Socio-Economic Transformation and Gender Relations in Lao PDR

Damdouane Khouangvichit
Acknowledgements

‘No one is too old for studying’. This expression has been in my mind throughout my period of studying at the department of Social and Economic Geography at Umeå University. Having an opportunity to be a PhD candidate when I was nearly fifty years old, in a country far away from my hometown, in a white place with long dark winters, I have placed myself in a new physical and social environment for around five years. With hesitation and without much belief in the expression above, I started to plunge deeply into the process of learning and working with my research project. I did this within the warmth and friendship from my new colleagues at the department, who sincerely have supported me. Deep friendships have developed through daily interaction at the work place with Linda Sandberg, Jenny Olofsson and Erika Sandow, my three close friends. Despite the age difference, we have built a strong friendship, which is an important part of the success of my studies.

Coming from a country of the South, with a different academic background, I have had to struggle to adapt myself to a new social milieu and to learn how to study independently. Fortunately and with guidance and advice from my supervisors, which is a significant part of the success of this research project, I have been able to handle all obstacles. Therefore, I would like to thank Aina Tollefsen and Gunnar Malmberg, my distinctive supervisors. With two brilliant supervisors, I have worked with confidence to overcome all difficulties. Their constructive and valuable suggestions and comments helped me to build new knowledge and to work productively on my research project, and I finally have been able to come up with this small piece of academic work.

Especially, I would like to express my special and deepest thanks to Aina Tollefsen, an outstanding supervisor, for your unique qualification and your constructive and supportive advice. Without your support and excellent guidance, and the friendly working atmosphere, I would probably not have been able to complete this work. I would say that I am a very lucky person having an incomparable supervisor like you. I will never forget how high quality of advising can be provided in order to help students to achieve their studies.

A special thanks to Magnus Strömgren who made perfect tables and maps for my thesis, without him I would never have been able to fulfil this difficult task. I also would like to thank Erika Sörensson, who spent valuable time to read my thesis for the pre-dissertation seminar and who suggested me how I could improve my work.

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Without the support of my family, my husband, my daughters, I would not have been able to complete my studies, therefore I would like to thank all of you for supporting me to overcome all difficulties in fulfilling my task.

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Damdouane Khouangvichit
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<td>Asian Development Bank</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>ATS</td>
<td>Amphetamine-Type Stimulus</td>
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<td>BTI</td>
<td>Bertelsmann Transformation Index</td>
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<td>CICC</td>
<td>Community Issue Concern Committee</td>
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<td>CR</td>
<td>Community Relation</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GMS</td>
<td>Great Mekong Sub-Region</td>
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<td>GRID</td>
<td>Gender Resource Information and Development</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>Lao PDR</td>
<td>Lao People Democratic Republic</td>
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<td>LECS</td>
<td>Lao Expenditure Consumption Survey</td>
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<td>NTAL</td>
<td>National Tourism Administration of Laos</td>
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<td>LPRP</td>
<td>Lao People Revolutionary Party</td>
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<td>LWU</td>
<td>Lao Women Union</td>
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<td>LXML</td>
<td>Lane Xang Minerals Company Limited</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MEPA</td>
<td>Minerals Exploration and Production Agreement</td>
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<td>NCAW</td>
<td>National Commission for the Advancement of the Women</td>
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<td>NEM</td>
<td>New Economic Mechanism</td>
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<td>NGO</td>
<td>Non-governmental Organization</td>
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<td>NGPES</td>
<td>National Growth and Poverty Eradication Strategies</td>
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<td>NSC</td>
<td>National Statistic Center</td>
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<td>NTA</td>
<td>National Tourism Administration</td>
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<td>NTL</td>
<td>National Tourism Administrative of Laos</td>
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<td>NTFP</td>
<td>Non-Timber Forest Products</td>
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<td>NZAID</td>
<td>New Zealand Agency for International Development</td>
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<td>SARS</td>
<td>Severe Acute Respiratory Syndrome</td>
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<td>SNV</td>
<td>Netherland Development Organization</td>
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<td>SPDA</td>
<td>Sepone Project Development Area</td>
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<td>SVK</td>
<td>Savannakhet</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>UNIFEM</td>
<td>United Nations Development Fund for Women</td>
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<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>UXO</td>
<td>Unexploded Ordnance</td>
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I. Introduction

1.1. From my childhood to my work, tracing the roots of my research interests

I was born in a ‘remote area’ in a small village in Vang Vieng district. My family originates from Phouan and Yao ethnic groups. My father passed away when I was around seven years old. During my childhood, I was taken care of by my grandmother, who was very strict in terms of behaving according to the tradition (I thought). I have two sisters and one younger brother. Throughout my childhood, I have been taught to behave and act as ‘one must’ in order to be a girl child and a woman in the future. This teaching took place through the everyday rules set up within the family concerning sitting, wearing, eating, speaking, sleeping, entertaining and interacting with friends, with elderly people, with the boys and the men.

From my grandmother’s point of view, I was ‘an active and aggressive child’ who looked like a boy rather than a girl (as mentioned by my grandmother). I was strictly controlled by her, who knew so many rules and traditions of the village as I thought at that time. I had always been punished for doing things differently from a girl’s or a woman’s behavior. I did not sit keeping my legs together, called Nang Phap Phep, when I ate. I always asked questions when I did not understand something clearly. I walked very quickly, and sometimes ran to school. I swam in the river rather than taking a bath quietly. I climbed trees. I spoke loudly at school when my teachers asked me questions instead of answering with a very soft voice. I laughed loudly when I felt happy instead of smiling quietly. My grandmother hit me when I did things wrong according to her expectations. I needed to learn how to weave and sew from the age of ten while the boys of my age were happy with swimming and playing Mak Bar (a local traditional sport). I was taught to get up no later than five o’clock in the morning to make a fire, to steam sticky rice and to fetch water from the river around 100 meters from my house. Since it was still dark, I felt afraid. I then cleaned the house and prepared food for the monks. Every morning my grandmother went to the pagoda (temple) for the offering to the monks. I had to finish everything before sunrise. I was always thinking, why am I a girl and not a boy? Why are there so many rules and

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1 In Lao traditional culture, women and men have different styles of sitting, particularly during meals. Women must sit and keep the legs together, called Nang Phap Phep, while men’s sitting style is to sit with the legs crossed, named Nang Khattamat. Nang Khattamat is more comfortable. In the temple, everybody must sit Nang Phap Phep and behind the Nang Phap Phep concept there are meanings of respect, politeness and of being in a lower position.
limitations for the girls; why do I have so many responsibilities; why is my grandmother so strict on my behavior? Even if I disagreed with what my grandmother taught me, I could not refuse and had to follow every rule about being ‘a good girl’, like the other girls in the village also had to do. I had been punished once at school when I was around nine years old for fighting with a boy, my class mate, because he threw soil on my face when I could collect more mushrooms than he could. We were both punished, but in different ways. The teacher just hit his leg two times and allowed him to go to his chair, while I was forced to stand on one leg for around 15 minutes, and then I had to say in front of the other pupils that I would never fight with the boys, because I am a girl. I asked myself why he was not punished like I was; why I could not fight with him when he started to abuse me and why my teacher was not fair to me. I wanted to cry, but I didn’t. I kept in mind that I wanted to be a teacher, and I would let the girl pupils do as they wanted. I would punish the boys when they misbehaved, or at least punish them equally to the girls when they made the same fault.

When I completed primary school, I took an entrance examination to study at lower secondary school. I got the second price in strong competition but my grandmother told me to quit school, she would allow only my younger brother to continue to study. She said ‘we don’t have enough money to support all of you to study; I can support only one person which will be your brother. You are a girl so studies are not important; even if you have a high education, when you get married you must quit and take care of your children and your husband will look after you’. She also said that it was too difficult for me to continue to study, because I needed to move to a town around 17 km from my village, and it was not good for a girl to be far away from home. This made me feel very sorry about being a girl, and I cried for two days. Then I refused to do housework because my grandmother didn’t allow me to continue my studies. Finally, she agreed with me, and I had a chance to continue my study at lower secondary school. I finished lower secondary school and took the exam to study at the teachers’ training college as I had planned. I got a full scholarship from the government and at the teachers’ training school in Vientiane Capital I had the right to stay in the dormitory with other female students. I felt more freedom; male and female students were equally treated in the classroom and I nearly forgot my experiences of inequality from my childhood. However, I soon faced other patterns of inequality between men and women in my subsequent work places.

Firstly, when I became a lecturer at the university the numbers of male and female lecturers were nearly equal at my faculty, but most of the high positions were occupied by men and nearly all the departments and divisions were headed by men. Despite the work of Lao Women Union, an organization for women’s rights, gender inequality still existed, in
particular when it came to participation in decision-making processes. I was elected president of Lao Women Union at the University for eight years and I found that women could hardly succeed in their work at the university because they were responsible for nearly all housework, especially taking care of children.

Secondly, in my next job we were 25 staff and officers and I was the only woman. I held a middle-level position, which required me to travel to the countryside, but whenever I proposed to travel, I was refused with the motivation that it was too difficult and too dangerous for women to travel to the countryside. With both childhood and work experiences of unequal treatment of women and men, I have lived with a feeling of disappointment about being a girl/woman, which has always ideologically been classified as a subordinated position.

Within a social milieu of traditional gender ideology, hopes for new opportunities for women both politically and economically were raised after the declaration of Lao PDR in 1975 and during the restructuring of the socio-economic field after the application of the open-door policy in the late 1980s. I became interested in examining the consequences of these changes in everyday lives of ordinary people, and in particular women, who find themselves in the midst of the flow of changes since the adoption of the New Economic Mechanism (NEM) in 1986. How have NEM and subsequent waves of global economic influences affected livelihoods and gender relations in different localities in Lao PDR?

1.2. Background of the study
In the 1980s neo-liberalism, with emphasis on market mechanisms and economic deregulation, started to become a dominant way of thinking about development in Asia as well as in the centrally planned countries in Eastern Europe. Variations of neo-liberalism transformed political and economic systems from centralized economies to market-oriented economies with new roles for the states. Smaller Asian centrally planned economies like Lao PDR or Laos2 were part of these larger global processes. Laos declared its independence and proclaimed the Lao People Democratic Republic (Lao PDR) on December 2nd 1975. The new government decided to lead the country in the routine of a socialist regime and adopted a closed-door policy, while at the same time relying politically and economically on support from the Soviet Union and other centrally planned countries in Europe as well as in South-East Asia. Since then the economic development policy of Lao PDR

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2 In this study, the terms Lao PDR and Laos are used interchangeably. Lao PDR is the official name of the country since 1975, while the term Laos is widely used by researchers and policy makers, including in government reports. For pragmatic reasons, and sometimes depending on the time period discussed, both terms are used in this study.
has varied from period to period according to the situation of other centrally planned countries and more recently according to different waves of ‘globalization’. During the first decade after the declaration of the new regime, the government of Lao PDR emphasized centralized economic planning, orienting the economy towards self-sufficiency and self-reliance combined with support from the outside. From the late 1980s, Lao PDR adopted an economic system guided by the term Chintanakanmai, which means ‘new thinking’. Subsequently Lao PDR has engaged in a course of economic liberalization in an attempt to transform the economy towards a more market-based economy by adopting new economic system called New Economic Mechanism (NEM).

The NEM includes reforms of the centrally controlled economy; promotion of rural development in all parts of the country; development of small and medium-sized industries, promotion of natural resources and liberalization in terms of cooperation with foreign investors. Between 1986 and 1989, most controls on retail prices and agricultural procurement prices were relaxed; state-owned enterprises were given autonomy in marketing, production, and investment decisions and the autonomy of provincial governments was strengthened. In 1991, the National Assembly adopted a National Constitution, which formalized the establishment of a market-oriented economy and provided protection for foreign and domestic investments. A privatization decree was passed and formed the basis of a large-scale program of privatization of formerly state-owned enterprises in the period 1991-94 (Fane 2006). The market-oriented economy facilitated development of tourism and increased foreign investment particularly in the hydro-electric power and mining sectors, which led to important large-scale cooperation between foreign investors and the government of Lao PDR.

Since the economic development policy of the country shifted from centralized planning to the present emphasis on economic liberalization and transformation towards a market-based economy, profound changes have taken place in various fields in Laos (Rigg 1997, 2005; Rehbein 2007), among which the economic field is the most important (Rehbein 2005). However, the spread of capitalist relations of production is usually accompanied by other changes, including changes in the relations between men and women, social classes and ethnic groups (Massey 1994). Walby (1997) has pointed out that change in the economy as a whole cannot be understood outside of an understanding of transformation in the structure of gender relations.

3 There is no consensus definition of ‘globalization’ and the term is given different meanings depending on for instance theoretical perspectives and/or political agendas. Generally, the term refers to increased global interconnectedness, especially in the economic sphere. See further the discussion in the section Theoretical perspectives below.
Given that Lao PDR is classified as one of the ‘least developed countries’, the government has also launched a number of policies to eradicate poverty in the country before 2020. In 2000, the government endorsed the Millennium Development Goals (MDGs) Declaration at the UN Millennium Summit. Among eight formulated strategies to escape from poverty, gender equality was highlighted. Indeed, the government has continuously prioritized women’s empowerment and policies on gender equality. For instance, a population policy was adopted in 1999, which put emphasis on improving the status of women and ethnic populations by facilitating their access to education, health, social welfare, and socio-economic opportunities (State Planning 1999).

Despite these different promotions of women’s empowerment, and the increasing rate of women engaged in the labor force in recent years, women are still not equally represented in the labor market and many jobs continue to be dominated by men (Fox 2003). The overall rate of women’s participation in paid work remains low. Most women work as self-employed or as unpaid family workers (UNDP 1998; Census 2005). The proportion of female representatives in political institutions is still low even if there has been an increase in recent years.

Given this background, I have seen it as a challenge to examine socio-economic transformations and gender relations in different communities in Laos since the introduction of the New Economic Mechanism. Laos is a country where the majority of the population lives in rural areas, with livelihoods based on agricultural production and natural resources, while at the same time these livelihoods are increasingly affected by external socio-economic forces. Many government reports have elucidated how economic transformations have proceeded and whether they have been successful in terms of contributing to GDP (the main indicator to measure NEM’s effect on poverty reduction). However, how NEM has affected local livelihoods and what NEM has meant for people at the grass-root level is still underexamined, as pointed out by Rigg (2005). Being a woman who since childhood has been deeply affected by the patriarchal system practiced in local communities, I am particularly interested in how socio-economic transformations and changes in gender relations take place at local levels.

The implementation of economic neo-liberalism encouraged large-scale foreign investments in most economic sectors in Laos, and external actors have become prominent within major growth industries such as mining and energy and to some extent within tourism. These global economic forces have important implications for local communities, and in order to examine socio-economic transformations and gender relations at local levels I chose two different case studies for my research. The first case study is the large-scale foreign investment in the mining industry in Vilabury, Savannakhet province, located in the southern-central part of Laos. The second case study
is the international tourism expansion in Vang Vieng district, Vientiane province, located in the central-northern part of Laos. Apart from being among the most important growth industries in Laos, these two choices were also motivated by my own deep childhood and work experiences. Vang Vieng is my native town, which I regularly visit and where I have observed rapid changes taking place over the last decades. The case of Vilabury is related to my work experiences. As a lecturer at the university, I had the chance to participate in a socio-economic survey in the communities around the gold-copper mine when the operation of the mine started. The questionnaires showed an overall picture, but could not provide a deeper understanding of the changes taking place in this area, which motivated me for further research in the community around Sepone mining in Vilabury district.

1.3. Aim of the study
The overall aim of this study is to examine socio-economic transformations and gender relations in two local contexts in Lao PDR since the introduction of economic liberalization in the late 1980s.

The specific research questions are

- In what ways have socio-economic transformations taken place in Vilabury and Vang Vieng after the introduction of large-scale mining and international tourism respectively?

- How have people’s livelihoods changed in Vilabury and Vang Vieng and what have these changes meant for people in local communities?

- In what ways have gender relations in both public and domestic spheres changed in Vilabury and Vang Vieng in the contexts of these global economic influences?

- Who are the main development actors in the two contexts and how have different actors engaged with and handled socio-economic transformations?

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4 Vilabury district was part of Sepone district until 1994 when it became a separate district. The mine was named Sepone gold mining instead of Vilabury gold mining because of the administrative division existing at the time of the first explorations in the early 1990s.
1.4. Theoretical framework
This study is inspired by Rigg’s work on transition in Laos from central planning to market orientation (Rigg 2005). Rigg argues that all processes and phenomena are place-based and asks questions about what transition means on local levels in everyday lives of the population. Since my research focuses on both socio-economic changes and gender, I am also inspired by feminist geographers as Massey (1984, 1994), McDowell (1999) and Walby (1997) who all have emphasized how social phenomena are place-based and how economic transformations and gender relations are spatialized phenomena. Massey (1994:2) states that space, place and gender are interconnected and that the spatial is social relations ‘stretched out’. Similarly, Walby (1997) points out that ‘different forms of gender relations are found in different spatial locations’ (ibid:7), while McDowell emphasizes that people and places are gendered and that social and spatial relationships are mutually constituted.

Considering the arguments of Rigg, Massey, McDowell and Walby, my starting point is that there is no uniform model for gender relations and socio-economic transformations. Different places have different sets of social relations, including patterns of gender relations, also in a country with a highly centralized political and administrative system such as Lao PDR.

1.4.1. Space and place and interrelations between space, place and gender

Space and place
There is a long historical debate on the concepts of space and place, and the perceptions and meanings of space and place have changed over time (Töløfsen 2000, Löw 2006). Most arguments are tuned towards the perception of space and place as neither static, nor independent or just limited by physical boundaries, but rather produced by complex and changing social relations, as expressed by McDowell.

_The debates reflect the huge disruption and transformations in the links between specific peoples and particular places that have taken place in recent years (McDowell 1999:1)._ 

Shifts have for instance taken place from perceiving the spatial as a set of coordinators on a map, defining a piece of territory; to an understanding of space as an absolute independent dimension; and more recently to an understanding of space as contested, fluid and constructed out of social relations (Massey 1984, 1994; McDowell 1999; Schatzki 1991; Unwin 2000; Löw 2006; Marston 2000).
Geographers have argued that it is the socio-spatial practices that define space and place, in contrast with earlier perceptions of space as a territory limited by physical boundaries. Unwin (2000) shows how the meaning of space has shifted and moved to the perception of space as social production or social construction. The idea that space is socially produced or constructed has become one of the foundations of contemporary social and cultural geography (Schatzki 1991).

My understanding of space and place is based on McDowell (1999) and Massey (1994) who put emphasis on the interrelations between the global, the national and the local. Massey highlights the importance of localities regarding the study of national social and economic change. She argues that changes can be concretely seen in localities in contrast with at the national level, where the implications of national policies are rather abstract. She provides a dualistic relation between two scales as general-specific and abstract-concrete. This means that localities are important and provide features of how the international, national and local are linked. Localities reflect concrete phenomena and provide a diversity of changes shaped by different resources and traditions where people live.

The fact of spatial variation in national change, in order words, had immediate and obvious political importance, it became important to know just how differently national and international change were impacting on different part of the country. Something that might be called ‘restructuring’ was clearly going on, but its implications both for everyday life and for the mode and potential of political organizing were clearly highly differentiated and we need to know how. (Massey 1994: 128).

Thus to understand how socio-economic transformations proceed as the result and implication of national policy, studies on localities are important. They provide concrete procedures of change, and how the diversity of changes relates to the variety of different circumstances of specific socio-spatial relations. Studies at the local level or local scale can highlight more empirically and more tangibly how political measures proceed and how the global-local are interconnected. Rigg (2007) also highlights the importance of studying processes of globalization at the local level in countries of the Global South, as processes of globalization are worked out in the everyday life of people in local communities.

Interrelations between space, place and gender

The perceptions of space and place have changed over time, and so have the understandings and conceptualizations of gender. There have been variations in the definitions of gender, and the focus of feminist scholars and geographers has also changed, as expressed by McDowell:
If the conceptualization of space has become more nuanced in recent geographical work, then so too has the definition of gender (McDowell 1999:6)

The term gender was introduced and redefined in the late 1960s and it is now used in two different ways (McDowell 1999:12). One sees gender as similar to sex; the other sees the term as different to sex. According to the latter, sex is biological differences, while gender is socially constructed, and gender relations vary in time and space (McDowell 1999; Andrew and Beth 1988; Walby 1997; Sullivan 2004; Massey 1994). Nicholson (1995, referred to in McDowell (1999)), provides a metaphor for the relationship between sex and gender - the 'coat-rack'.

