Resettlement and International Aid Agencies in Laos," *Development and Change* 38:5 (2007), pp. 865-888.

4 *Poverty and Social Impact Assessment: Impact of Public Expenditures on Ethnic Groups and Women*, 2007.

5 Baird and Shoemaker, 2007.

6 *The Rural Development Programme 1998-2002, The Focal Site Strategy: Outline of an Approach Programme Support and Investment Requirements*, Sixth Round Table Follow-Up Meeting, Government of Laos, (Vientiane, Laos: 13 May 1998); and *National Rural Development Program 1996-2000*, Government of Laos (Vientiane, Laos: 1996).

7 See for example, Ducourtieux, O., Laffort, J.R., and Sacklokham, S., "Land Policy and Farming Practices in Laos," *Development and Change* 36:3 (2005), pp. 499-526; 2005 *Poverty Reduction and Shifting Cultivation Stabilisation in the Uplands of Lao PDR: Technologies, Approaches and Methods for Improving Upland Livelihoods* Vol 2, National Agriculture and Forestry Research Institute (NAFRI) (Vientiane, Laos: 2005); and *Participatory Poverty Assessment*, Lao PDR State Planning Committee, National Statistic Center and Asian Development Bank (Vientiane, Laos: 2001).

8 In Xiengkhor District, Huaphan Province, resettled communities forced to grow maize for Vietnamese food companies were facing depressed farm gate prices due to Lao traders who set up a monopoly and, in cooperation with local authorities, prevented Vietnamese traders (who offered a much better price) from entering the country.

9 *Study on Land Allocation to Individual Households in Rural Areas of Lao PDR*, GTZ (Vientiane, Laos: 2004), p. 1.

10 Ducourtieux et al., 2005; Alton, C. and Houmphanh Rattanavong, *Livelihoods and Forest Resources in Katu Villages in Sekong*, NAFRI (Vientiane, Laos: 2005).

11 Thomas, D.E., *Review of Policies and Practices in Upland Areas of the Lao PDR*, NAFRI (Vientiane, Laos: 2005).

12 *World Bank Lao PDR Economic Monitor* (April 2008), pp. 21-22.

13 Hanssen, C.H., "Lao Land Concessions, Development for the People?" Paper presented to the International Conference on Poverty Reduction and Forests: Tenure, Market and Policy Reform (Bangkok, Thailand: 3-7 September 2007).

14 *Asian Development Outlook 2008*, Asian Development Bank (Manila: Nov 2007), p. 206.

15 *National Socio-Economic Development Plan (2006-2010)*, Government of Lao PDR, Committee for Planning and Investment (Vientiane, Laos: 2006).

16 *Borderlines: Vietnam's Booming Furniture Industry and Timber Smuggling in the Mekong Region*, Environmental Investigation Agency and Telepak (March 2008).

17 Rigg, J.D., "Forests, Marketization, Livelihoods and the Poor in the Lao PDR," *Land Degradation and Development* 17 (2006), pp. 123-133.

18 According to Hanssen (2007, p 3) at present the area under cultivation for biofuel is estimated at about 50,000 ha with plans to extend this by including 'idle' land to 2 million ha by 2020.

19 Hanssen, 2007.

20 See for example, Barney, K., *Power, Progress and Impoverishment: Plantations, Hydropower, Ecological Change and Community Transformation in Hinboun District, Lao PDR* (2006); Hunt, G., *Regional Linkages. Plantations Investments and Land Alienation in the Theun and Hinboun Basin*, Paper presented at AMRC/AusAid Greater Mekong Conference (Sept 2007), pp. 26-27; and Schumann, G. et al., *Study on State Land Leases and Concessions in Lao PDR, Land Policy Study Number 4 Under LLTP II, GTZ and Lao-German Land Policy Development Project* (Vientiane, Laos: 2006).

21 Cornford, J., "Globalisation and Change in southern Laos," *Focus on the Global South Occasional Papers* 1, CUSRI (Bangkok, Thailand: 2006).

22 *National Human Development Report: International trade and human development*, UNDP (2006), p. 74.

23 In addition to references listed earlier, this has been documented in the following: Daviau, S., *Follow-up study on Relocation of Khamu and Rmeet Communities in Nalae District, Luang Namtha Province, Lao PDR*, Final Report for the Lao-German Programme on Integrated Rural Development in Mountainous Areas of Northern Lao PDR on behalf of GTZ (Vientiane, Laos: 2006); Romagny, L., *Resettlement: An Alternative for Upland Development?* NAFRI (2005); Evrard, O. and Goudineau, Y., "Planned Resettlement, Unexpected Migrations and Cultural Trauma in Laos," *Development and Change* 35:5 (2004), pp. 937-962; and Vandergeest, P., "Land to Some Tillers: Development-induced Displacements in Laos," *International Social Science Journal* 55:1 (2003), pp. 47-56.

24 *Poverty and Social Impact Assessment: Impact of Public Expenditures on Ethnic Groups and Women*, 2007.

25 Renowned Lao scholar Martin Stuart-Fox, in an article published by the *Asian Studies Review* (March 2006, Vol 30, pp. 59-75) examines the political culture of corruption that has developed in Laos since its inauguration in 1975, showing how under authoritarian, single-party political regimes, where freedom of expression and organization is banned, a culture of corruption can prosper.

26 *2007-2011 Country Strategy Program for Lao PDR*, Asian Development Bank (2006), p. 16; *Asian Development Outlook 2008*, p. 208.

27 *National Human Development Report: International trade and human development*, p. 89.

28 *Asian Development Outlook 2008*, p. 208.

29 *National Human Development Report: International trade and human development*, p. 45.

30 *2007-2011 Country Strategy Program for Lao PDR*, p. 34.

31 *Lao PDR Public Expenditure Review and Integrated Fiduciary Assessment*, World Bank, IMF, ADB and the European Commission (May 2007).

32 *Lao PDR Public Expenditure Review and Integrated Fiduciary Assessment*, p. 25.

33 *World Bank Lao PDR Economic Monitor*, 2008 and *Lao People's Democratic Republic: Selected Issues and Statistical Appendix*, International Monetary Fund (Washington, D.C.: Nov 2007).

34 *Lao People's Democratic Republic: Selected Issues and Statistical Appendix*, 2007.