The relationship between sex and gender is like a coat–rack. Sex or biological difference is the basic frames on to which different societies in different historical periods have hang various coats - the socially defined arrangement of gender characteristics (McDowell 1999:14).

Massey (1994) and McDowell (1999) point out how space, place and gender are interconnected, that different places have different sets of social relations, including gender relations.

Space, place, and gender are interrelated. Space and place are tied up with, both directly and indirectly, particular social constructions of gender relations. The spatial then can be seen as constructed out of the multiplicity of social relations across all spatial scales, from global through the geography of the tentacles of national political power, to the social relations within the town, the settlement, the household and the work place. Space and place are not only themselves gendered but, in their being so, they both reflect and affect the way in which gender is constructed and understood in the societies in which we live (Massey 1994:2).

I find this conception of space, place and gender as suitable for analyzing changes in the economy and gender relations which are taking place in specific geographical locations. My study focuses on transformations of the local economy (through investments in mining and tourism) and gender relations as social phenomena resulting partly from policy changes at the national level, but having different expressions in different spatial contexts. In this sense I have also been inspired by Walby (1997) who argues that the form of gender relations varies according the social context and the social milieus:

These variations are due to the balance of gender and class forces sedimented over time in local gendered institutions including the local industrial structure and the local political institution (...) The structuring of gender relations in any locality depends upon the previous set of social relation resulted from previous round of restructuring (Walby 1997:7).
Risman (2004) has from the perspective of structural theory defined gender as social structure. She argues that gender should be conceptualized as a social structure, which is similar to other structures of inequality such as race and ethnicity, and in this sense, gender is interpreted as one of the social structural dimensions. According to Risman, gender is the division of people into contrasting and complementary social categories; boys and girls, men and women. The same author outlines how the gender structure differentiates opportunities and constraints and has consequences in three dimensions: (1) at the individual level; (2) during interaction between men and women with different cultural expectations; and (3) in institutional domains with gender specific regulations regarding resource distribution.

Ridgway (2004) points out that like other systems of inequality and differences such as race and class, gender relations are defined by social beliefs, which differentiate the characteristic of men and women and the distribution of the resources at macro level. In this sense, cultural beliefs are important as they relate to national gender ideologies. As socio-cultural beliefs are an important component of a gender system, then the local social relational context will be an important arena where these beliefs are played out. Again, the argument of Ridgway reflects the idea of gender as a place-based phenomenon, and space place and gender are interrelated.

Summarizing the points raised above, gender is formed by human beings in specific contexts. Over a long period of time, from generation to generation, gender ideologies and gender practices are constructed within specific societies. Societies expect women and men to behave and act in different ways. In this sense, gender relations are spatial practices, which vary through different geographical scales, such as the national, the regional, and the local. And as Walby (1997) points out, ‘gender relations differentiate in many ways, including ethnicity, race, nation, religion and linguistic community, there is no common form of gender differentiation across different ethnic groups’ (ibid: 180-181). In other words, variations in gender relations depend on existing sets of social relations which in turn are based on previous restructuring of institutions, economic activities and policies in the area. I found this perspective useful for my study as I focus on a specific period of restructuring and transformation in two important economic sectors in Laos; international tourism in Vang Vieng and the operation of a major gold- and cooper mine in Sepone. I largely follow Walby (1997), McDowell (1999) and Massey (1994) but I perceive that some of their understandings become problematic when applied in the case of Laos. One example is the division of gender relations into public and domestic spheres, or regimes. According to Walby, the domestic regime is based on relations between men and women within household production, while the public sphere is related to relations within paid work in the form of employment and other public works. She further explains how the inequalities of gender
relations in both regimes lead to women’s subordination to men, as well as how the two spheres are interconnected and affect each other. A change of gender relations in the public sphere could provide a new pattern of gender relations in the domestic sphere. When women engage in paid work or community work, their role in reproductive work and their responsibility for housework could change and by the same token, when gender relations in the domestic sphere change, it could provide opportunities for women to be more open to the public sphere (see also McDowell 1999). However, I found that this differentiation into two spheres needs to be modified in order to be applicable to Laos. McDowell and Walby examined gender relations in European societies where domestic and paid work can be distinguished quite clearly, while in the case of Laos many economic activities adopted by women are done informally, and often with the home as a base. It is difficult to distinguish between two spheres and many activities are overlapping. Therefore, I have used an analytical division into three spheres; the economic, the household, and the political/community sphere, while at the same time stressing their interrelated and ‘floating’ character.

1.4.2. The concept of globalization

The concept of globalization has been important for geographers, as it emphasizes the ways economic, social, cultural and environmental relationships have been stretched and interwoven across the globe (Mowforth and Munt 2003;Walby 2009). Globalization is one of the most contested issues in the present era (Kellner 2002). It is not only used by scholars but also widely used in speeches of politicians and in pronouncements by businesses (Fyfe and Kenny 2005). According to Fyfe and Kenny, the central meaning of the concept of globalization is the global interconnectedness of world linkages and networks.

McGrew (2000) defines globalization as a process or set of processes, which leads to the transformation in the spatial organization of social relations and transactions, assessed in terms of their extensity, intensity, velocity, and impact, generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power. Schech and Haggis (2000:58 cited in Potter (2004)) in turn define globalization as the intensification of global connectedness, the spread of capitalism as a production and market system, the free movement of goods, service, capital, information, and people across national boundaries. Similarly, Taylor et al (2002) point out that one of the main features of globalization is that globalization is constituted by ‘trans-state’ processes, that do not simply cross borders, but ‘operate as if borders were not there’ (Taylor et al 2002:3).

When talking about processes of globalization and their results, Potter (2004:129) points out that globalization and development are very much related. Potter explains how there are two views of globalization related to
development: one is globalization influenced by modernization theory, which sees globalization as enhancing the overall process of global development which will bring benefits to poor people in the long term (see also Dollar and Kraay 2004). This will happen as globalization brings uniformity to the world, more closeness between the two worlds of the ‘north’ and the ‘south’ and westernization of the developing world. The second side, which is influenced by dependency theory and alternative approaches, sees more negative impacts from globalization and argues that globalization has been associated with increases in differences and inequality between people and places (Rakodi 2002; Potter 2004; Mowforth and Munt 2003; Walby 2009).

Ramkishen (2005) has also argued that there are two major standpoints concerning globalization: proponents and opponents regarding the results of globalization for individual countries. The proponent’s side believes that globalization will maximize the benefits for every country. In an open market, free trade will act as a growth engine, generating high income activities, expand international and domestic markets, introduce competition and reduce transportation and production costs, increase efficiency and expand production which in turn will benefit workers. It will lead to better living standards and prosperity for all, including the poor.

The opponent side believes that global market integration can result in business closures, unemployment and unequal income distribution and polarization, in particular in developing countries with a high proportion of low-paid unskilled workers. In this sense, the impact of the globalization would be negative. This perspective stresses that globalization and development have not only brought good fruits but also bitter tastes.

The concept of globalization thus generally refers to intensified global interconnectedness, to flows of capital and to displacements of human beings. In this study I see my two case studies as two examples of globalization processes, and more specifically as two cases of specific global-local interconnections; firstly in the form of foreign direct investments in the Sepone mine in Vilabury district, Savannakhet province and secondly in the form of international tourist movements to Vang Vieng, Vientiane province.

1.4.3. The concept of development and development agencies as actors of change

The concept of development
Relevant for this study is also the concept of development, which historically has been used in international and national policy formulations as well as within academia. Development is a contested, complex, and multidimensional concept, which may be defined as continuous change in many aspects, such as the economic, the social, the political and the cultural (Telfer and Richard 2008). Nevertheless, there are many different interpretations of the
meaning of development and how the term should be used. The term has been defined and clarified differently by different researchers and developers (Bouapao 2005, Corbridge 2000) and the use of development terminology has changed over time (Lundmark 2006). Corbridge (2000) analyses how the meanings of development and its interpretation have changed since Harry Truman in 1949 until the present day. How to measure development is also debated. Growth of the economy is often seen as the main indicator of development, but there are also measures that combine economic, social and health indicators such as the Human Development Index (HDI). The quantitative measure has mainly been Gross Domestic Product (GDP), while qualitative measures are more about quality of life, human rights, health, education, or freedom. Recently development thinking has also been refigured to emphasize empowerment and participation of local people in decision-making procedures.

Basically, development is often referred to as ‘change’, and it can simply mean ‘good change’ (Chambers 1995; Chambers 1997 cited in Allen and Thomas 2000), or, explained as a more complex ‘process of change’. With regard to the definition of development as a process of change, Potter (2004) points out that development has not always meant change in good ways; the process of development may have both negative and positive outcomes. Development can mean both improved living standards and opportunities for people, and it can mean new forms of inequality, poverty, and dependency in the society (Potter et al. 2004; Allen and Thomas 2000).

On the plus side is the idea that development brings economic growth and national progress, and should involve other positive outcomes such as the provision of basic daily needs (food, clothing, housing, basic education and health care), better forms of governance and a move towards patterns of growth that are more sustainable in the long term. In respect of the negative consequences of development, the occurrence of inequalities between rich and poor regions and group of people is often referred to, along with the perpetuation of relative poverty (Potter et al 2000:5).

Modernization theory defines development as the transformation of traditional countries or societies into modern societies; thus, development is in this understanding equal to ‘modernization’ or ‘Westernization’. This view of development is based on the Western industrialized countries as the model to follow and the world is commonly divided into dichotomies: developed and developing countries, North and South, First World and Third World. Development practices and policies are accordingly based on the concept of trusteeship. The notion of trusteeship means that someone takes on the task of acting on behalf of others to promote improvement (Allen and Thomas 2000; Potter 2004). The Western or developed countries believe that the developing countries could be developed by the support from the
developed countries through different development agencies. Potter (2004) defines trusteeship as.

>() the holding of property on behalf of another person or group, with the belief that the latter will better be able to look after it themselves, at some time in the future (Potter 2004:5).

Critics of modernization theory and the concept of trusteeship point out the dependency functions of the relations. The theory of dependency has its origins in Marxism and is based on the concept of exploitation of the weaker and less developed countries by the capitalist developed countries. The epistemology of the foundation of the theory of dependency is based on the inter-relations between the core (center) and the periphery (Ghosh 2001:1). At the international level, the dependency theory usually refers to the inter-relations between developed countries and least developed countries, in that the least developed countries depend on the core countries for their economic development. At the national level, it is used in the case of inter-relations between regions, as one region can be a center or core and others can be a periphery or satellites. Grusky and Kanbur (2006:135) further point out that some interrelationships among individuals and institutions can be seen as constituting dependency. They argue that dependency is part of the human condition; one of the examples they raise is the dependency among family members: children depend on their mother; aging people become dependent when getting sick for instance. In this sense, dependency is not only a term used in the economic aspect; instead, it can occur in all aspects of society as well as in the family. It refers to the function of a relationship between at least two sides, usually characterized by inequality in terms of power.

In the arena of development policy, development processes are influenced by development planning, and most plans are in turn shaped by development theories. National governments formulate development strategies, which can be defined as ‘the practical paths to development which may be pursued by international agencies, states around the world, non-government organization, and communities-based organizations, in an effort to stimulate change within particular nations and region and continents’ (Potter 2004:81). In Lao PDR, since the onset of the economic reform, the national development policy has been influenced by modernist development theories, but with elements of alternative development thinking (Rigg 2005; Bouapao 2005). After the endorsement of the Millennium Development Goals, which focus on poverty reduction, the Lao government’s development strategies have promoted people centered and participatory development as reflected in the National Growth and Poverty Eradication Strategies (NGPES).
In this study, I use the concept of development to refer to policies, strategies, and practices of development as they are formulated by different development agencies and actors. I also focus on the outcomes of development in the local contexts, with focus on what development means to people at the grass root level; both negatively and positively, and both in the economic and social domains. I also use development as generally meaning process of change and transformation.

**Development agencies as actors of change**

According to Allen & Thomas (2000) agencies can mean individuals, organizations, institutions, groups, or other sources of action. Development agencies are those whose actions aim at development. At the national level, development agencies are composed of two main parties: the state as a formal ‘official development agency’ and other official development agencies such as the UN, IMF and NGOs or other intergovernmental or multilateral organizations who promote or implement development programs (Allen and Thomas 2000:199). In the centrally planned economy, the state has a ‘supreme’ role in the development process, while within neo-liberalism, which favors privatization, the role of government in development is different (Harvey 2005). In a general sense, the state usually plays two roles: as ‘leader’ and as ‘supporter’; leader in the sense of defining and setting up development policies and national rules and regulations; supporter in the role of providing an enabling structure for development.

In modernization theory, the agencies are very much related to the trusteeship function. Allen and Thomas (2000) have pointed out how the trusteeship function often becomes problematic, in particular concerning the problem of legitimacy and whether the agencies should have the right to implement development on behalf of others.

The concept of development agency in this study refers to both individuals and organizations (both governmental and non-governmental), including traditional organizations and networks created by villagers to bring changes to their communities. The development agencies in this study have the same meaning as actors of change.

**1.4.4. The concepts of livelihood and livelihood strategies**

Rakodi and Tony (2002) conceptualize livelihoods as the multiple activities, which households adopt in order to survive and improve their well-being. They see each household’s livelihood as based on available assets and household resources. Assets are composed of five capitals, which Rakodi puts into a ‘livelihoods framework’ as follows: human capital, natural capital,
financial capital, physical capital, and social capital. With reference to Carney (1998), Rakodi elaborates on the meaning of each capital: human capital refers to the income-earning capacity of household members; their labor qualifications, levels of education and working skills. Natural capital is composed of resources such as land, water and other environmental resources; financial capital refers to savings, credit, remittances, and pensions; physical capital is the infrastructures such as transport, energy, housing, and household goods; and finally social capital refers to social networks and membership access to organizations. Individuals and households build their livelihood strategies on the basis of those assets. Access to assets of each family will never be equal, and differences in access to assets can be illustrated by drawing different shapes of a pentagon (Figure 1).

![Figure 1: Differently shaped pentagons. Source: Rakodi (2002).](image)

H: Human capital
N: Natural capital
F: Financial capital
P: Physical capital
S: Social capital

The livelihoods of households, especially those who have very limited access to any assets, are not just defined by their own capitals, but also by the economic, social and political contexts where they live. These contextual circumstances are labeled vulnerability; policies; and institutions and processes (Bebbington 2000; Ellis 1998; Helgesson 2006; Rakodi 2002). Vulnerability, as pointed out by Moser (1998), refers to insecurity in the
well-being of individuals, families, and communities occurring due to sudden changes in the social milieu or environment where they live.

*Environment changes that threaten welfare can be ecological, economic, social, and political and they can take the form of sudden shock, long-term trends, or seasonal cycles (Moser 1998:3).*

The contexts of policies, institutions and processes relate to the surrounding structure of organizations, both governmental and non-governmental (Harpham and Emma 2002; Rakodi 2002). ‘Thus a focus on poor people and their household has to be situated within a wider context’ (Rakodi and Tony 2002: xx). The influencing factors coupled with the availability (or not) of assets produce the distinctions or diversification of livelihoods between places and households (Ellis 1998; Perz 2005).

Livelihood strategies are the activities that people undertake and the choices they make in order to achieve well-being and security. Rakodi (2002) identifies how the aims of the strategies can be divided into three steps in order to secure the livelihood in the future: firstly, the aim is to cope with stress and shocks; secondly, it is to maintain capability and assets; and thirdly it is to provide sustainable livelihood opportunities for the next generation.

The livelihood framework introduced by Rakodi (2002) was in her case used to analyze the situation of urban dwellers, but I found it also applicable when analyzing livelihoods in the rural context. My point of view is that people adopt their livelihood strategies based on their different assets and resources, and that ‘the shape of the pentagon’ might vary according to each family and the ‘relational space’ where they find themselves. I am inspired by the concepts provided by Rakodi and use them to analyze how people create their livelihoods and livelihood strategies in order to survive and to cope with the period of transformation and restructuring of the economic system. The livelihood perspective has been helpful in examining how people manage to survive with the availability of resources they have [lost] due to the application of economic liberalization in Laos in general, and more precisely in two case studies of mining and tourism respectively. Helgesson (2006) and Sörensson (2008) also found the livelihoods framework provided by Rakodi useful for analyzing local changes of livelihoods, and have used it as analytical framework for their studies.

1.4.5. Recapitulation of the theoretical framework

In this study, I intend to follow two cases of globalization processes taking place in the post-1986 period when the government of Lao PDR adopted an economic liberalization policy, NEM. NEM was believed to be an appropriate strategy to lift the country from poverty and attempt the modernization of
the country. The change of the policy towards the economy brought the country into a period of transformation of the socio-economic domain, changes of livelihoods, and other social aspects including gender relations. These processes of change were brought into the focus of my study as shown in the conceptual framework below:

![Conceptual framework of the study.](image)

Since Laos applied the New Economic Mechanism in 1986, the country has been in a process of transformation within a new development paradigm; from a socialist model of central planning to a liberalized market-oriented model of decentralization. In applying this development model, it was hoped that the country could escape from poverty. The question is, however, what consequences the new open-market policy and globalization have for different people in different places. There might be two sides of the same coin: development and globalization may not only bring good fruits but also bitter tastes.

As economic transformation was promoted at the macro-level, local livelihoods of the population began to change accordingly. The livelihood framework provided by Rakodi (2002) is used to examine the livelihoods adopted by different households due to the implementation of the new economic mechanism. For instance, when the gold-copper mines were explored; the ‘shape of the pentagon’ for some households changed as their access to natural capital diminished, while their financial capital increased due to access to paid work.

The agencies or actors of development have changed according to the new development policy. In a centrally planned economy the state has a powerful role in directing economic development, while in the liberalized economy, which enhances privatization, the actors of development are more diverse; such as for instance private, governmental, non-governmental and locally
based community organizations. The roles of different actors in the local transformation are analyzed in the study.

Underlying this study is the understanding that space and place are constructed out of social relations, including gender relations, and that the spatial can be seen as social relations ‘stretched out’. The perception of societal processes as place-based, emphasized by Rigg (2005) and others has inspired this study to focus on the grassroot level when analyzing the period of transition from a centrally planned economy to a market economy taking place in Laos. The transformation or development of the economy, the changing livelihoods and gender relations have been analyzed as social relations ‘stretched out’ in a local scale context. The place-based and social constructionist perspective provided by Walby (1997), McDowell (1999) and Massey (1994) have guided the analysis of gender relations in three overlapping spheres: the economic, the household, and the community/public sphere.

1.5. Methodological considerations
This research employs mainly qualitative methods and I have in particular been inspired by two approaches: grounded theory and narrative analysis. Qualitative research methodology is a process of inquiry usually based on empirical data from interviews and fieldwork. Doing qualitative research, the researchers start with loose questions and an open mind and from the gathered data new concepts and/or new theoretical insights may be generated. Qualitative research emphasizes generating or modifying theories rather than testing theories. Creswell (1998) defines the meaning of qualitative method as follows.

*Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyses words, reports detailed views of informants, and conducts a study in a natural setting (Creswell, 1998:15).*

According to Creswell, there are eight reasons why researchers might want to use qualitative methods instead of quantitative: (1) if the research questions have to do with how or what; (2) if the topic needs to be explored and is not fully covered by existing theory; (3) if the researcher wants to give a detailed view; (4) if there is a wish to study individuals in their natural setting; (5) if researchers are interested in writing in a literary style; (6) if researchers have sufficient time to spend for fieldwork; (7) if the methods are accepted by an audience; and (8) if they want to emphasize the role of researchers as active learners. Lawler (2002), in turn, points out that.

*(...) one compelling reason for carrying out qualitative interviews is that they offer a means of exploring the way in which people interpret the world, and their place*
I decided to use qualitative methods in this study for at least three reasons. Firstly, up to now there have been very few Lao scholars who have conducted social science research in Laos. Rigg (2005) argues that Laos is ‘under-researched’, and among the least understood and studied countries in Asia (Rigg 2005:8). This point is also observed by Gerke and Evers (2006). Most research published for international audiences has been done by foreigners; and no doubt foreigners are more or less perceived as ‘outsiders’, or what Simmel (2002) calls ‘strangers’ in the host country. It is not easy to get in touch or filter down to the ‘world’ of Laos in the deep local context, in particular to conduct in-depth interviews. The first burden for the foreigner, which may be a very basic one, is the problem of language. Even if he or she can understand and speak a local language, he or she might still not be able to distinguish fully the meaning or intonation of the words. I have an example from the work of Evans (1998), who has conducted several qualitative research projects in Laos and has been widely recognized as a famous specialist in Lao studies. He is mistaken in pronouncing Lam Dang Vay, a kind of traditional folk song, instead of Lam Tang Vay (Evans 1998:38); and he has used the term Lao Gang (Evans 1998:141) instead of Lao Kang to refer to the Lao Theung ethnic group. This is a small mistake but it leads to a complete loss of meaning. Kang in Lao language means ‘in between’, which refers to the group of people who lives in the area in between Lao Loum (lowland) and Lao Soung (highland) while the word Gang does not exist in Lao language (Lao alphabet does not have the sonant g). A second difficulty or burden is that Lao people experienced a period of isolation after the adoption of the new political regime in 1975, which together with the heritage from the long period of colonization have made many people careful about expressing their own ideas. This concerns in particular women who for a long time have been expected to be polite, soft and to not open very easily to strangers, especially in ethnic minority communities. People try to tell what they think will satisfy the guest, unless they know you well and have a long-standing individual relationship with you. Therefore, it is easier for Lao scholars as ‘insiders’ in Laos to explore what happens inside the communities. The strangeness can be created more or less on the basis of remoteness or distance between the researchers and the respondents. In general, it is not easy to build closer relationships, and it would be particularly difficult for foreigners. Furthermore, a European viewpoint may not either be fully sufficient to understand the Laos or Asia context (Rigg 2007).

The second reason I have chosen to work with qualitative methods is related to the first one. Some of the socio-economic literature and data found
in Laos are compiled in the form of reports, many related to political reports and/or economic reports. They are mostly unpublished materials, which we call ‘grey literature’. Some of these reports are based on quantitative data from large-scale surveys, which sometimes have not been thoroughly conducted and might have gone through a ‘beautifying’ process, meaning that mostly good things were reported. This is called ‘flower reports’, a well-known expression in Laos. Until now, there have been very few studies that have looked qualitatively on local-scale transformations and changes. Even though some researchers recently seem to pay more attention to qualitative data – a most marked example is the recent national poverty analysis done by the State Planning Committee - the results presented are still within a broad framework, which does not reflect clearly the grass-root level. Rigg (2005) has also worked on the community level using a variety of qualitative methods, but most of his research sites are located in Vientiane province and Vientiane capital city, which are classified as the most developed region of the country.

The third and last reason for my choice of methods is the nature of my research questions; my research is a type of explorative research, and focused on particular places. William (2002) argues that survey research may not be able to reflect sensitive issues and can not provide the detailed context; the sensitive issues and the micro-details can best be known through qualitative methods.

Arguably it is to say that using qualitative methods is not only motivated by the nature of the data sought, but also by the character of the research context, who the informants are, what the research questions focus on, and finally how far or deep into the situation the researcher wants to go.

1.5.1. Grounded Theory

Grounded Theory (GT) was introduced in the US at the end of the 1960s by Strauss and Glaser (Dahlgren et al 2004). The GT approach is used to discover something new, to deal with situations and new types of problems, and to generate new theories from the empirical data of each research project, which Glaser and Strauss call that “the theory should fit the data” (Glaser and Strauss, 1967:261). In GT, concepts, categories and ultimately theories are generated from the empirical data; they are in other words relevant theoretical abstractions from what is going on in the area, which we study. Dahlgren et al (2004) describe how the GT perspective is naturalistic in the sense that it has its point of departure in the empirical data. Tollefsen (2000) with reference to Strauss and Corbin (1990) divided the process in using GT into seven steps as follows.

1. the initial step aimed at selecting the research site and gather preliminary data
2. setting up research questions  
3. identifying respondents and collecting further data  
4. literature review, or searching for related studies  
5. transcribing data, coding and categorizing  
6. classifying concepts and categories, putting them into groups  
7. validation of ideas and concepts (Tollefsen 2000:17).

I found the steps similar to a ladder, which the researcher try to climb step by step, from exploring data with an open mind to cope with new things and by collecting preliminary information and then extending and going more deeply into it; conceptualizing the findings and then generating concepts or theoretical ideas which fit each research area. I used grounded theory in this study mainly according to this ladder, but sometimes I mixed in particular the three last steps, in order to group the ideas, to identify categories and to try to find accurate concepts.

The idea of grounding theories and concepts works in my view well with the perception of gender relations as social constructions which vary through space and place: based on the different empirical data GT could be helpful in identifying and understanding different gendered practices in my two ‘under-researched’ geographical contexts in Laos.

Tollefsen (2000) in her study on US-Mexican migrations found that it was useful to combine two approaches; the GT approach to conceptualize and categorize phenomena; and a narrative analysis to provide a more profound analysis of individual experiences during the life course:

Most grounded theory analyses are event oriented and focus on specific phenomena and related concepts or categories, while the biographical perspective focuses on the persons and their experiences during an unbroken sequence of the life course (Tollefsen 2000:17).

Since GT focuses on grounding concepts in the data, and the voices of respondents are less important, I found that in some cases the narratives of respondents needed to be highlighted more specifically. Thus the combination of the two approaches became useful and I see them as complementary to each other.

1.5.2. Narrative analysis

Riessman (2005) states that a precise definition of personal narrative is a subject of debate. Narrative refers to talk organized around consequential events, where a teller in a conversation takes a listener into a ‘world’ and recapitulates what happened in order to make a point, often a moral one. Williams (1984) explains two aspects in the term narrative: the routine and the constructed. When people narrate a story they not only represent the events or what was happening in their life, but they also try to interpret and
reconstruct the rupture between self and society. For Williams, narrative reconstruction is an attempt to reconstitute and repair ruptures between the body, the self, and the world by linking-up different aspects of the personal biography in order to connect present, past and self with society.

Regarding this point Riessman (2005) also points out that ‘respondents narrativize particular experiences in their lives, often where there has been a breach between ideal and real, self and society’ (ibid:3). She explains how the interpretation of meaning involves three levels: the content, the textual and the interpersonal. The content refers to what it said; textual function refers to the structure of the text and the interpersonal refers to the relational context in which the text is produced.

Lawler (2002) defines narratives as accounts which contain transformation, some kind of action with characters which are brought together to connect past and present, self and others. The narrative may be fragmented and partial, but it can still tell us a great deal about the personal and the society where the narrators live.

(... narratives as social products produced by people within the context of specific social, historical and cultural location. They are related to the experiences that people have of their lives, but they are not transparent carriers of that experience. Rather they are interpretive devices; through which people represent themselves, both to themselves and to others (Lawler 2002:242).

Rosenwald and Ochberg (1992) argue that using narratives is useful for what they reveal about social life through an individual’s story. It is also possible to examine gender inequalities, racial oppression, and other practices of power that may be taken for granted by individual speakers.

Based on the different nature of the two qualitative approaches, I found them complementary to each other. The GT approach attempts to conceptualize and determine categories or concepts, while narrative analysis attempts to explore more profoundly what is going on in a situation or society by analyzing individual narratives. The other reasons I have chosen narrative analysis is because of the characteristic of my data: I found that many respondents used metaphors or aphorisms to describe what happened in the society when they told their story. GT may not be able to reflect the deeper meaning of that because of its focus on categories, concepts and phenomena and not people’s voice, while narrative analysis pays more detailed attention to how and what the respondents say, as Riessman (2005) states.

(N)arratives must be preserved, not fractured, by investigators, who must respect respondents’ way of constructing meaning and analyze how it is accomplished (Riessman 2005:5).

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This means that feelings and experiences narrated by the respondents are important and should not be ‘spoiled’ by the researchers; their story should be preserved and presented.

1.5.3. Data collection and data management

Field access
I conducted my research in two places, with different characteristics; Vilabury is remotely located and classified as a rural area while Vang Vieng is a small urban area, or rather ‘the urban in a rural context’ in which people are more exposed to the market economy. Therefore, I faced different constraints in terms of access to the field in the two cases.

I did my main fieldwork in 2006, but started with field visits from the year 2005 to introduce my research project to provincial, district authorities and to the communities. The other purpose was to gather basic information to support my research frame. My first visit to Vilabury took place in January 2005. Vilabury is located around 750 km from Vientiane capital city, and the last part of the trip was at that time a small ‘red road’, going 43 km from Road No. 9 (the main road linking Thailand, Laos and Vietnam) to the research site. In 2005, there was no public or private transportation service and people travelled between villages mostly by Toc Toc5. Apart from the mining area, there was no electricity in the communities where I planned to conduct the research. In contrast, travel to Vang Vieng was easy; both public and private transportation were available and easily accessible, guesthouses, hotels and restaurants were spread out along the roads.

In Laos, as in many countries, there are ethical rules set up by the government about permission to work or conduct research in any area of the country. Researchers or students, even government officers, who want to conduct research and interview local people, need to have an official letter from their organization to present to the local governor in order to get permission to work or conduct research in the area. If the researchers are foreigners, or if the students are accompanied by foreign advisors, the rules are more complicated and strict because of concern for intellectual property rights. In my case, even if I am a lecturer at the university, which is classified as government officer, the process of getting a research permit was still complicated since I have foreign advisors.

My visits to the research sites started with meetings with the district officers in the two places. As pointed out before, Vang Vieng is my native

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5 The Toc Toc is a small tractor usually used for plowing rice fields. In Lao rural areas it is used for multiple purposes: for example to transport firewood from forests, transport people between villages, or used as generator to produce electricity during the night.
town, while in Vilabury I have participated in socio-economic surveys to provide information for Lane Xang Minerals Company; these experiences were starting points for me to select these areas as case studies.

I got important support from the districts to conduct my research. The procedure went through many steps; firstly, I introduced my research project to the head of the cabinet office of the district, and since my study focuses on two main themes - the change of economy and gender relations - I needed to present my research proposal to the Women Union Office. After clarification of my research project and fieldwork plans, the district governors proposed me to have local assistants, who would accompany me every time I met respondents or heads of the villages, which is the rule I needed to follow. Two staffs from Women Union in Vilabury, Ms. Khamma, and Mrs. Banchong, and Mr. Kittisack from Justice’s office at Vang Vieng district were nominated as my assistants. Their role was to help me to contact the heads of the villages and the interviewees. I was also accompanied by research assistants from the Faculty of Social Sciences, National University of Laos, who helped me to do the interviews and take notes, which we discussed after each interview. This ‘triangulation team’ of researchers and assistants helped me in terms of interpretation of the data, as we continuously discussed important points from the interviews, which I found was very important and useful for the interpretation and analyzing. The important issue was to prioritize and give value to local knowledge, and our point of concern was how local knowledge could be explored and presented by local people themselves.

After clarifying my research project, the second step was to meet with the heads of the villages. In Vilabury I decided to meet the heads of six villages located around the gold-copper mine which had been directly affected by the operation of the mines. Among these six, two are villages of ethnic minorities (Lao Theung), and four belong to the ethnic majority (Lao Loum). In Vang Vieng, I met five heads of villages located in the center of the town, which is the main destination of tourists. In these meetings, I explained about my research project and interviewed the heads of villages.

On April 2005, I visited the research sites again with my advisor. Firstly, we decided to go to Vilabury to visit all the villages to be selected as research sites. Before leaving, we conducted short interviews with some key informants: the executive director of the mining company (both Lao and Australian units) at Lane Xang Minerals Company’s head quarter in Vientiane capital. At Vilabury, we stayed at the company’s ‘Camp’ where we interviewed the head of Community Relations (CR) team. From the previous interviews with the heads of the villages, I had found that Lane Xang Minerals Company played a role in the communities by implementing a number of different development projects. While we stayed in Vilabury, we visited villages directly affected by the operation of the mines and
interviewed the heads of the villages again. Similarly, during our visit to Vang Vieng, we visited the villages and interviewed key informants, for instance the heads of the guesthouse association and Lao Women Union.

Selecting respondents and collecting data

Mishler (1986) points out that during interviews there is a joint construction of meaning between interviewers and respondents, and throughout the interview, the specifications of questions are formulated according to the context. The interviewers follow the themes emerging during the exchange of questions and answers between the two sides, which then is important for the analysis.

Variations among interviewers and across interviews are not viewed as an "error" but as significant data for analysis (Mishler 1986:52).

For this reason, I use the term ‘thematized interview guide’ instead of semi-structured interview guide, which I think is not clear enough. Thematized interview guide here means that I conducted the interviews based on the themes I wanted to explore, while at the same time any theme raised by the respondents was considered important. I picked up and followed such emerging themes, which I found useful and fit for the study of unexplored cases and new situations. The thematized interview guide helped me to be open-minded and not to stick only to what I had set up in advance. Two thematized interview guides were made, one for interviews with respondents and the other for key informants.

In qualitative research, sampling is based on purpose; what is called purposive method (Dahlgren et al 2004). I selected respondents with the purpose of covering different experiences and points of view, for instance among people with different ethnic backgrounds, ages and occupations. In qualitative research, fixing the number of respondents is not the most important point; it depends on whether there is saturation in the obtained information, and also on the available time. I decided to limit my in-depth interviews to around 15 respondents from each site and some key informants, largely because of the time limit. I selected mainly female respondents, to prioritize them to express their experiences and perceptions, which has not often been the case in studies in rural Laos. Informal interviews were also made, such as short interviews or conversations about specific issues, for instance in the market place, or during community work. After I had defined my criteria for respondents, I went to the heads of villages where we went through the village book of each village to identify possible respondents. All respondents are anonymous in the presentations and their names have been changed in all citations.
I used mainly two approaches for data collection: in-dept interviews and participant observation, which in combination are the most common in qualitative methods (Dahlgren et al 2004). I interviewed 15 women from each site in addition to the key informants: the district governors, the heads of villages and heads of the women unions, directors of associations, staff of the mining and other companies. The information from key informants was used as general information, but also as materials for interpretation of changes and their implications. The interviews were recorded with tape recorder and field notes were taken by my assistants and myself. Sometimes the respondents narrated with gestures and body language, which the tape recorder could not record, therefore when I transcribed I also looked at the field notes, which had noted for instance, when respondents answered with strong emotions or had given other expressions. Narrative analysis focuses on what is said but also on how it was said, which is important for the interpretation.

Participant observation was found to be very useful in this study. Dahlgren et al (2004:72-73) point out that from participant observation, the researcher may develop an insider’s view of what is happening through a mix of personal experiences. Participant observation is the most suitable tool for evaluating unknown events or hidden subcultures, where interview guides would be difficult to develop due to the lack of insights into the phenomena. According to Dahlgren et al, observation can be used for four purposes; firstly it can be used as the starting point for a research project in a new context, secondly it can be used as an evaluation tool to verify the accuracy of data, thirdly in can be a way to understand tacit knowledge or subjects which are difficult to ask about in an interview, and fourthly it can be a way to capture detailed phenomena which can help the process of analysis. However, Dahlgren et al stress that the selection of observation sites must be done with care; it must be possible to observe the phenomena within a defined geographical area. The phenomena of interest must be one that the researcher has access to as observer, and activities taking place in public space are the easiest to observe. Based on that, I decided to specify the units of observation, which were open to the public, for instance the market, festivals, ceremonies, centers of economic activities, and The Camp, which I describe in chapter III. One important issue I focused on was the role of the actors and the relations between them in the economic life in the area, particularly the case of Vilabury, which I found some contradictory points of views of informants and respondents. It is to say that the observation approach was used partly to evaluate and check how the information from the interviews corresponded to the practices observed.

This research has used primary data as main sources, but also secondary data from different literatures and reports, including unpublished documents (so called grey literature), and several sources of quantitative
Conducting the interviews

My main fieldwork was conducted in 2006, when I stayed for around one month and half in each site. Despite having in mind the aim of my study, I did not set up any fixed hypothesis but started the interviews with loose questions, which is important when doing qualitative research (Helgesson 2006). For instance, I asked what the respondents had seen in terms of changes in the communities and in the society, and what did they have to say about women’s lives in the area. I also asked them to talk about their own lives, what they had experienced and what had happened in the area since they had lived there. Each interview took about one hour.

Even if I had my assistant to help me to get in touch and make appointments with the respondents, it was sometimes difficult to conduct the interviews when decided because women often had gone to work in the rice field or to search for food in the forest. Sometimes we went to meet them in the field, for example when I went to interview Mrs Vongthong when she had gone to her rice field, located around 30 minutes walk from the village. Due to the limited leisure time of the respondents, we often needed to meet the respondents at their work places, both in Vilabury and in Vang Vieng.

As mentioned before, there are different levels of difficulties an outsider can face when conducting in-dept interviews in host countries (see also Friendenberg 1998). I myself can be seen as an ’outsider within’, (Dahlström 2002, Griffith 1998) when conducting my research, meaning that I am not an ’insider’ in the local communities (even though I am Lao) because of my academic position and Lao Loum ethnic background, but I have some knowledge that a total outsider would not be able to have. In the case of Vilabury, one important difficulty I confronted during the first interviews was that the respondents did not want to answer my questions. It seemed they were first bored with giving answers, because they thought that even if they talked or complained, nothing would change. Another reason was that they initially thought that I worked for Lane Xang Minerals Company. I found that they kept some distance, were very careful about interacting with me, and very careful about answering any questions. In fact, many of them knew me already since I had done a socio-economic impact assessment survey for a consultancy firm in the area to provide information to Lane Xang Minerals Company, the operator of the gold and copper mines. That experience gave me both advantages and disadvantages when trying to get in touch with local people. The strength was that I was familiar with the locations and that many people knew me already. The constraint was that some families who were not satisfied with the operation of the mines thought that I worked for the company and refused to answer my questions. So the
problem was how to change myself from ‘a company employee’ to be a researcher and build trust in the relations with the villagers. I tried to explain that I did not work for the company and was there as a student to conduct research. One respondent who did not want to answer when I asked her how her family had been affected by the operation of the mines said that she did not want to talk, because even if she talked or complained no one considered what she said. I tried to encourage her to trust me and told her I would consider the information she gave me during the interview, but it took a long time to gain her confidence. After that experience, I decided to change my approach and postponed the interviews for two weeks. During these weeks, I stayed in the communities to participate in the daily life activities of the women in the villages. After nearly three weeks in the communities, I found that they treated me as a friend or as a close relative and then I started to do the interviews.

Conducting fieldwork in Vang Vieng was easier than in Vilabury. It is my native town, I speak fluently the local dialect, people did not consider me as outsider and women were more open and had more confidence to talk to me. However, women were very much attached to their work as traders in the market and therefore I conducted many of my interviews at their work places. To conduct interviews in a natural setting is one advantage of the qualitative method (Creswell 1998, Dahlgren et al. 2004, Riessman 2005); even though in the case of Vang Vieng it meant that my interviews were often interrupted by my respondent’s customers.

Another issue I needed to pay attention to during the interview was how to gather in-depth information from each respondent, as there were always interferences by other people in the family or in the community. Even if livelihoods and the style of living have changed over time, the interaction between people in the community is strongly framed by the commune system. The commune system here means that the villagers share most activities and have close relationships in daily life, both in terms of economic activities and entertainments. Many times during in-depth interviews, family members or friends of the respondents came to join the interview, and sometimes I therefore let them answer together and the information I got was from a combination of individual in-depth interviews and focus group discussions. Another issue was the interference by the respondents’ husbands when I interviewed their wives, in particular in Lao Theung villages. The husbands often added some information and answered for their wives and in these cases I needed to be observant of the respondents’ reactions. This is another reason why I decided to also do participant observation for my data collection.
**Transcribing and analyzing**

I transcribed the recorded interviews directly into English, instead of transcribing them first in the original language (Lao language) and then translating to English. The reason was mainly to save time. I follow Riessman’s (2005) view that transcribing is part of the process of interpreting, and therefore transcribing can be classified as a primary step in the analysis. She provides an important comparison that transcribing is like photographing reality; when we transcribe we are like photographers who guide the viewer’s eyes with lenses and by copying images. When I transcribed I needed to pay attention to the use of metaphors and proverbs, of which some are commonly used in Lao society but some are more localized and less known. I found that women used metaphors to explain their feelings or to describe events in their daily life.

A challenge I confronted during the transcription was the local languages, in particular in Vilabury where there are two main ethnic groups: Phu Thai (subgroup of Lao Loum) and Makong (a subgroup of Lao Theung). The language of Phu Thai was difficult for me to understand because of the different intonation and uses of local expressions. Sometimes I needed to ask students at the university who are from that area to help me to interpret the meanings. The most difficult were the interviews with Lao Theung women. Firstly, they spoke very quietly and secondly their intonations are quite different from Lao Loum. After transcribing and coding the interviews, I put up a frame of preliminary findings of each site. I identified categories and core categories and compared with my preliminary findings from the interviews and transcribing procedures. Coding in my view is in line with the Grounded Theory tradition, where it can be classified as a process of abduction – going back and forth between what is discovered in the empirical material and existing theories. A concept can be grounded through coding, and then related to the researcher’s pre-understandings and existing theories.

After I had conceptualized and framed the preliminary findings of my research, I presented them in seminars and conferences. Firstly, I gave seminars on my findings to my colleagues and professors at the departments in Laos and in Sweden. I also presented it in an international conference on Lao studies held in USA. From that, I got feedback and comments before engaging in the final process of analyzing. I am convinced that this step was important for strengthening the credibility and reliability of my study.

**1.6. Disposition of the thesis**

The thesis consists of five chapters. The first chapter introduces the background with the aim and research questions of the study; its theoretical framework followed by methodological considerations. The second chapter deals with the process of development in Laos, focusing on the recent period.
when the country embraced the new economic reforms. The historical perspective is considered in order to look back and follow the continuity of the process and to look at how changes have been related to changing policies during different periods. This chapter is composed of three sections. The first describes the localization of the study. The second focuses on the process of change during two periods; from 1975 to 1986, and from 1986 to present. The third section looks at gender ideology and gender practices in Lao PDR.

The third chapter is an empirical chapter with a case study of the operation of the Sepone gold and copper mine in Vilabury district, Savannakhet province. The chapter starts with a contextualization of the research site. This chapter discusses the transformations taken place in the communities around the gold-copper mine. The other main focus is on changes in livelihoods and gender relations due to the operation of the mines. The last section looks at the actors and agencies involved in the development process in the communities. Chapter four is also an empirical chapter with the second case study in Vang Vieng, where tourism has expanded dramatically. The relations between tourism and development are discussed, with the main focus on changes in livelihoods and gender relations. In the final fifth chapter, the conclusions of the thesis are presented.
II. Exposition to the scene

2.1. Introduction
I will start this chapter by a short presentation of Lao PDR to contextualize it, which I consider important for understanding the discourse of development policy as well as its implementation. Even if, as pointed out in the first chapter, the main focus of this study is on the grass-root level and on how socio-economic transformation and development policies in Lao PDR have filtered down and been implemented in everyday lives of ordinary people, the development policy and strategies at the national level provide an important context to understand how the ‘ideology and the dream’ have been transferred to concrete situations. After leading the reader through information about the country and its population, the chapter moves to concentrate on the development process since the establishment of Lao PDR in 1975. The process is divided into two main periods; the first from the second half of the 1970s to the mid-1980s when Laos’s government applied the first economic policy aimed at centralizing the economy and enhancing state monopoly. It is unusual to label such a short period a historical periodization, when compared to the long history of the country, but I have paid attention to it due to its importance and in order to see how the development discourse and the economic development policy were set up, introduced and implemented in the country. This is necessary to understand the continuity of the development discourse and practice since the launching of the new regime from 1975 to the present time. The purpose is also to understand clearly why the centrally planned economy was abandoned after only around 10 years and why the NEM was adopted. In processes of change, there are tight relationships between the past and the present, and as pointed out by Ivarsson (2008) in all societies, discourses about the past shape the understanding of the present (Ivarsson 2008:11).

The last part of this chapter focuses on gender issues at national level. Gender ideology and gender practice are broadly discussed as well as the policy towards women’s empowerment and women’s organizations as ‘machinery’ working directly with gender issues.

2.2. The space of Laos and its population

2.2.1. The space of Laos
Hidden in the heartland of mainland Southeast Asia, the country is sorted in the list of the least developed countries in the world and undoubtedly not so known by outsiders (Rigg 1998, 2005). The exception may be geographers or people interested in the so called ‘Indochina war’, or ‘Vietnam war’ or even ‘Vietnam Era’ (Fifield 1997) which occupied about one third of the last
century. The war threw Laos under heavy bombardement by American troops (Sisavath 2006; Jerndal & Rigg 1998; Robinson 1991) in particular in the north and in the south around the Ho Chi Min trail (Consortium Lao 1997; Ivarsson 1995). There is a strong legacy of the war in the present century, which has resulted in strengthened political relationships between Laos, Vietnam and Cambodia, the Indochina countries (Fifield 1997), and which still effects local livelihoods in many areas as well.

Through the long history of being colonized by Siam and France, both the size and the shape of Laos have changed over time. Laos is nowadays cited as a small landlocked country in South East Asia with the total superficies of 236,800 square kilometers stretching around 1700 from the north to the south and between 100 km and 400 km from east to west. The geography of Laos is defined by three important characteristics. Firstly, large part of the country is covered by mountains, in particular the northern and eastern parts. With mountainous areas occupying around 80% of the surface, Laos is confronted with the problem of transportation and communication and the problem of inaccessibility to markets and services for the population who lives scattered in remote and mountainous areas. These limitations are mirrored in an uneven development with disparities between urban and rural area, as well as between different ethnic groups.

Secondly, Laos is a landlocked country surrounded by major economic growth countries as Thailand, China and Vietnam. Being in the center of five countries, Laos could potentially transform from being landlocked to being land-linked, which would position Laos as an economic corridor in the region. Given this characteristic, Laos could also play a role as a focal point and as a bridge between the countries for economic cooperation in the region (Parthynaike 2007; Fujimura 2008), particularly for the development of tourism (Benedicto et al 2008). On the other hand, it cannot be denied that being landlocked means problems of high-cost transportation to external markets (UNDP 1991) as well as a state of dependency particularly in the transportation sector. To access maritime transportation Laos is dependent on Thailand and Vietnam. These two characteristics are often cited as important factors for politic and economic development in Laos, but as disadvantages rather than advantages. Recently however, Laos has tentatively been seen as a country linking together the Greater Mekong Sub-region (GMS). Thirdly, Laos is known as a country rich with natural resources, in particular in terms of the great potential of hydropower and natural minerals.

With a predominantly agrarian economy but rich in natural resources and surrounded by rapidly industrializing neighbors, Laos is a space of conflict and a kind of buffer state between different powers in the region (ADB 2004; Jerndal 1997). This point is also observed by Ivarsson (2008) who describes that “the position at the intersection of the two conflicting spatial layouts of
Thailand and Indochina made Laos national form a particular contested process” (Ivarsson 2008:1). Lindberg (2007) also points out how Laos is located in a key position on the map of Indochina. These geographical characteristics become important factors for the government of Laos to consider when defining policies and strategies for political and economic development. The shape of a sandwich, made of two different political regimes between which Laos is located, has not provided much space for Laos to handle independently its development policy. As Martin Stuart-Fox (1991) argues, the evolution of Lao foreign policy in the late 1980s was in a direction towards an increasingly even-handed ‘non-aligned position with respect to various polarities of power’; largely due to the climate of international relations in Southeast Asia (Stuart-Fox, 1991:187). The conflicts between different powers in the region have forced the Lao government to act tactically and balance these powers in different periods and under different circumstances. Regarding this point, Ivarsson observes that Laos tends to ‘go with the flow’, and to go along with what foreign advisors ‘want’ (Ivarsson et al 1995:11). This type of policy provides an image of dependency, as viewed by many researchers and outsiders, for instance Stuart-Fox (1997), Evans (1998), Zasloff (1991) and Ivarsson (1995), and it has also been questioned internally but mostly unofficially. Ultimately, it is to say that the space of Laos confines the government of Lao PDR to determine the direction of the policy according to the polarities of powers, which also may put Laos in the position of an ‘arbitrator’.

2.2.2. The population of Laos

In terms of population, Laos is known as a country with a plurality and diversity of ethnic groups (Ireson and Ireson 1991; Chazée 1999; Pholsena 2002, 2004; Trankell 1993). It has proved to be difficult to classify and quantify the number of ethnic groups who live in this small country. The classification of ethnic groups in Laos has not been definitely defined, in particular not in terms of on which criteria it should be based (Basten 1991). This issue is still a point of discussion among researchers and within the ethnic committee of the Lao government. The problem of population categorization is not the focus of my study but I will pay a little attention to this issue since the ethnic composition has an important relationship with the development policy of the country. Chazée (1999) in a study on rural and ethnic diversities in Laos notes that the classification of the population in Laos has been based on two lines: the first is ethno-linguistic and the second is ethno-geomorphologic. Chazée explains how the geomorphologic classification divides the population into three main groups according to the landscape where they live. The first group is Lao Loum, which refers to the group of population who lives in the lowland area. The second group is Lao Theung, which relates to the group of habitants who lives in the slope of the
mountain (middle level). Lao Soung, the third group of population, resides in the highland area or the mountainous area. However, these groups are hard to distinguish due to different displacement, migrations and resettlements.

The classification according to ethno-linguistics categorizes the population of Lao PDR into the following groups: the Tai–Lao language group which is the majority of the population; and the smaller Mon-Khmer, Sino-Tibetan or/and Tibeto–Burmese language groups (Trankell 1993:12). Chazée (1999) classifies the Taï linguistic group which represents more than 60% of the population, the Austro-Asiatic speakers and the Mio-Yao and Tibeto-Burman group. Pholsena (2002) traces the classification of the Lao population back to the period of French colonization until the present time and provides a comparison of the ethnic groups listed in the censuses of each period. Her argument reveals how different periods have different categorizations and how the classifications vary according to political and economic policies. The classifications were also related to the protection of power of the governments in different periods. For instance, during the French period the classification was made with the purpose of facilitating taxation administration. During the period of Lao Royal government, the government began to use the terms Lao Loum, Lao Theung, and Lao Soung with the purpose of emphasizing the unity of the country (Pholsena 2002:180). In the period of Lao PDR, Pholsena analyzes the two first censuses (1985 and 1995) and argues that the patterns of these censuses suggest the integration of two ideologies: the Marxist–Leninist ideology and the nationalist ideology of equality between ethnic groups. In the most recent census of 2005, 49 ethnic groups were listed according to the ethno-linguistic classification, which is recognized to be more scientific. However, the three categories of Lao Loum, Lao Theung and Lao Soung are still widely cited (Chazée 1999), maybe because of simplicity and because it is still officially used in government reports.

Any type of classification is linked to geographical characteristics and the ethnic composition in Laos is an important factor when defining development policies; especially policies formulated to solve problems of uneven development, inequality between ethnic groups, and unequal access to the market and services of the inhabitants in the country. In the mountainous and sparsely populated areas, there are difficulties for the population to reach basic services and infrastructures; by the same token the government faces the problem of implementing its policies, laws and regulations and in promoting all ethnic groups to participate in market-based production. The variations in languages result in difficulties in communicating and transferring national policies to the local level. For instance, in a Participatory Poverty Assessment conducted in 2000 it was found that minority women who did not speak Lao language had limited access to health care and to public activities such as trading or other
activities outside the villages (ADB 2004). Being a country composed of multiple ethnic groups, it is a challenge to promote equality between ethnic groups, and many ethnic minorities live under the national poverty line. The government of Laos is challenged to form a development policy, which can bring the country out of the category of 'least developed countries' within a short period.

2.3. The process of national economic transformation in Laos

After the long civil war between the Pathet Lao side (the revolutionary group) and the Vientiane side (the rightist group), which began in the mid-1950s, the war ended in 1975 with the declaration of Lao PDR, marking the beginning of a new political-economic regime. Freshly graduated from the war, the political-economic development discourse of Lao PDR was tightly attached to strategies of solidarity and unification of the country; and to strategies to remedy the legacy of the war. Embedded in a situation of perplexity both economically and politically accumulated through the long period of war, the government of Laos declared its policy to lead the country into the routine of a socialist model, without passing the capitalist stage and by implementing economic centralization or a centrally planned economy as its main strategy.

2.3.1. The economic and political environment of the new regime of 1975

After proclaiming the aim of guiding the country into the socialist kinship, Laos became suddenly an active space of conflict and resistance, both from internal and external powers (Stuart-Fox 1997). Externally, Laos faced Thailand on the other side of the Mekong River, where a huge group of Lao people, who detested the new regime, had sought refuge (Brown & Joseph 1978; Robinson 1991). This situation immediately made Thailand a main refugee asylum country, which was seen by the Lao government as the location for preparing insurgency against the new regime (Brown and Joseph 1976; 1997). The conflict arising from the suspicion that the refugees from Laos in exile were supported by Thai and US governments lead to intermittently broken relationships between Laos and Thailand. And many checkpoints to Thailand were closed during certain periods.

Internally, even if the creation Lao PDR indicated victory for the socialist party over the opposition side and the revolutionary group took power after the declaration of Lao PDR, the situation in the whole country still faced many problems of conflicts and resistance (Brown and Joseph 1976; 1977; Evans 1998:16; BTI 2008) which needed urgently to be coped with.

In the economic field, the new regime was also threatened by other pressures. The withdrawal of the support from western countries (Stuart-
Fox, 1997: Ivarsson 1995) coincided with the sporadical closure of the border with Thailand, which provoked a hard life for the urban dwellers, particularly in Vientiane capital city, who used to rely both on external aid and goods imported from Thailand during the Lao Royal government. Even if the new state was supported by socialist countries, mainly from Soviet Union; yet it could not fulfill the gap from the withdrawal of western assistance (Stuart-Fox 1997; Fforde 1995). The problem of food insufficiency began to embrace the country. The traders and the shop owners, in the puzzling situation, tried to take advantages by hiding and increasing the price of the basic goods. It exacerbated the difficulties, which pressed Lao government to launch the economic centralization.

The fundamental problem was the coexistence of two different systems of economy in the same country: the liberated economy and the state monopoly economy. In the big city (the former area of the Vientiane side) the industries and the factories were run by private companies; private retails shops played a main role in supplying food and other basic needs for the daily life of urban dwellers. While in the former liberated zone (the former Pathet Laos’s zone), the industries and other means of production belonged to the state.

The severe problems both politically and economically created a pressure on the Laos government to focus on the unity of the economy. First, the government began to transform the economy by launching the centralized economic system. Based on the policy and strategy of jumping to a socialist stage without passing a capitalist stage, labeled as ‘the transition period to socialism’, the direction of development was formulated and introduced during the party congress in 1975 (Pomvihane 1986). Preliminarily, the government attempted to control prices and the black market by fixing the price of food staples such as rice and other basic commodities and reformed the kip currency (Stuart-fox 1997). The government moved on to nationalize the commerce and the industries. Most private companies were taken over by the state; transportation and retailing were either nationalized or tightly controlled. The importation of most products became the monopoly of state trading company. Basic products and subsidized foods items were sold in state shops (Stuart-Fox 1997:174). All of this was to ensure the centralization of the economy and to solve the problem of food shortage puzzled by the private retails. The state could control all of the means, all of the products and the distribution of the products throughout the country (Phomvihane 1987).

The adjustment or transformation of small-scale production in agriculture also became in focus. With the majority of population having had an agriculture-based livelihood, and had rice production as the main source of income and food staple, the change of the relations of production in agriculture was viewed as the most important indicator of an economic transformation to a socialist system. Agriculture and forestry were identified
to be the basis of economic development (Brown & Joseph 1976; Phomvihane 1987). The economic development plan conceived the process to transform small private agricultural production to a collectivization system. Two types of collectivization, state farms and farmers’ cooperatives, were promoted.

In the early period of the new regime, the policy and strategy of transformation into agricultural cooperatives were introduced across the country, and channeled mainly through lectures given by the government officers at different levels, from the central to an individual population. This approach was called Hianekanmeuang or learning politics. Learning politics was only one approach commonly used to transmit the government policy to the grass-root level.

The system of collectivization, the so called Sahakone, was tentatively implemented throughout the country and in different economic sectors; obviously in the primary sector but also in financial institutions. Statistically, within 10 years nearly 4000 Sahakone Kaset (agricultural cooperatives) were created in the country, in particular in the former liberated zone (Bourdet 1993).

Along with the collectivization of production, the economic self-sufficiency was also promoted. It was called Sethakit Koumonton Eng Pheung Ton Eng, which means economic independence and self-sufficiency to cope with problems of food shortage and threats from the outside. The efforts to reach self-sufficiency in food were seen in the campaign to stimulate the growth of home gardens in cities and towns. In Vientiane, a small-scale form of production was applied throughout the society; vegetable gardens were widely planted in available plots of land. Each governmental agency undertook a garden program in the area surrounding its building, as well as in the nearby countryside (Brown and Joseph 1976). This type of production could basically contribute to save the country from food shortage.

2.3.2. A body with fragile legs

Even if the economic centralization had some success, particularly in terms of maintaining the country’s security after the war, Laos faced many problems which occurred throughout the period: the problems of natural crisis (Stuart–Fox 1997); the threats of internal and external resistances (Stuart-Fox 1997; Phomvihane 1987); and the lack of capacity in terms of trained and efficient staff (Phomvihane 1987; Zasloff 1991). The knottiness of these three factors meant that the intention to establish a planned economy based on collective ownership and food self-sufficiency met severe difficulties (Bourdet 1991).

During the first half of the decade, the agricultural production was heavily affected by flood and drought, which resulted in very low harvests (Brown and Joseph 1978). The government needed to postpone and adopt flexibility
The rush to engage in economic transformation (centralization) and the establishment of cooperatives pushed Lao society into confusion, as it faced too many fronts at once (Stuart–Fox 1997). This, in turn, lead to lack of qualified staff. The government officers/administrators on different levels did not have sufficient qualifications in terms of educational backgrounds to plan for and transmit the policies and strategies broadly set up by the central government to the grass root level. The competition to convince Lao peasants to absorb the purpose of the changes had limited success. The policy was only partially filtered down to the grass root level. The peasants who were the main targets and directly touched by the transformations could not follow the direction of the change promoted by the government. For instance, when the government applied an agricultural tax in 1976, it raised discontent among the peasants, many of whom had never before paid tax on their production (Brown and Joseph 1977: 167).

As described by former Prime Minister Phomvihan (1986), the provincial authorities, and even some of the high-ranked government officers, could not fully capture what the government vision was in terms of its policies and strategies towards the economic transformation. Therefore, the constructed collectivization program can be likened with a person with a big body but with fragile legs, who easily can fall down from even a light blow of wind.

The final abandonment of the centrally planned economy could be explained by the three factors explained above, but there was also another factor, which was a major reason behind the change in direction. That factor was the political and economic changes of the former Soviet Union and other socialist countries in Europe, who had been the main supporters of Laos in changing its socio-economic system during the first decade of Lao PDR. It may be reasonable to say that the turning towards a new era of development was probable largely an effect of the perestroika applied in Russia.

Although the adoption of the mixed centrally planned and subsistence economy has been viewed as a failure by many researchers and outsiders, it should not be denied that one of the most important achievements during this period was the ceasing of war and the coalition of nationhood (Pholsena 2002). The territorial restructuring (Chazee 1999), and the creation of the unity of a nation state took place in an area where no unified government had existed since the break-down of the Laos Lane Xang Kingdom in the 18th century.

2.4. Laos in the flow of transition to a market-oriented economy
The end of the cold war between the two powers of different political regimes - socialism and capitalism - meant that many socialist countries changed their socio-economic development policy. Laos was no exception to this, and
the country began to enter the ‘waves of globalization’ by opening the door to a transition period ‘from command to market’ (Rigg 2005; Warr & William 2003; Jerndal 1997; Bourdet 1991, 1993; Gun 1991; Andersson et al 2007).

It was during the 4th Party Congress held in 1986 that the government decided to adopt the New Economic Mechanism (NEM). During this congress, the idea of transforming the socio–economic policy was the main focus of the discussion among the high-rank party members (Rigg 2005; Phomvihane 1986, 1988). It was the first time that the centrally planned economy was clearly pointed out by the Secretary General of the party as out-of-date and as old thinking, not relevant for the rapid development of technology in the world. This model needed to be dropped and replaced by a new system of economy and a new system of management.

The economic transformation policy was more deeply analyzed during the 5th meeting of the party members held on December 1987, one year after the 4th Party Congress. During this meeting, three important points were raised by the Prime Minister about the need to change the economic system: (1) the change of the economic policy in the socialist countries in Eastern Europe, and in particular the Soviet Union; (2) the development of technology in the world which had led to increased local-global connections, globalizations and borderless flows of capital, which made it impossible to maintain a closed country; (3) and the internal critique of the economic policy during the first decade of the Lao PDR.

This is the new thinking, that the most distinctive of the policy in the past was that is pushed the farmers to engage in collectivization of production. The farmers were pressed to sell their products at low prices to the state, and pressed them to buy goods at high price from the state. We eliminated private businesses, including retail shops and other private services, which led to poverty; truly, we pushed the population into poverty (Phomvihane 1988:86).

The discussion and the report given to the Congress and to the meeting mentioned above indicated that Laos clearly was looking for a new direction of economic development to accommodate the country into the flow of change and into the new circumstances. This was the origin of the adoption of the NEM in Laos.

2.4.1. Profound change in the arena of the economy
It was under the name of Chintanakanmai or ‘new thinking’ that the economic reform policy was formulated. Generally, the core of the NEM was to decentralize economic decision-making; to provide more accountability for public and private enterprises; to reform the fiscal and financial sectors; to deregulate prices, to remove trade barriers and to implement new investment regulations. The overall intention was to rely more on market forces (Gun 1991; Ivarsson 1995) and to attract new foreign direct
investments (FDI), which the Lao government viewed as an important key to economic development.

Regarding the reform, Ivarsson observes that it was justified principally based on Lenin’s New Economic Policy and implemented in accordance with recommendations from IMF and the World Bank (Ivarsson 1995:34). Rigg (2005) also notices that NEM obviously follows the mainstream, orthodox recipe for success as purveyed by the institutions of the Washington consensus (Rigg 2005:22). NEM made a profound and wide-ranging change in Laos and it obligated the government to consider the economic structure and issues of legitimacy, the constitution, the laws, and regulations (Bourdet 1996:8). Since 1975, the country had no constitution as the basis for a legal framework. The economic reform urgently demanded a legal system to attract foreign investment (Ivarsson 1995). During the 1990s, massive legislative efforts took place in Laos aimed at creating a legal environment to attract internal and external private investors. Within a couple of decades, a growing body of legal statuses was established. The most salient was the configuration of the Constitution in August 1991. The New Constitution formalizes the establishment of a market-oriented economy, guarantees property rights to the population and provides protection for foreign and domestic investments. The numbers of Laws, Decrees and Regulations related to the economic sectors proliferated during the 1990s, for instance the Foreign Investment Law, the Enterprise Law, the Accounting Law, the Banking Law, the Bankrupting Law, the Taxation Law, the National Budget Law, the Customs Law, and the Land Law (Laos 2007).

The continuation of the implementation of NEM produced a more and more complex economic structure. Trade barriers were lifted, internal trade within and between provinces was deregulated and the exchange rate system was unified (BTI 2008). Prices were left to be determined by the market. A single exchange rate was established, foreign investors were offered favorable conditions and privatization of state-owned enterprises was initiated (Ivarsson 1995:34). Socialist cooperative farming was abandoned, the government’s monopoly on trade was gradually removed, the number of state-enterprises was reduced and the operation of private firms has increased. The reforms faced difficulties during the Asian regional crisis in 1997, when Laos plunged into serious macroeconomic problems, but macro-level stabilization was reached in 2000 and structural reforms revived in 2001 and have continued since (World Bank 2007). The integration of Laos into ASEAN in 1997 and the Greater Mekong Sub-region (GMS) were also important factors in pushing Laos to deepen reforms in order to meet the standards and requirements of international co-operation and support (BTI 2008).

Many researchers and organizations have observed that Laos has experienced a remarkable switch from central planning to economic
liberalization (Ivarsson 1995; ADB 2007, 2008; World Bank 2008; Lao PDR 2006; Andersson et al 2007). Not only the legal framework has been reformulated, but GDP growth has also increased, in particular after 2005. Crucial for GDP growth has been in particular the developments within the economic sectors of hydro-electric power, mining and tourism. We will now look more closely at the central components of economic change in Laos.

2.4.2. Brief overview of the economy
Laos is a country where more than 70% of the population lives in rural areas. From 1995 to 2005, the proportion of the population in rural areas decreased from 83% to 73% (Population Census 2005). Agricultural production is the dominant sector of the economy in all provinces, except in Vientiane capital city where 65% of the population has non-farm economic activities. Population Census 2005 reveals that 21.5% of the population has livelihoods based on non-farm economic activities. A large proportion of the population has a subsistence-based life style (Freeman 2001; Rigg 2005). Rice is the main agricultural product and dominates the agricultural economy of Laos; and access to land is probably the most important capital for people’s livelihood strategies. Within agriculture, only a small part of the population has livestock farming. Eighty to eighty-five percent of cultivated land is devoted to growing paddy. None-rice crops play a minor role in agricultural production: these include maize, coffee, tobacco, sugar cane, and root crops and among them only coffee is a significant export-earner (UNDP 1991; Freeman 2001). Natural resources, such as forests, mines, and hydro-power play an important role in Laos’s national economy (EIU 2005).

The total population of Lao PDR was 5.6 million in 2005, and the economically active population from 15 years old was 2.6 million, of which 1.3 million were women. Most of the active population was working on their own account and in unpaid family work. Within the 10 years from 1995 to 2005 the number of employees in the private sector increased, but the numbers of unpaid family workers and own account family workers remained high. This indicator shows that agriculture is still the main economic activity, and by the same token it is to say that the industries and factories have not yet had a great impact on employment despite increases in GDP after launching NEM (Lao PDR 2006; Lao PDR 2004), and the upswing of the private sector (Census 2005).

2.4.3. Economic growth after NEM
From 1990 to 2005, real GDP in Laos grew by an annual average rate of 6.3 percent, even though there was a sharp fall-off in growth during the regional crisis of 1997-1999. High growth was achieved in exports, agriculture, industry and services during the period of 2000 to 2003 (World Bank 2007) and growth has increased even more after 2003. The sectors that contribute
most to GDP growth are shown in Table 1 below. ADB and the World Bank (2007) report that the share of agriculture in GDP has fallen from more than 60% in 1987 to less than 50% in 2002. Bourdet (1996) notices that the most significant growth has taken place in mining and hydro-power projects. The achievements in recent economic development have been officially and largely reported by the Lao government, in particular in the Lao National Socio-Economic Development Plan (2006-2010).

Table 1: GDP growth and contributions by economic sectors 2003-2007.

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (%)</th>
<th>Agriculture (%)</th>
<th>Industry (%)</th>
<th>Services (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>5.8</td>
<td>1.1</td>
<td>2.8</td>
<td>1.8</td>
</tr>
<tr>
<td>2004</td>
<td>6.9</td>
<td>1.7</td>
<td>3.3</td>
<td>1.9</td>
</tr>
<tr>
<td>2005</td>
<td>7.3</td>
<td>1.2</td>
<td>4.3</td>
<td>1.7</td>
</tr>
<tr>
<td>2006</td>
<td>8.3</td>
<td>1.4</td>
<td>5.1</td>
<td>1.9</td>
</tr>
<tr>
<td>2007</td>
<td>8.0</td>
<td>1.4</td>
<td>4.7</td>
<td>2.0</td>
</tr>
</tbody>
</table>


In terms of GDP per capita, it increased four times from 1985 to 2005; from 114 USD in 1985 to 491 USD in 2005 (Figure 3). GDP per capita fell in 2000 as a consequence of the Asian regional economic crisis. Compared to the other Indochina countries, Laos’s GDP per capita lie at a level in between Vietnam and Cambodia (Figure 4).

In sum, it can be stated that Laos has experienced a profound change and a high pace in terms of materialization of economic growth. A considerable quantitative progress in economic development has taken place, a new legal framework has been formulated and the hydro-power, mining and tourist sectors have expanded significantly to become major contributors to foreign exports and growth of the national economy.
Figure 3: GDP per capita 1985-2005, five year intervals. 

Figure 4: GDP per capita in Laos, Vietnam and Cambodia 1996-2004. 
2.4.4. Increase of FDI in the mining sector

Globalization in the form of FDI became significant in the early 1990s, and FDI has since played an important role in economic growth (Freeman 2001). From 1990, FDI has been rising sharply as shown in figure 5. Department of Foreign Affairs and Trade of the Australian Government (2008) reported that in 2004-2005, foreign investment in Lao PDR increased from 285 million USD to 450 million USD. Large investments took place in the industrial sector, especially in the Nam Theun 2 hydropower project, which accounted for 83 per cent of FDI in 2005. FDI in mining has also increased remarkably, which can be witnessed in the expanding total exports of gold and copper. In 2005, the revenues from the export of copper amounted to around 38 million USD (UNDP 2006), while gold exports amounted to 89 million USD. Table 2 shows investment in gold mining by foreign companies, joint ventures between foreign company and Laos’s government and investment by Lao Companies. The data clearly indicates that Lane Xang Minerals Company was the largest investor, occupying around 300 of the 313 million USD invested in mining in 2005.

![Figure 5: FDI stock in Laos 1990-2007.](image)

Table 2: Investment in gold mining in Laos 2005.

<table>
<thead>
<tr>
<th>Companies</th>
<th>Investment (USD)</th>
<th>Employees</th>
<th>Location</th>
<th>Activities</th>
<th>Minerals</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FDI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lane Xang Minerals Co Ltd (Oxiana)</td>
<td>300,000,000</td>
<td>2,826</td>
<td>Savannakhet</td>
<td>Study, production</td>
<td>Au, Ag, Cu</td>
<td>Australia</td>
</tr>
<tr>
<td>Phubia Mining</td>
<td>5,000,000</td>
<td>1,200</td>
<td>Saysomboun</td>
<td>Study, production</td>
<td>Au, Ag, Cu</td>
<td>Australia</td>
</tr>
<tr>
<td>Hanoi Construction Co Ltd</td>
<td>74,200</td>
<td>N/A</td>
<td>Saysomboun</td>
<td>Exploration</td>
<td>All, Au</td>
<td>Vietnam</td>
</tr>
<tr>
<td>Huajing Mining Co Ltd</td>
<td>307,501</td>
<td>240</td>
<td>Luangprabang</td>
<td>Exploration</td>
<td>Au</td>
<td>China</td>
</tr>
<tr>
<td>Lao Chien Xinhua</td>
<td>129,000</td>
<td>N/A</td>
<td>Capital</td>
<td>Exploration</td>
<td>Au</td>
<td>China</td>
</tr>
<tr>
<td>Akonote Oversea</td>
<td>200,000</td>
<td>82</td>
<td>Capital</td>
<td>Prospecting</td>
<td>Au</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>305,710,701</td>
<td>4,348</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Joint Ventures (JV)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lao-China Gold Mining Industry Corporation Ltd</td>
<td>1,857,000</td>
<td>80</td>
<td>Bolikhamxay</td>
<td>Exploration, production</td>
<td>All, Au</td>
<td>Laos, China</td>
</tr>
<tr>
<td>Dao Lao</td>
<td>62,500</td>
<td>N/A</td>
<td>Vientiane</td>
<td>Exploration</td>
<td>Au</td>
<td>Laos, Russia</td>
</tr>
<tr>
<td>Prospect Exploration and Minerals</td>
<td>200,000</td>
<td>N/A</td>
<td>Sekong</td>
<td>Prospecting</td>
<td>Au</td>
<td>Laos, Australia</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,119,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phialat Gold Panning</td>
<td>148,000</td>
<td>N/A</td>
<td>Capital</td>
<td>Production</td>
<td>Au</td>
<td></td>
</tr>
<tr>
<td>Vientiane Trade Co Ltd</td>
<td>246,861</td>
<td></td>
<td>Capital</td>
<td>Exploration</td>
<td>Au</td>
<td></td>
</tr>
<tr>
<td>Lao Army Mining Co Ltd</td>
<td>140,000</td>
<td>70</td>
<td>Bolikhamxay, Vientiane</td>
<td>Prospecting</td>
<td>Au</td>
<td></td>
</tr>
<tr>
<td>Lao service Incorporation Co Ltd</td>
<td>5,000,000</td>
<td>N/A</td>
<td>Attapeu</td>
<td>Prospecting</td>
<td>Au</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,534,861</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total for FDI, JV and Local</strong></td>
<td>313,365,062</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All. = Alluvial

*Source: Compiled from International Trade and Human Development, UNDP 2006.*
The richness of natural resources in mining has shown to be attractive for foreign and local companies to invest in. Until 2005, more than 60 companies had invested in mining exploration and production. Among these companies, 22 were FDI, 10 were joint ventures, and 32 were local companies. The total investment in the mining sector amounted to 416,116,271 USD, of which 358,807,660 USD was FDI and joint ventures 22,199,459 USD (UNDP 2006). The increase in the amount of investments in the mining sector not only contributed to exports, but also presumably to new jobs for local people. UNDP (2006) reports that 64 mining companies employed 11,066 persons in 2005, of which more than 25% were employed by Lane Xang Minerals Company.

2.4.5. Expansion of the tourism industry
Apart from the hydro-power and mining sectors, tourism has been another important source of foreign exchange since the application of NEM. In 1999, tourism ranked number one in terms of foreign exchange earnings in Laos, with revenue of 97 million USD against revenues from the exports of garments at USD 76.5 million and of wood products at 41.2 million USD (Lao PDR, May 2004). In 2006, the total revenue from tourism had increased to 173 million USD (NTAL 2006). It is estimated that tourism will continue to play an important role in the economy in the future. From 1990 the number of tourist arrivals in Laos increased steadily, with the only exception of the years 2001-2003 during the SARS epidemic in Southeast Asia (Figure 6). From 2004 to 2006, the number of tourists continued to grow and the projection is that it will continue to increase in the next four years (to 2010) as marked in Figure 6.
Tourism has occupied the first or second rank in terms of the country’s revenues since the beginning of this decade (Table 3).

Table 3: Revenues from tourism and major export products (Million USD).

<table>
<thead>
<tr>
<th>Products</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism</td>
<td>113.4</td>
<td>87.3</td>
<td>118.9</td>
<td>146.7</td>
<td>173.2</td>
</tr>
<tr>
<td>Garments</td>
<td>99.9</td>
<td>87.1</td>
<td>99.1</td>
<td>107.5</td>
<td>126.1</td>
</tr>
<tr>
<td>Electricity</td>
<td>92.7</td>
<td>97.3</td>
<td>86.2</td>
<td>94.6</td>
<td>101.1</td>
</tr>
<tr>
<td>Wood</td>
<td>77.8</td>
<td>69.9</td>
<td>72.4</td>
<td>14.0</td>
<td>96.6</td>
</tr>
<tr>
<td>Coffee</td>
<td>9.8</td>
<td>10.9</td>
<td>13</td>
<td>9.5</td>
<td>9.7</td>
</tr>
<tr>
<td>Agricultural</td>
<td>25.6</td>
<td>11.1</td>
<td>20.5</td>
<td>26.6</td>
<td>39.2</td>
</tr>
<tr>
<td>Minerals</td>
<td>3.9</td>
<td>46.5</td>
<td>67.4</td>
<td>128.8</td>
<td>485.6</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>2.7</td>
<td>12.4</td>
<td>1.9</td>
<td>2.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Others</td>
<td>19.9</td>
<td>17.1</td>
<td>13.4</td>
<td>11.9</td>
<td>18.2</td>
</tr>
</tbody>
</table>

Source: National Tourism Administration of Laos 2006.

In social aspects in general, the percentage of households living in poverty fell from 46% to 33.5% between 1993 and 2003 (World Bank 2008). Gender
Resource Information and Development (GRID) reports that Human Development Index also improved after 1993 and the rank went from 141\textsuperscript{st} place in 1993 to 135\textsuperscript{th} place in 2003 (GRID 2005) and to 130\textsuperscript{th} place in 2005 (UNDP 2008). It elevated Laos from the category of countries with low Human Development to the category of medium Human Development (GRID 2005). As one important component of social change, gender relations have also been affected. As Massey (1994) points out, the spread of capitalist relations of production is also accompanied by other changes, in particular in the relations between men and women. The changes in economic and other social phenomena affect also gender relations and women’s roles in society. One aspect is for instance the small but increased participation of women in the government structure. We will now turn to the situation of gender relations in Laos.

2.5. Gender ideology and gender relations in Laos

As pointed out in the beginning of this chapter Laos is a country of multi-ethnic diversity. The large number of ethnic groups brings with it a plurality of cultural practices, which confines a variety of gender relations (GRID 2005). According to Massey (1994), Walby (1997) and McDowell (1999) (see the introductory chapter), gender is socially constructed and part of socio-spatial relations; different groups of people in different places define different patterns of gender relations, both within the public and domestic spheres. Gender relations in Laos, therefore, cannot escape from the context of variations and differences between ethnic groups and places. Different socio-cultural practices create specific patterns, which originate from systems of beliefs that have been practiced from generation to generation and ultimately become a country’s gender ideology. In line with Ridgeway’s (2004) argument, social relations and social beliefs play an important role in defining gender in Laos.

Before moving to look at the gender ideology in Laos, I would like to discuss briefly about the scarcity of research on gender issue in Laos. I pointed out and argued in the introductory chapter that Laos is an under-researched area, it is even more so in the field of gender. Even if gender equality and women empowerment has been considered as an important issue for the Lao government as well as for development practitioners, research on gender in Laos is extremely lacking. Most documents related to gender are from different project reports, and the most well-known source is from GRID. Apart from the GRID reports, there are two distinctive works which focus mainly on gender in Laos. One was done by Ngaosyvathn (1994); her work is highly valued in tracing back the gender ideology during different periods and provides insights of how the gender ideology of Laos has been formed. However, her work did not provide much empirical analysis, in particular on how gender relations have changed after the
application of NEM. The second was done by Ireson (2004), who looks more carefully through gender relations in Laos in the perspective of feminist anthropology. Her work covers both historical perspectives and analyzes holistically the features of gender relations in Laos. Her work reflects also gender relations under the period of economic liberalization, but the early stage of it. Her work deals with large-scale diversity issues, and therefore even if her work reflects gender relations and other social aspects in Laos, it does not provide a complex picture of specific societies.

2.5.1. Lao traditional gender ideology
Lao gender ideology has been mediated through many traditional literatures, which have tended to favor men and enforced rigid sets of rules for women to behave in subordinated positions in relation to their male counterparts. Ngaosyvathn (1994) traces the status of Lao women in Lao society since the earliest period and points out that the Buddhist religion is one important basis of the formation of Lao gender ideology. Buddhism was imported from Cambodia during the sovereignty of king Fa Ngum, who laid the foundation of Laos Lane Xang Kingdom in the 14th century. This was the first unification of Lao national territory, which also covered a large part of the other side of the Mekong River. King Fa Ngum married the Princess of Cambodia named Nang Keo Kenggna, who encouraged the king to import Buddha images to Laos as symbols of the Buddhist religion. Buddhism was proclaimed as the national religion, and become an important base for the formation of Lao culture, including its gender ideology and gender practices (Ngaosyvathn 1994). Crawford and Rhoda (2004), who argue that women's status and the images of women in many countries are shaped by religion, have raised religion as an important factor in defining gender patterns.

Ngaosyvathn (1994) describes how the beliefs in Lao society originate from two main sources: Buddhism and Animism. When Buddhism started to be practiced in Laos, it lowered women's status from the status they used to have. She further points out that during the period of colonization, both under Siam and France, Lao women profoundly lost their status and power and were considered second class citizens (Ngaosyvathn 1994:22). In accordance with the Royal Lao dictum, women were not allowed to interfere in politics, nor monks in the affaires of the state (Ngaosyvathn 1994:102). The association between religious ideology and the exclusion of women from the public sphere was also noted by Trankell (1993). Trankell explains how in the context of Laos the Hindu-Buddhist culture played an important role in defining women's position. Trankell found that women's lives were hindered by religious rules that restricted the freedom of physical displacement. Similarly, Ireson (2004) shows how Buddhist's rituals define highly distinctive roles to men and women, for instance that men can be monks and women only novices.
2.5.2. Three goods and two duties: new values or an old ideology?

During the First congress of Lao Women Union (LWU) in 1984, the slogan ‘three goods and two duties’ was adopted in order to shape an ideal or model of the ‘good woman’ (LWU 1986; Ireson 2004). A good woman meant a ‘new-type socialist woman’ (Trankell 1993; Ngaosvathn 1994; LWU 1986) who should aspire to accomplish three goods and two duties. Let’s look at the details of each good and each duty as explained in LWU training documents (see also in Ireson 2004). The three goods refer to being a good citizen, a good wife, and a good mother. To be a good citizen means that a woman must study, follow and implement the party’s policy, enhance solidarity with all of Laos’s ethnic groups, and love the country. A good wife should build a new socialist family. She must be faithful to her husband and help him to overcome all difficulties. She should provide opportunities for her husband to study and work, applaud the husband when he has success, and dare to discuss with the husband when he makes faults. She must learn how to weave, to do embroidery and keep the house clean. To be a good mother, she should be a good caregiver for her children, encourage her children to study to ensure them to become good citizens in the future. The two duties are the duty to defend and construct the nation and the duty to emancipate women.

The three goods and two duties have been publicized and campaigned throughout the country as criteria for an ideal woman. However, they have been presented with rather vague and blurred explanations, in particular in terms of the meanings of the two duties. Purposely, the slogan ‘three goods and two duties’ was formulated as a frame and as ‘rules’ for women to follow in order to be able to participate actively in the development process, to enhance gender equality and to improve women’s status in society. However, the connotations of the slogan did not contribute much to improve women’s status and women’s participation in decision-making processes, a point also observed by Trankell (1993). The three goods seemed to follow the same traditional ideology (Ngaosvathn 1994). It teaches Laos’s women to be good house-wives and good supporters, rather than encourages them to actively participate in political and economic life and in decision-making processes. Authentically, the three goods and two duties did not differ much from the traditional ideology, which instructed women to be passive supporters, rather than, for instance, good leaders. The slogan reflects few strategies for promoting gender equality and it formulates women’s position as attached to the domestic sphere rather than to the public sphere. The connotation of the slogan (traditional ideology) entangled with the lack of detail explanations might be the reason for its limited success in elevating women’s status. The slogan was changed in 1993, when the Third Congress of Lao Women Union was held.
To respond to the new changes, to enhance gender equality and the happiness and the prosperity of the family, LWU sets up the slogan ‘a three goods woman’.

The piece of expression quoted above is from a speech given by the President of Lao Women Union to the Third Congress of Women Union in 1993. Apparently, the new slogan is shorter than the previous one. The three goods are formulated as being a good citizen, being good in development and being good in building family culture. To be a good citizen includes three main aspects: (1) to love the country and the democratic republic and to absorb and practice government policies; (2) to show solidarity with all ethnic groups; and (3) to actively contribute to the work of LWU. The second good (good in development) includes (1) making efforts to improve the education, science and technology and other knowledge to improve the quality of life of women and children (2) to preserve and promote the identity and good culture of the nation and Lao women. The third good (good in building family culture) is firstly that women should build a happy family, enhance equality within the family, and encourage everyone to fulfill their tasks. Secondly, women should, together with their husbands, look after the children and provide them opportunities to study in order to become good citizens in the future. Thirdly, women should know how to build a family lifestyle suitable for the party’s policy and the government’s laws and regulations.6 The new slogan, seemed to more promote gender equality, but like the previous one, does not promote strategies to position women in decision-making processes, nor to upgrade the status of women in society. The slogan tends more to encourage women to stick to their reproductive work rather than to be engaged in productive activities.

2.5.3. State policy towards gender equality and women’s empowerment

Waylen (2002) notices that the state plays a key role in constructing gender and regulating gender relations. Basically, state practices construct and legitimate gender divisions. McDowell (1999) points out that there are at least two forms of linkages between the nation-state and gender. Firstly, the nation-state is primarily concerned with women’s formal rights. Secondly, the state has the key role in welfare provision and policy, which have a significant impact on women’s lives.

In Lao PDR, strategies for women empowerment and gender equality are highlighted in the government policy. Gender has been recognized by the government as a cross-cutting issue (GRID 2005). Officially, the legal framework for gender equality is written in the constitution promulgated in

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6 The slogan and its explanation were translated by the researcher from the documents of the Third Congress of Lao Women Union held in 1993.
1991. The constitution clearly reflects that men and women are equal in all aspects including politics, economy, and culture, social and family life. In the constitution, many articles guarantee women’s rights and equality between women and men, and between husband and wife concerning family assets. The policy on women’s empowerment led to several action plans and activities. For instance, in 1995, the government adopted the birth spacing policy. The overall goal was to control population growth, but one objective was also to shorten women’s time in their reproductive role, and to lengthen their time in productive work.

The endorsement of the Millennium Declaration in 2000 committed the government to implement and achieve the eight Millennium Development Goals. The third of the eight goals is concerned with the promotion of gender equality and women empowerment. Following this commitment, in 2003 the government established the National Commission for the Advancement of Women (NCAW). The NCAW is an organization, which has been given high priority to work for gender issues. The organization, presided by the Deputy Prime Minister and the Minister of Foreign Affairs, has members from different ministries to extend a network to develop strategies and action plans for gender equality at national, provincial, district and villages level (Lao PDR 2006). The NCAW is an institution and mechanism for facilitating and monitoring gender equality and women’s empowerment through the country (MDG 2004). This organization is also responsible for formulating the national policy guidance, the strategies and the action plan to promote women’s advancement and gender equality (GRID 2005; LWU 2006).

In the Sixth Five-year Plan of socio-economic development (2006-2010), the policy and strategies towards gender equality are described in more detail. Gender equality is seen as an important component of poverty eradication strategies. The government recognizes that the country cannot escape from poverty without the active participation of women, particularly minority women (Lao PDR 2006). The long-term government policy is to achieve gender equality in all spheres; economy, politics, culture, socially and within the family. Four strategies for gender equality are set up: (1) support to women’s economic activities (2) improvement of the accessibility to basic services for women (3) involvement of women in local decision-making and (4) increase in women’s involvement and needs into development policies and plans. Officially and rhetorically, it is to say that the government is giving priority to gender equality and women’s empowerment. However, whether those priorities are translated into practice is a different issue.

2.5.4. Women’s organizations in Laos

The first organization, which was legally established as representative of women in Laos and as ‘a machinery’ which works directly with women’s
issue, was Lao Patriotic Women’s Association, founded in July 1955 in the former liberated zone, three months after the establishment of the Lao People Revolutionary Party (LPRP). The initial purpose was to mobilize women from all ethnic groups and all social strata to struggle for the liberation and unification of the country (LWU 1986; Thammavong 2000; Ireson 2004). Even if the main role was limited to the struggle for liberation, the creation of the organization probably signified an upgrading of women’s status to a certain level. It indicated that the government began to consider the role of women as important in the political arena, which provided an opportunity for women to become more open in the political sphere; secondly, having a ‘space’ in the organizational structure of the government mirrored more or less a legal equality of women to be involved in political life.

Lao Women Union has its roots in Lao Patriotic Women’s Association (LWU 2005) and was established in 1984 when the First Women’s Congress had been held. After the first congress, the role and functions of Lao Women Union as development agency (Ireson 2004) changed to focus more on gender issues; to respond to women’s development needs, to promote the status and role of women and to promote the unity of women from different ethnic groups and social strata throughout the country (UNIFEM 2003; LWU 2006). As one of four legal mass organization of the country and representing all women, LWU has the right to influence policies, plans and practices of both government and non-government organizations with respect to the needs and status of women in Lao PDR. LWU has a country-wide member’s network. In 2006, LWU had around one million members (LWU 2006), which is more than 65% of the total female population aged 15 to 60 years old in Laos7. Lao Women Union plays an important role in building gender knowledge for women throughout the country. The organization’s network has filtered down to the villages at the grass-root level (see Figure 7) (LWU, 2006).

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7 Calculated from the population Census 2005
2.5.5. Gender patterns in Laos

In the beginning of this book, I narrated my experiences during my childhood, and when I look through what I have experienced, I perceive that many things reflect a general pattern of gender inequality in Lao society from the past up to the present time. As pointed out by Massey (1994), McDowell (1999) and Walby (1997), gender relations are spatial phenomena and different places and social groups may have different patterns of gender relations. In Laos, women in the majority ethnic group Lao Loum have a formally stronger positions than women in other ethnic groups, since the matrilocal and matrilinear systems (practiced particularly in Lao Loum society) grants some important roles to women in the family (Linuma 1992). In general, in Lao Loum society, young couples reside with the wife’s family after marriage and women inherit family wealth, especially land, and have some power in the family. In some other ethnic groups there are patrilinear kinships and patrilocal systems, such as among the Yao and the Hmong where women are considered members of the husband’s clan after marriage (Thomson and Sally 1993) and women are more powerless than their Lao Loum counterparts. In Akha society in the Muang Sing district in the northern part of Laos, there are patrilinear and patrilocal practices where women are incorporated into their husbands’ lineage after marriage. Male dominance and privilege are reflected in both public and domestic spheres and women’s voices are readily silenced. Women are denied involvement in any role in community decision-making (Cohen and Chris 2002). Ethnic minority women in Laos are considered to represent a traditional life style and to subsist in a passive role rather than participating actively (Flacke-Neudorfer 2007).
Geographical isolation is related to the variations in gender patterns. In remote areas, women have had limited access to education (GRID 2005; Linuma 1992), and are more attached to traditional practices, which position them beneath men. To me it became very clear that in my native village, classified as a remote area, gender inequality was more deeply practiced than in Vientiane Capital city, where I could absorb more freedom and equality.

In general, gender inequality still widely exists in Laos’s society, from the national scale to the grass root level (Rigg 2005). Ngaosyvathn (1994) also notices that gender inequality in Lao society appears in all aspects of life; eating, sleeping, talking, walking, working, wearing; not only in the past but also in the present. Other reports confirm the same observations (GRID 2005; Linuma 1992; Thomson and Sally 1993). Even if the constitution proclaims that women and men have equal rights and despite that the government’s policy prioritizes women’s empowerment, practically it is very difficult to achieve the goals. Apparently, there is still a big gap between what is said and what is done, due to deeply rooted social believes which seem to reproduce previous patterns of unequal gender relations.

2.5.6. Participation in the political arena and leadership positions

The low rate of women’s participation at the highest levels of politics is a durable problem in gender inequality in both developed and developing countries (Paxton and Sheri 2003). For instance, in the U.S. in 2002 women held only 13 of 100 seats in the U.S. Senate, and only 60 of the 435 seats in the U.S. House of Representatives (Caiazza 2002). In the world, there is only one country (Rwanda) where the number of women in parliament is higher than the number of men. In Rwanda, women occupy 56% of the seats in parliament. Among 188 countries listed in the Inter-Parliamentary Union Data, only 22 countries have more than 30% women in the parliament and nine countries did not have one single woman as representative in the parliament (Inter-Parliamentary Union Data 2008).

In Lao PDR, the number of women in parliament has increased significantly since the first National Assembly elected in 1975 (Table 5). During the last election (the Sixth National Assembly), women occupied more than 25% of the seats in the Assembly, which is one of the highest percentages in the region. However, as shown in Table 4, only few women hold positions in government structures; the data reveals that from the national to the village levels, the percentage of women in positions related to decision making-processes is less than 5%.

The relatively high number of women in the National Assembly is a good sign and could prove that women have a high level of participation in political life. However, having a position in the Assembly does not automatically mean that Lao women have influence in decision-making.
institutions (GRID 2005). To understand this issue, we need to look beyond the political structures of Laos. Political leadership in the system of the Lao government is located in two major structures: the Lao Revolutionary Party structure and the government structure. The government and the party are interlinked, but the center of decision-making power is located in the party structure. It is well known that Laos has engaged in a period of economic decentralization, but the political system remains centralized and the highest decision-making process is still located within the party. In the central Politburo and the Party’s Central Committee, there are very few women. Out of eleven members of the Politburo, only one woman was elected during the Eight Party Congress held in 2006; among 44 members of the Party’s Central Committee elected during the same Congress, there were only three women. The situation at the provincial, districts and the village levels is not different from the national scale (GRID 2005). The low participation of Lao women in central political decision-making processes has been pointed out by many reports and researchers for instance GRID (2005), Cohen and Chris (2002), Flacke-Neudorfer (2007), Ireson (2004) and NCAW (2005).

Table 4: Number and percentage of women in the Lao government structure

<table>
<thead>
<tr>
<th>No.</th>
<th>Position</th>
<th>Total</th>
<th>Women</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minister and equivalent position</td>
<td>37</td>
<td>3</td>
<td>8.10</td>
</tr>
<tr>
<td>2</td>
<td>Vice-minister and equivalent position</td>
<td>67</td>
<td>3</td>
<td>4.48</td>
</tr>
<tr>
<td>3</td>
<td>Department director and equivalent position</td>
<td>416</td>
<td>37</td>
<td>8.90</td>
</tr>
<tr>
<td>4</td>
<td>Provincial governor</td>
<td>18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Vice-provincial governor</td>
<td>32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Head of provincial cabinet office</td>
<td>18</td>
<td>1</td>
<td>5.56</td>
</tr>
<tr>
<td>7</td>
<td>Vice-head of provincial cabinet office</td>
<td>55</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>District governor</td>
<td>141</td>
<td>3</td>
<td>2.13</td>
</tr>
<tr>
<td>9</td>
<td>Vice-district governor</td>
<td>181</td>
<td>2</td>
<td>1.10</td>
</tr>
<tr>
<td>10</td>
<td>Head of district cabinet office</td>
<td>141</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Vice-head of district cabinet office</td>
<td>213</td>
<td>2</td>
<td>0.94</td>
</tr>
<tr>
<td>12</td>
<td>Head of village</td>
<td>10,944</td>
<td>145</td>
<td>1.32</td>
</tr>
</tbody>
</table>

Total: 12,263 | 196 | 1.60 |

Source: Strategies for women advancement 2006-2010.
Table 5: Number and percentage of the women in the National Assembly.

<table>
<thead>
<tr>
<th>National Assembly</th>
<th>Total</th>
<th>Women</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>First National Assembly</td>
<td>45</td>
<td>4</td>
<td>8.89</td>
</tr>
<tr>
<td>Second National Assembly</td>
<td>79</td>
<td>1</td>
<td>1.27</td>
</tr>
<tr>
<td>Third National Assembly</td>
<td>85</td>
<td>8</td>
<td>9.41</td>
</tr>
<tr>
<td>Fourth National Assembly</td>
<td>99</td>
<td>21</td>
<td>21.21</td>
</tr>
<tr>
<td>Fifth National Assembly</td>
<td>109</td>
<td>25</td>
<td>22.93</td>
</tr>
<tr>
<td>Sixth National Assembly</td>
<td>115</td>
<td>29</td>
<td>25.20</td>
</tr>
</tbody>
</table>

Source: Strategies for women advancement 2006-2010.

2.6. Conclusion

After a long history of external involvements and a civil war between the revolutionary side and the Vientiane side, the war ended with the declaration of Lao PDR in 1975, which marked a new political and economic era of Laos. Straightforward in the intention to develop the country in line with a socialist economic model, the Lao government adopted a closed-door policy and applied a centrally-planned economy. Within one decade from 1975 to the mid-1980s, the Lao government centralized the economy to enhance state monopoly, to nationalize the commercial and industrial sectors, and to collectivize the system of agricultural production.

The intention to transform the economic system into a centrally planned economy made Laos face many problems at the same time: firstly, there was a lack of qualified staff to implement the policies of the government. With a limited comprehension of the policies and strategies to centralize the economy, government officers could not efficiently transfer these to the grass-roots level, and particularly not to the farmers who were directly touched by the implementation of the collectivization in agriculture. The second trouble was provoked by natural crises, for instance the severe drought during the first half of the decade which resulted in low harvests and insufficient food supplies. Thirdly, there were sustained problems between the new government and insurgent groups who detested the new regime. These circumstances were important internal factors, which ultimately pushed Laos towards a change in political and economic development policy.

During the late 1980s, under global neo-liberal influences, many socialist countries changed their political and economic systems from centralization to liberalization; notably the former Soviet Union and other socialist countries in Eastern and Central Europe who had been main supporters of Laos since the declaration of the new regime in 1975. These phenomena became external factors, which put pressure on the government of Laos to abandon the old economic policy. The pressures from the waves of neo-liberal globalization coincided with the internal problems mentioned above,
led Laos to abandon economic centralization, which had been applied for only one decade, to embrace a new economic system.

From the mid-1980s, under the label of Chintanakanmai or new thinking, Laos initiated its New Economic Mechanism (NEM). Heller (2000) argues that there is no standard model of transformation for socialist countries and each country encounters specific problems given the geographical-historical situation, but the economic transformation in Laos share some basic similarities with for instance the Doi Moi applied in Vietnam during the same period.

In the period of applying a market-oriented economy, the Lao economy changed quickly and profoundly. NEM led to significant macro-economic improvements, formulation of a new legal framework and high GDP-growth, to which the mining and tourist sectors were main contributors.

Regarding gender issues, the Lao government as main development agency endorsed the Millennium Development Goals and adopted policies and strategies to promote gender equality and women’s empowerment in the country. To strengthening gender equality country-wide, NCAW was established to work in parallel with Lao Women Union, an important ‘machinery’ which has worked with gender issues since 1955.

Lao Women Union introduced the slogan ‘three goods and two duties’ and recently changed it to ‘three goods’ as a gender ideology to shape an ideal woman. However, the two slogans do not reflect explicit strategies to enhance gender equality and promotion of women in decision-making processes; they rather follow a traditional gender ideology, which shape women to be attached to the domestic sphere rather than enhancing women’s leadership.

Ngaosyvathn (1994) examines the status of women in Lao society since the earliest period, and shows that religion has been one important basis for the formation of Lao gender ideology. Research on gender in Laos also indicates that gender relations vary significantly between different ethnic groups. Regarding the participation of women in the political sphere, it was revealed that women still has a lesser role in decision-making processes, despite a recent increase in the number of women in parliament. Important political decision-making processes are located in the party structure where very few women are members.
III. Sepone gold-copper mine - socio-economic change and gender relations in Vilabury district, Savannakhet province

3.1. Introduction
Transition in Laos may refer to a range of interlinked and overlapping processes. Most obviously and generally it refers to the economic transition from command to market, but when applied to different local contexts the meanings may be varied and contrasting (Rigg 2005). To understand the current transition period in Lao PDR it is insufficient to look at the national level; it is important to look at the level of daily lives of people in different places across the country. One needs to examine the diversity in the forms of transition, and how these forms are structured and constructed in different places. As explained in the introductory chapter development can mean a period of transformation or change; which may be towards a better or worse situation than previously. If we look at changes taking place in a specific spatial context, it is important to examine the local perspective; how people in that specific location consider and experience the changes, and how much different groups of people can benefit from it. My first case study concerns the Sepone gold - copper mine in Vilabury district, Savannakhet province.

The operation of the largest gold - copper mine of the country is seen by the Lao government as an important vehicle for poverty eradication and development of the country. Even if the mining sector in general is recognized as an important source of national income, it has also been questioned whether large-scale mining investments can contribute to development of communities located around them (Bury 2004; Sarin 2006; Kemp 2010). It is therefore a challenge to look more specifically on what these operations mean for the communities in Vilabury district where the Sepone mine is located. The mines started to be explored by the Australian Rio Tinto Company in 1993, who sold to the UK/Australian-owned Oxiana Company in 1995. The operations in Vilabury were initiated under the name of Lane Xang Minerals Limited Company, wholly owned by Oxiana. After an agreement on the promotion and protection of private investments between Australia and Laos in 1995, Australia became one of the largest sources of foreign direct investment in Laos. Of all early Foreign Direct Investment projects in Laos, the operation of the Sepone gold - copper mine became the biggest in terms of capital invested. Oxiana started to extract gold in March 2003 and started copper production in March 2005. Obviously and

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inevitably, the operation of the mine produced new ‘shapes of capitals’ (see chapter 1) for individuals and families in the area. The mines provided new jobs directly and indirectly for local people who live close to the mine, and by the same token many families lost their physical capital, particularly land for cultivation. The change of the shape of capital of local people as a consequence of mining operations is discussed by Bury (2004). It leads to physical transformations and profound changes in livelihoods of people who live around the mining area. In the case of the communities around the Sepone mine in Vilabury district, different forms of economic activities were created in the area, which produced different challenges for people in terms of maintaining the sustainability of livelihoods for the next generations. By the meantime the exposition of women to paid work, and their participation in development projects supported by the company, lead to changes in the social structure, including patterns of gender relations, both in the sphere of the economy and in the sphere of the households. All these phenomena will be figured out more in detail in this chapter.

The chapter firstly describes the context of the mining operations in order to ‘place’ the Sepone investment. Secondly, I will focus on the developments in the arena of the economy, taking place as a period of transition from agrarian communities to ‘workers communities’. The different forms of economic activities or livelihoods adopted by the villagers in order to handle the new situation were emphasized. The next section illustrates some problems that have occurred as products of the developments and identified as new forms of poverty. This section is followed by an analysis of gender relations in two different ethnic groups, the Phu Thai (subgroup of Lao Loum) and the Makong (subgroup of Lao Theung), in the economic, household and political spheres. As the last point I examine different institutions, or development agencies, and their roles as actors of development or ‘drivers’ of socio-economic life in the area.

3.2. Placing the Sepone investment

3.2.1. A hidden richness
The notion of a hidden richness emerges in my mind as a memory from when I was in my last year as an undergraduate student at Vientiane Pedagogical University in Lao PDR in 1979. The first Minister of Education in Lao PDR, his Excellency Phoumy Vongvichit, gave a speech to our batch before we left the university. I will never forget that speech. The Minister compared Lao PDR to a poor person with damaged clothes, sitting on a coffer plenty of gold, silver, and other valuable things. He did not give any reason why the person did not open the coffer; he put out the question to us to answer. I raised my hand and said that the reason might be that the person ignored the richness hidden in the coffer; or that the person did not
have the key; or that the person was not strong enough to open it. It seemed that everyone agreed with my answer. Now, when I recall the situation in my mind, I find that this idea still might hold in relation to contemporary Laos; nearly half of the population lives under the national poverty line while at the same time the country is very rich in natural resources as valuable treasures of the country. Some of these resources are already known and many may still be unknown, and they are not operated or used to the benefit of Lao people. I find that the comparison fits to the case of Vilabury, both physically and socially. Physically, Vilabury district is a hidden place, located in a mountainous area, unknown for many people, difficult to access due to the problems of transportation, but plenty with natural resources; gold, silver, copper and thick forests with valuable trees. In fact, many names of the villages and places in the area reflect the richness of the natural resources: *Muang Vang Angkhram* (the district of deep water, the basin of gold), and *Phou Thengkham* (the golden bar mountain), which is nowadays one of the places where Lane Xang Minerals Company extracts the gold and copper minerals. Socially, I refer to the comparison with people who wear damaged cloths and the socio-economic poverty of the population of Vilabury. They live in a rich area and would supposedly be owners of that richness, but they have no opportunities to access it or get profit from it. The evidence of the richness is mirrored in the historical and natural resource background in the area, not only in the names of the places, but also in the indigenous knowledge and livelihoods connected to gold extraction practiced by the villagers living in this hidden region. Historically, people who live in this area have searched for gold in the river Nam Kok, using a traditional technique called *Hone Kham*, and gold has been an important form of savings and income for many families.

### 3.2.2. Vilabury district

Vilabury is one of 15 districts of Savannakhet Province, located in the southern-central part of Laos. It shares boundary with five districts in Savannakhet and with two districts in Khammouane province. Vilabury was established in the year 1994, when it was separated from Sepone district.

Vilabury district is composed of 101 villages scattered along the road No 28A and in the mountainous area of the district. The number of villages has been reduced over time in accordance with the government policy of moving small villages situated far from the road closer to the main road. The grouping or clustering of villages was motivated by the need to facilitate development intervention programs and access to roads, transportation, education and health care centers. The government perceives that it is too

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9 Information from the district office
difficult and expensive to bring economic development and public services closer to all the communities living in remote areas (UNDP Laos 2001). This phenomenon is related to the resettlement policy (see Baird and Shoemaker 2005; Faculty of Forestry 2006).

Based on its physical geographical characteristics, Vilabury district is divided into two main areas: lowland area and upland or mountainous area. The lowland area composes of 55 villages; this area is favorable for agricultural production, in particular rice production. The mountainous area consists of 46 villages, including the five villages selected as research site for this study. The upland area is recognized as lesser developed compared to the lowland area10, despite of being the location of both the headquarter of the district and the gold-copper mine.

The center of Vilabury district is situated along the road No 28A, which connects to Road No 9, the major link between Thailand, Laos, and Vietnam. Vilabury is located 43 km north of the road intersection between Road No 28 A and road No 9. In 2006, the total population of the district was 31,081 of which 15,728 were female. The average size of a village is 345 inhabitants, with the biggest having 2,135 inhabitants and the smallest 96 inhabitants. In 2006, there were 5,055 households living in Vilabury district11.

The inhabitants of this district are part of the two major ethnic groups of Lao Loum (lowland Lao) and Lao Theung (midland Lao), where the Phu Thai belong to the first group and a number of smaller ethnic groups such as Makong, Katang belong to the latter. Historically, the livelihoods of the population, particularly of the Lao Theung, have been based on shifting cultivation combined with the collection of non timber forest products (NTFP) as main sources of daily food. An important circumstance for past and present livelihoods in this area is the fact that the networks of the Ho Chi Minh trails passes through this region (Figure 8). During the Indochina war, this part of Laos was one of the most heavily bombed areas by the Americans, causing severe damage to the villagers and to their forests and agricultural lands. After the war, the debris of the bombs created a form of economic activity for the villagers, often at high risk. For many families this economic activity became an important source of income. The villagers collected debris of the bombs and sold it mainly to Vietnamese traders, or exchanged it for basic necessities such as family appliances and cloths. Generally, people in this area employ self sufficiency-oriented livelihood strategies based on natural resources, and the collection of debris of the bombs became an integrated part of these strategies. One may say that people started to collect debris in a similar way as they collected NTFP. The

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10 Draft of the 5-year plan of Vilabury district, 2006-2010
11 Information from the district survey 2006
major difference is of course that this type of livelihood may cause severe accidents, which I will detail later in this chapter. I classify the collection of the debris of the bombs as one type of NTFP, based on the ways people collect it, which is similar to the way they collect NTFP in general.

After the implementation of NEM and the opening up to Foreign Direct Investment in Vilabury district, the livelihood strategies in the area have been unevenly affected. The investment by the Australian company Oxiana in the operation of the gold-copper mine meant that many people in Vilabury district engaged in a new socio-economic life, or more precisely some groups of people moved from livelihoods based on agriculture and natural resources to paid work and new informal economic activities related to the mining operations.

Figure 8: The network of Ho Chi Minh trails and the area contaminated by bombs in Laos. Source: UXO Laos.

3.2.3. The research site

Five villages, namely (1) Ban Nonsomboun or Ban Vieng12, (2) Ban Phonesa’at, (3) Ban Nongkadeng, (4) Ban Muang Luang and (5) Ban Vang Ngang, were selected as research site. Located around the mine, these villages have been classified by the Lane Xang minerals Company as part of Sepone Project Development Area (SPDA), the focus area of development. Among the five villages (Table 6), only Ban Vang Ngang is a Lao Theung village. In 2004, the total number of households in the five villages was 219,
which increased to 292 in 2007 (Table 6). Within three years, from 2004 to 2007, the number of households thus increased significantly, mainly from in-migration. Despite the district’s authority attempts to control in-migration, it has in practice not been strictly regulated and people from other provinces or from other districts within the province have migrated to the area in search of jobs related to the operation of the mine. In some cases, such as in the case of Ban Nonsomboun, many people were registered as temporary visitors to the village, but in fact became longer-term residents of from 6 months to more than a year.\textsuperscript{13}

\textit{Table 6: Number of households and total population in five villages 2004-2007.}

<table>
<thead>
<tr>
<th>Ban/Village</th>
<th>No. of hh.</th>
<th>Population</th>
<th>No. of females</th>
<th>Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ban Nonsomboun</td>
<td>64</td>
<td>93</td>
<td>368</td>
<td>415</td>
</tr>
<tr>
<td>Ban Phonesa’at</td>
<td>37</td>
<td>53</td>
<td>220</td>
<td>308</td>
</tr>
<tr>
<td>Ban Nongkadeng (NR)</td>
<td>15</td>
<td>25</td>
<td>123</td>
<td>153</td>
</tr>
<tr>
<td>Ban Mouang Luang</td>
<td>54</td>
<td>65</td>
<td>338</td>
<td>394</td>
</tr>
<tr>
<td>Ban Vang Ngang (NR)</td>
<td>49</td>
<td>56</td>
<td>255</td>
<td>307</td>
</tr>
<tr>
<td>Total</td>
<td>219</td>
<td>292</td>
<td>1,304</td>
<td>1,577</td>
</tr>
</tbody>
</table>

NR = New resettlement  
Source: Fieldwork 2006.

Among the five villages, Ban Vang Ngang and Ban Nongkadeng have recently been resettled (Table 6). They have kept their old names, but Ban Nongkadeng is sometimes called Ban Nongkadeng Mai, which means the new Ban Nongkadeng. The old Ban Nongkadeng was located in the concession area for the operation of the mine and therefore this village had to resettle when the mining operation began. The old Ban Vang Ngang, one of the oldest villages in the area, was located downstream river \textit{Nam Kok}, which flows through the mining area. When the mining started, the villagers faced the problem of water pollution, which caused health problems, especially skin diseases. When they bathed in the river as they had done for generations, many people got skin infections\textsuperscript{14}. The head of the village explained that the company and the local government had tried to inform the

\textsuperscript{13} Information from the head of the village during field visit in May 2007  
\textsuperscript{14} Reported by the head of the village
villagers to use the water from river *Nam Kok* with care, and in particular not to drink the water directly from *Nam Kok*. However, it was difficult to prevent children from doing that, and also to change the practices that people had had since they settled in the old village. In fact, from generation to generation, the river used to be an important natural resource for the villagers. It defined their livelihoods; the river was the source of wealth, income and food. It was used for cultivation, fishing and water provision. Therefore, historically, people have liked to settle their villages along the river. In stories told by my respondents, the river was not only a source of water, wealth and food, but was also defined as and important part of sociocultural life, a space where people could enjoy and entertain themselves. One might say that it was a kind of public pool and a valued centre of village life.

The villagers voiced a number of grievances concerning the problem of water pollution, which led to long discussions and debates between the three parties; the villagers, the local government and the company. The villagers were ‘encouraged’ to move and resettle in a new place, which is closer to Road 28A. Finally, in 2005, the villagers decided to leave their village.

*I: Could you tell me why you moved from your old village to this place?*
*R: We moved because we didn’t have drinking water and they told us to move to this place. (…) We are afraid that Nam Kok River is polluted by chemicals. I: Who are ‘they’, who do you refer to? R: The Company, the Camp*

(Interview with Bouavone, Ban Vang Ngang).

The excerpt above is from an interview with a woman who had lived in the old Ban Vang Ngang since she was born. She explained that the village decided to move to the new resettlement area after a long struggle to protect their territory and to preserve their livelihoods and their life cycle, which was attached to the richness of the river. She revealed that it was not only the change of the quality of the water that obliged them to resettle in the new location; it finally took place rather as enforcement by the company.

Figure 9 shows the location of the Sepone mining area and the location of the five villages and the old Ban Vang Ngang. As explained before, the old Ban Vang Ngang was situated downstream of river *Nam Kok*, while new Ban Vang Ngang is closer to the Road 28A. Physically, the new resettlement facilitates the villagers’ access to the main road, but the villagers are still attached to their old village. They go back to cultivate and to look for natural resources in the forests around their old place.

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15 Information from interviews with local governors 2006
3.2.4. The Camp – an island of private property

I include The Camp – the mining company’s camp - in the territory of Vilabury district because it has a central location there and it is a central actor of change in the area. The Camp was constructed and is strictly used by the company as a private territory, where no outsiders can enter without permission. For the villagers in Vilabury district, the meaning of The Camp is equal to all the companies who work directly and indirectly with the operation of Sepone gold-copper mine. This includes Lane Xang Minerals Limited Company and a number of subcontractor companies such as Sodexho Company (responsible for food supplies) and Lotus Hall Mining (responsible for transport of minerals from the mines to the factory). More than twenty subcontractor companies are present, of which six are domestic Lao companies and the rest foreign-owned\(^\text{16}\). The Camp was constructed in the mining area by Lane Xang Minerals Limited Company when they began to explore the mine. The Camp is a type of small complex town, composed of service sectors, administrative offices, and accommodations where managers and workers live. The service sector consists of a health treatment center, a

\(^{16}\) Interview with the executive director of Lane Xang company Mr. Samane Leka 9/4/07
restaurant, an indoor fitness center, a barbeque garden, a football field, and an airport. The latter is used for transport of the produced gold bars to Vientiane and for the travel of the administrators and senior staff.

The Camp is enclosed by a high iron fence separating it from the outside. I perceived The Camp as an island; an island is actually an area isolated by water as a natural boundary, but this Camp was a kind of island enclosed by an iron fence as a concrete boundary and by strong socio-cultural boundaries. I visited The Camp several times, and stayed there during two periods of two weeks each. My observations were that the life and the rules practiced in The Camp were totally different from the communities around it. It looked like a Western town brought in and put up in a 'primitive society', with comfort, services and availability of facilities that do not exist in the normal life of local people. Boula, a woman aged 31 years, lived and worked in The Camp for more than 10 years. She found that it was convenient, which she had never known and experienced before, and totally different from her life outside the camp.

I feel I did not know anything when I stayed in my village, before I started to work in The Camp. After I started to work there (...) I have seen many things; the comfort, the conveniences...I have many eyes (Bouala, Ban Muang Luang).

Bouala used the expression 'I have many eyes' when she compared her new experiences, the comfort that she absorbed from The Camp with what she had experienced and seen in her normal life outside the camp. It made her 'see' her life in new ways, with The Camp being something radically different, something deviant from her previous village life. This implied also that she felt she was 'ignorant' before. Santa, a young woman who is a permanent worker of a subcontractor company of Lane Xang Minerals Limited, described the differences in lifestyles between inside and outside The Camp through a comparison between her daily routines inside and outside of this small island.

After I was admitted to work in The Camp, I moved to stay there... There I start to work every day at 6.30 in the morning and I work until 5.30 in the afternoon. We do not need to cook, the company provides us the food, and we eat in the restaurant. It is like a new life, totally different from my habits (Santa, Ban Muang Luang).

Santa described how The Camp was a separate society, in contrast with the one where people rely on agricultural production and the collection of NTFP. Similarly, Samane Leka, the executive director of Lane Xang Minerals Company described The Camp at Vilabury as a paradise, not a human world.

Somebody said that the place is a prison, I said what kind of prison has a gymnastic center, a sport center which is better than Kouvoravong Sport Stadium in the center of Savannakhet province...Beer is sold very cheaply, I think they live in a paradise
The stories of the respondents and the executive director of the company confirmed the coexistence of two different worlds, with different levels of living standards and separate lifestyles in the same area. The director argued that The Camp was a paradise, not a prison (presumably directing himself to middle and upper level staff), while for local workers it was seen as a place of exclusiveness, conveniences, and strict hours of work. The respondents' stories made reference to radical transformations of the landscape and revealed the appearance of a new development agent with control and power over a significant part of the territory. The company as development agent included a role as mediator of socio-spatial transformations in the communities. I highlight the importance of The Camp to point out the change in territorial ownership in these small communities.

3.3. Nam Lai Fai Savang and socio-spatial transformations

In Laos, the term Nam Lai Fai Savang is commonly used by people at the grass-root level to refer to development, modernization and/or ‘the good change’. The term has a more concrete meaning in that it often refers to the development of infrastructure and the availability of services as indicators of development. This term was used by the villagers around the mine to describe changes in their communities since the operation started, which I will illustrate in this section. Before going into details about how transformations proceeded, I need to, briefly, discuss the broader development projects, which were supposed to be the context of Nam Lai Fai Savang and the transformation of the communities.

3.3.1. Development projects

Being one of the poorest districts of Savannakhet province, and located in the area directly affected by the operation of the mine, Vilabury district became an important target for development projects, both by the local government and by Lane Xang Minerals Company. Many projects were implemented in order to increase incomes for the villagers and to achieve strategies of poverty eradication. The district received money for development activities from three main sources of budget: one from the government of Laos through Savannakhet province; the second source was from the national poverty reduction fund, and the third source was from Lane Xang Minerals Company. In 2006, the district received 7,4 billion kip (around 740,000 USD) from the government for development of infrastructure, mainly road construction and extension of electricity. The budget from the poverty reduction fund was allocated to three main sectors, with focus on remote areas, defined as the poorest areas: (1) infrastructure;
mainly the construction of road connections between villages; (2) agricultural production; and (3) education and health sectors. The fund from Lane Xang Minerals Company was allocated exclusively to development in the area directly affected by the operation of the mines, as their assumed responsibility, and Lane Xang Minerals company did not allow other projects to be involved in that area\textsuperscript{17}. The fund allocated was used in the purpose of community development in the impact area, and was in practice often implemented top-down by the company.

The Lao government and Oxiana Company signed an agreement in 1993\textsuperscript{18} concerning the operation of the mines, named Minerals Exploration and Production Agreement (MEPA). Article 24 of this agreement stipulates that the company shall establish and provide a trust fund, the Sepone Trust Fund (STF), to Sepone (Vilabury) district in order to assist the district in improving socio-economic conditions of the villagers directly and indirectly affected by the operation of the mines. The fundamental principles of the STF was to assist the district government to improve and establish basic public services, education, health and agriculture, and to improve and sustain better living standards for people in Vilabury district and surrounded areas (Lane Xang Minerals Limited, 2004). In accordance with the agreement, during the first year of operation the company should provide 96,000 USD; then 100,000 USD the second year; 200,000 USD the third year and finally 500,000 USD each year of the remaining operation period. In comparison with the overall level of foreign investment in the mine and the export value of gold and copper (Chapter 2) the contracted amount in the STF is minimal, and also significantly lower than the government funding for the same purpose in the district.

Practically, the company runs a number of small projects to support economic activities of the villagers. They created several groups of economic activities; a saving group, weaving group, sewing group, planting vegetable group, feeding the livestock group and a cotton dyeing group. Most of the projects started in the year 2000. All members were women, except in the saving group, which recently got a few male participants. The short-term purpose was to support women to generate incomes and to provide opportunities for people who were not able to work directly for the company. The long-term purpose was formulated as to improve women’s status by promoting and strengthening organizations which mobilize women to earn a

\textsuperscript{17} Interview with the district governor of Vilabury district 23/5/2006. The governor explained that if the district allowed projects from other organizations to be implemented in the area affected by the mine, the company would cut out their projects.

living and to give women more economic power by improving their livelihoods.

3.3.2. Nam Lai Fai Savang - local socio-spatial transformations

I will start this section by displaying a few examples of how people talked about their feelings about changes in their communities, in order to reflect meanings of Nam Lai Fai Savang at the local level.

You know, within 4 or 5 years, everything has changed so quickly (...) I could say that there is a big change in our village (...) the transportation, the cars, the road. Before we used animals for transportation, also in our cultivation technique in the rice fields; we used buffalos as labor to plow, now we use the Toc Toc (small tractor); we use rice mill instead of human labor to peel the paddy... We have electricity, the market, water supply (Bounmy, Ban Phonesa’ath).

Before, the houses were made of bamboo, of wood, with grass roofs, or maybe rich people had a house with wooden roof (...). During the war, my father collected debris from bombs to make the roof of the house. It was very strong (...) now people prefer to have houses with zinc roofs rather than grass or wooden; this really changes as I can see (Vonthong, Ban Nongkadeng).

Nam Lai Fai Savang, electricity, water supplies, roads, TV, fan. Before we had never seen it, now we have. It is very convenient (...). Before we had a very large Hay, we used more than 10 baskets of paddy seed to plant in the Hay. Now we don't have enough land. The mountain becomes a hole, and the hole becomes a mountain (Thongvanh, Ban Vang Ngang).

When I came to stay at Bane Vieng (Ban Nonsomboun) in 1994, this village did not look like a village at all, no cars, no road, only a very small road, and the dense forest. It was so hard for me (...) no food, no market, no meat, no transportation. Vilabury was established in 1994, but it was still a very small and under developed district, it looked like a village rather than a district (Bannali, Ban Nonsomboun).

In our district (...) after the operation of the gold until 2004, the company began to operate the copper. With the construction of the road, or more precisely the updating of the condition of the road from Nabo to the district, and the availability of electricity in 2003, there was a new step in the development process, and the living conditions of the villagers have been improved at a certain level. The villagers are aware about the marketization, they move from self-sufficiency to the market. The change occurred obviously in 2004-2005 (District governor).

The quotations above were extracted from stories told by four respondents from four villages located around the gold-copper mine. They stressed different things: Bounmy saw the change in terms of infrastructure and new technologies, while Vongthong saw the improvement of housing as a big

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19 Nabo is the village located at the intersection between Road No 9 and Road No 28A, 43 km from Vilabury district.
change. Thongvanh described the change of her village with the expression *Nam Lai Fai Savang* which has two direct meanings: *Nam Lai* means water flow and *Fai Savang* means shining light. She also pointed out lack of land and change in the landscape as ‘the mountain becomes a hole and the hole becomes a mountain’, as a result of the extraction of minerals and the change of physical landscape. Bannali expressed her feelings when she moved to Ban Nonsomboun in 1994, indicated the ‘backwardness’ of the village compared to Ban Nonsomboun of today. Similarly the district governor witnessed development and change occurring in Vilabury and perceived people as more aware and engaged in market-based production. In the following I will extend more details about the socio-spatial transformations mentioned by the respondents quoted before.

### 3.3.3. Development of Infrastructure

Generally, the most concrete manifestation of spatial transformation is the development of infrastructure. In this domain, as narrated by the respondents, Vilabury district experienced a considerable change in terms of roads and transport conditions. Before 2004, there were only small ‘red roads’ between the villages, what local people call *Thang kian* and no public transportation. The main transports between Savannakhet and Vilabury were carried out by a few private trucks owners and by Lane Xang Minerals Company. Between 2004 and 2007, most of the main roads were updated from red roads to asphalt roads. One of the most significant developments of infrastructures for the villagers was the construction of the road to Ban Muang Luang. Ban Muang Luang is the oldest village of Vilabury district, founded more than 300 years ago. This village is situated far from the road No 28A and during the rainy season it was impossible to travel to Ban Muang Luang because of the bad condition of the road and because Ban Muang Luang is situated on the other side of the river *Nam Kok*, and there was no bridge. During rainy season, the villagers could only travel to other villages by the river *Nam Kok*. In 2004 the road to Ban Muang Luang was updated to become a ‘two season’s road’ and a bridge was constructed over the river. The construction of the bridge facilitated communication between villages and increased the accessibility of the villagers to markets where they could sell their agricultural products. It also strengthened the engagement of

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20 Thang means road and kian means the wooden trolley pulled by cows; Thang kian means a small road where only kian can be used as means of transportation.

21 Information from grandfather Phay, the oldest person in Muang Luang village, the story of the village is that it was involved in the struggle for independence from Siam by the prince Anouvong in the 19th century. Many old monuments in the village bear witness of its long history.

22 A road that can be used both in the rainy and in the dry season, this concept is used by the ministry of transportation.
the villagers in the marketization and responded to poverty reduction strategies through development of infrastructure. The government’s view is that improvement of infrastructure could be the key to lift the country from poverty, and indirectly lead to increase in income and living standard (Rigg 2005). The inter-relations between infrastructure, market integration and economic development has been stressed by both policy-makers and researchers (Anderson et al. 2007).

In 2003, a lower secondary school with three classrooms and one teacher’s office was constructed by The Camp in Ban Namkheep; in 2004 a primary school made of brick with zinc roof was constructed in Ban Nonsomboun. A big ‘temporary market’ was constructed in Ban Phonesa’at. The market is composed of five buildings, each building around 24 x 4 meters, except one which was the main building of 24 x 8 meters. This market was constructed with the purpose to support villagers from 15 villages directly and indirectly affected by the operations of the mines to sell their agricultural products to The Camp.

In 2005, a small dam was also built close to Ban Phonesa’at to provide water to the villagers and to promote agricultural production and pisciculture. From 2005 electricity was extended to Ban Phonesa’at, Ban Nongkadeng, Ban Nonsomboun, and Ban Vang Ngang, while in Ban Muang Luang electricity became available in 2007. Systems of water provisioning have been established except for Ban Muang Luang, where an important traditional well is the main source of water. In other villages two or three types of water supply have been provided by the company and by the villagers themselves: pipeline water called Nam Lin; pump water and wells.

The development of existing water supply systems or introduction of these new forms had a very significant meaning for the relationship between the company and the villagers: it eliminated the conflict about lack of water, which was one of the most controversial issues related to the new resettlement.

3.3.4. The meaning of wealth - improvement of housing conditions

Housing and house ownership have very important meanings for Lao people. Housing is classified as one of the four basic needs of human beings. Culturally, house ownership is a measure of family wealth and family status. Housing condition is one of the five poverty indicators set up by the government of Laos, and of the five villages in this study Ban Vang Ngang is defined as poorest because of lack of permanent houses.

House typologies (used by Lao scholars and in censuses) are based on what the house is made of and by distinguishing different part of the house: the roof, the wall and the floor. Based on this, houses are divided into two main categories: permanent and non-permanent houses. Permanent houses
Actually refer to houses made of wood or brick with zinc for instance, and with concrete or wooden floor. In Vilabury, before 2003 most of the houses were made of bamboo and very few families had a house defined as permanent. Bannali in Ban Nonsomboun explained the shape of houses when she moved to the village in 1994.

At that time no one had a wooden house; they had only bamboo huts. When The Camp came here and did a survey - because they wanted the villagers moved to other places as they wanted to explore gold in this area - they took photos and said that only my house was a wooden house and could be categorized as a permanent house (...) Many people had only huts, they were not houses, they were not strong, the pillars were small like my arms for example (Bannali, Ban Nonsomboun).

According to the story of Bannali, only her house was classified as permanent by the company, while all others were non-permanent. The district governor also stressed how the development of infrastructure was immediately followed by improvement in the quality of houses from non-permanent to permanent houses. The interviews revealed that respondents perceived housing development as the third important indicator of spatial transformation in their communities, after the development of roads and availability of electricity. New houses were built both in Lao Loum and Lao Theung villages. In 2006 the district conducted a survey which showed that of 93 houses in Bannali’s village Ban Nonsomboun, only four were not categorized as permanent houses; and those who did not have permanent houses were newcomers. Compared to what Bannali saw when she began to resettle in Ban Nonsomboun in 1994, the wealth of the families in terms of improved housing has increased significantly and is a major aspect of the socio-spatial transformation of the communities.

3.3.5. Increase in income and living standard

Income at the national level is usually measured by gross domestic product GDP, defined as the market value of all goods and services produced within a country, and increases in GDP indicate economic growth of the country as a whole while increases in GDP per capita reflect the increase in average individual income (Perrons 2004). However, it is very difficult to define and measure income in Lao rural communities and relate it to national averages. The Lao National Statistic Center (NSC, 2004) defines household income in Lao Expenditure and Consumption Survey 2002/03 (LECS 3) as “the sum of all income sources household members have. It contains wages and social benefits, pensions, dividend and royalties received, transfers from abroad in cash or kind, entrepreneurial income from household businesses and agriculture, fishery and forestry” (LECS 3:4). Even if this definition seems to cover all possible sources of income, which could occur in Lao PDR,
practically it is very hard to access this kind of information. In the communities located around the gold-copper mine in Vilabury it was not easy to calculate incomes of the villagers. First, because they did not have any fixed incomes; all their sources of income were from unstable economic activities. For instance, most of the higher incomes came from working with the mine; often unskilled and temporary work such as slashing and cutting wood (daily workers), or searching for Unexploded Ordnance (UXO) in the areas where the company extended mineral explorations. Lane Xang Minerals Company Limited (2006) wrote in their household survey report that “to some extend all information on wage incomes is likely to be open to error because especially where respondents were either casual workers or had not worked a full year – it was difficult for the respondents to specify the sum earned even if they knew the annualized wage” (ibid: 15). Despite the difficulties, Lane Xang Minerals Company calculated income per capita by comparing incomes in 2001, 2004 and 2005, as shown in Table 7. This data revealed that income per capita in the villages in the SPDA increased from 2001, but it was lower in Ban Vang Ngang compared to the other villages. This might be because Ban Vang Ngang was recently resettled. New resettlements, as Downing (2000) points out, are highly correlated to loss of property and family assets, and to poverty.

Table 7: Per capita income in villages surrounding the mine (in USD).

<table>
<thead>
<tr>
<th>Ban/village</th>
<th>2001</th>
<th>2004</th>
<th>2005</th>
<th>2005 (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ban Nonsomboun</td>
<td>69</td>
<td>320</td>
<td>322</td>
<td>401</td>
</tr>
<tr>
<td>Ban Phonesa’at</td>
<td>114</td>
<td>360</td>
<td>430</td>
<td>583</td>
</tr>
<tr>
<td>Ban Nongkadeng</td>
<td>153</td>
<td>435</td>
<td>464</td>
<td>530</td>
</tr>
<tr>
<td>Ban Muang Luang</td>
<td>40</td>
<td>260</td>
<td>411</td>
<td>470</td>
</tr>
<tr>
<td>Ban Vang Ngang</td>
<td>42</td>
<td>250</td>
<td>227</td>
<td>280</td>
</tr>
</tbody>
</table>


To measure living standard and increase in individual or family income is difficult not only in rural areas or in the case of casual workers, it is also difficult for permanent workers or government officers. For instance, in the case of government staff, they have a permanent salary from their formal activity from around 40 USD to 100 USD per month. With this salary it would be very difficult to support a family. However, many households are able to build expensive houses at the cost of 30,000 USD to 50,000 USD, or/and buy cars for more than 20,000 USD. The explanation is that many people have second jobs, informally, unregistered, unobserved, but with
incomes sometimes higher than a formal and official job. This is rarely reported in survey interviews. Therefore, to measure income per capita is very hard in Lao PDR. Another approach might be to look at the purchasing power of households, estimated from the assets and domestic appliances of households, as a proxy indicator of increase in wealth and family living standard. In this sense it could be said that the living standard of the villagers around the gold-copper mines has increased. Table 8 shows household possessions of domestic appliances (per 100 household) in the five villages in 2001, 2004 and 2005. The data indicate an obvious increase in households’ domestic appliances in the year 2005; the most noticeable items are televisions and motorbikes.

Table 8: Household domestic appliances (per 100 hh).

<table>
<thead>
<tr>
<th>Ban/village</th>
<th>Radio Year</th>
<th>TV Year</th>
<th>Bicycle Year</th>
<th>Motorbike Year</th>
<th>Toc Toc Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01 04 05</td>
<td>01 04 05</td>
<td>01 04 05</td>
<td>01 04 05</td>
<td>01 04 05</td>
</tr>
<tr>
<td>Ban Nonsomboun</td>
<td>4 23 22</td>
<td>0 1 56</td>
<td>32 19 77</td>
<td>7 16 48</td>
<td>1 6 16</td>
</tr>
<tr>
<td>Ban Phonesa’at</td>
<td>6 15 13</td>
<td>0 1 69</td>
<td>25 15 59</td>
<td>1 9 76</td>
<td>4 12 24</td>
</tr>
<tr>
<td>Ban Nongkadeng</td>
<td>0 8 29</td>
<td>0 1 71</td>
<td>24 8 57</td>
<td>5 8 12 9</td>
<td>2 7 33</td>
</tr>
<tr>
<td>Ban Muang Luang</td>
<td>6 17 21</td>
<td>3 6 55</td>
<td>35 30 86</td>
<td>2 16 83</td>
<td>7 17 47</td>
</tr>
<tr>
<td>Ban Vang Ngang</td>
<td>6 16 17</td>
<td>0 1 48</td>
<td>19 15 37</td>
<td>1 13 18</td>
<td>0 5 15</td>
</tr>
</tbody>
</table>


The data shown in Table 8 reveal an increase in purchasing power of the villagers. The report also noted that household expenditure had switched from food supplies to consumer durables, especially domestic appliances such as televisions, and personal means of transport, notably motorbikes. The table also reveals a change in consumption patterns and agricultural production technology. Many families have acquired a hand tractor (Toc Toc), instead of using buffalos as labor to pull the plows; villagers use the Toc Toc, which they call the ‘iron buffalo’.

3.4. New forms of livelihoods
Rigg (2006) points out eight process tendencies that occur during transformation periods in rural areas in the Global South: (1) occupations and livelihoods in the countryside are diversifying; (2) occupational
multiplicity is becoming more common and more pronounced; (3) the balance of household income is shifting from farm to non-farm; (4) livelihoods and poverty are becoming de-linked from land (and from farming); (5) lives are become more mobile and livelihoods correspondingly delocalized; (6) remittance are playing a growing role in rural household income; (7) the average age of farmers is rising; and (8) cultural and social changes are being implicated in livelihoods modifications and in new ways (Rigg 2006:183). Ranked as one of the least developed countries in the Global South, Laos could be one example where these phenomena might appear. Some of the processes raised by Rigg can already be observed in the Lao countryside after the implementation of NEM. In Vilabury, the change of livelihoods is a profound and contested socio-spatial change, which can be compared to what Rigg (2005) calls frisson.

Arguably frisson occurred because the rules of the game are changing in a way and to a degree that is pronounced and significant. Rather than the incremental changes that are part-and-parcel of normal societal advance, the years since the mid-1980s have been something more profound and, often, more jarring. The frameworks within which people live have been and are being, reworked. These frameworks encompass nature, economy and society and the interaction between them (Rigg 2005:15).

From this point of view, profound change has begun to take place on different scales in Laos and in all aspects. New actors emerged through the process of marketization and framed new opportunities for jobs, which shaped a new frame of livelihoods. In the case of the communities around the gold-copper mine and the integration of FDI in the place, they form part of a profound change through the adoption of new livelihoods, but the process of changing livelihoods varies from context to context due to differences in the availability of capitals provided and created by different actors. As discussed in chapter one, phenomena are place-based and different places produce different forms of social relations. In the context of Vilabury, a new diversity of livelihoods has appeared, which I prefer to label ‘diversity in the sameness’ since most economic activities are pulled in the same direction and depend heavily on one single actor.

3.4.1. New shapes of pentagons of capitals
As mentioned in Chapter one, people create their livelihoods based on two main sources: (1) the availability of family assets as household resources, which refers to five capitals: human capital, natural capital, financial capital, physical capital and social capital; and (2) the influencing factors such as the economic, social and political contexts. I would add the ability of each family to respond to the advantages and disadvantages they face, or the flexibility in the combination of capitals, as de Haan and Zoomers (2005) point out.
Actually, the five capitals of households are never equally balanced, and Rakodi (2002) has drawn different shapes of pentagons to illustrate the unequal availability of assets between households. Whenever the shapes of assets change, livelihood strategies change as well.

In rural areas of Laos, livelihoods are overwhelmingly dependent on natural capital and fundamentally founded on agriculture, which means that land is the critical resource. In Vilabury, similarly to other rural area, the important assets of many families are a plot of land where they cultivate their basic food rice and vegetables, and other environmental resources such as the forests and waters. As Ireson and Moreno (2004) point out.

The natural world surrounding each village supplies the needed family food and tools. Forests, scrublands, and waterways provide lumber, firewood, clay for kitchen utensils, and wild animals, fish and plants for food and medicine (ibid 2004:36).

The research of Ireson and Moreno (2004) gives a detailed picture of the power and the important role of natural resources in everyday life of Lao people. Natural resources shape livelihoods strategies of most families. Therefore, when this shape of assets changes it has a direct effect on their livelihood strategies.

The Minerals Exploration and Production Agreement (MEPA) between the Lao government and Lane Xang Minerals Company stated that the total superficies of 1947 km² at Vilabury district would be granted as concession for Lane Xang Minerals Company Limited to explore gold and copper minerals until the year 2014. The area explored covers both direct and indirect properties of the villagers who live in the area. Direct properties here refer to places where they live and cultivate their families’ subsistence, and indirect properties refer to the land surrounding the villages such as forests, river, lakes; these are common property of the communities (Tubtim 2006) where the villagers collect and search for their daily food. Article 3 in the Land Law adopted in 1997 and revised in 2003 (Ministry of Justice 2006) states that all land is under the ownership of the national community, of which the state is the representative. Article 49 recognizes individual rights in using and occupying land, it recognizes private properties of land; individuals have the right to get land certificates, as references for paying property tax. The law also allows individuals to transfer their properties to other persons either by heritage, exchange or selling (Article 57). Property rights of land are important here because they relate to the problem of compensation which many respondents confronted.

In terms of the direct properties related to the agricultural production, there are three types of cultivation: Hay, Na, and Souan. These three types of cultivation are pervasively practiced in rural areas. The terms are not easily translated to English, but scholars often depict Hay for shifting
cultivation and Na for wetland cultivation. I prefer to use the original terms and differentiate between them according to their characteristics. Each type has specific features which are important to know about in order to understand how local livelihoods have been changed in the context of national economic restructuring under globalization.

Firstly, Hay is a plot of land which often is prepared at the dry hillside. It is usually located around two or three km from the village. In the Hay people cultivate primarily rice, but usually mixed with varieties of vegetables and fruits, for instant cucumbers, chili, egg plants, bananas, corns, sweet potatoes or pineapples. The fundamental purpose is to have enough food for the family, and even if some products can be sold, that is not the main purpose. It is typically defined as cultivation for self-sufficiency. This kind of cultivation is known by scholars as shifting cultivation, upland cultivation or upland farming because it is often cultivated in mountainous areas. Culturally and traditionally, the plot of land where families cultivate is supposed to be property of the families, but they usually do not have land titles due to the fact that they change places for cultivation nearly every year in order to sustain the fertility of the soil. Hay is widely practiced in mountainous area and among ethnic minorities both within the Lao Theung and Lao Soung groups. In the case of Vilabury Hay was practiced not only among Lao Theung but also among Lao Loum.

Secondly, Souan is a kind of mixed cultivation. Souan can be a large plot of land with many hectares where people plant industrial trees and agricultural cash crops such as corn, bananas, pineapples or rubber tree. Souan can also be a small plot or kitchen garden. In the kitchen garden villagers grow varieties of vegetables used for their daily meals. In rural areas nearly all families have a small Souan. It is usually located closed to their house; most of the plants are used for everyday meals, in particular spices such as lemon grass, chili, mint, onion, garlic and ginger.

Na, finally, is a very pervasive type of cultivation practiced particularly in low land areas and related to Lao Loum. In contrast with Hay, Na is permanent cultivation, which means that every year people cultivate the same place, mainly during the rainy season. In some areas where irrigation systems are available, families also cultivate dry season rice called Naxeng, but this is not widely practiced (Boupao 2005). Some scholars name Na paddy farming or paddy rice farming. According to the new Land Law, individuals who practice Na can request for land certificates as references for their ownership of the plots. The meaning of three types of cultivation is summarized in Table 9.

Generally and historically the livelihood strategies of Lao rural families have been related to these three types of cultivation (Ireson 2004; Bouahom et al 2004), combined with the collection of NTFP. Recently there have been different policies by the Lao government to promote wetland cultivation and
encourage people to give up shifting cultivation; nonetheless *Hay* is still being practiced in Lao rural villages.

Similarly, before the operation of the gold-copper mine, the livelihoods of the people in Vilabury relied on agricultural activities as combinations of all four types of cultivation. Drawn from the interviews with the respondents, the previous livelihood strategies might be categorized in three main combination forms: (1) cultivation of *Hay* combined with *Souan*, animal raising, and the collection of NTFP; (2) cultivation of *Na*, combined with *Souan*, animal raising, and collection of NTFP; (3) cultivation of *Hay* combined with *Souan*, collection of NTFP, collection and selling of debris of bombs, and searching gold from the river in the traditional way (*Hone Kham*) and (4) the combination of all of those activities. The similarity of these forms of livelihoods strategies is that all are based on agriculture, on land ‘ownership’ and natural capital as their main assets, with the collection of debris from the bombs as a special case of NTFP.

Undoubtedly, the exploration of the mine diminished definitely the natural capital of the communities. By the same token new livelihoods opportunities and non-agricultural economic activities have been opened for them, which changed and produced a new shape of assets for villagers in the area. The new situation pressed and induced villagers to look for new economic activities and new livelihoods strategies in the new social milieu. In the following, I will illustrate some forms of transitions that took place not long after the first investments in the mine, when many new forms of livelihoods emerged in the communities.

**Table 9: Forms of agricultural production**

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Hay</em></td>
<td>Sifting cultivation/ mountainous food production for self-sufficiency</td>
</tr>
<tr>
<td><em>Souan</em></td>
<td>Mixed cultivation: cash crops or kitchen garden</td>
</tr>
<tr>
<td><em>Na</em></td>
<td>Paddy farming/wetland cultivation/permanent cultivation</td>
</tr>
</tbody>
</table>

### 3.4.2. From *Na* cultivation to paid work livelihoods

Davy belongs to the Phu Thai ethnic group; she was born in Angkham, Vilabury district and is now 63 years old. She got married when she was 39 years old with a widowed man. She has only one daughter. After she got married she moved to stay with her husband at Ban Phonesa’at, a village located around three kilometers from where The Camp is located today. Since then, she has never moved, except for short travels to Vientiane to visit her brother, and visits to the center of Vilabury district. She has three brothers, one became a monk, and the other brothers live in Vientiane. Since
a long time ago, the livelihoods of her family have relied on agricultural production with several methods of cultivation: Hay, Na, Souan, and rising of buffalos and cows, which her family could sell to generate income to the family. When Lane Xang Minerals Company started to explore the mine in 1993, her family was the first family the company had contact with. It is to say that her family is pioneering in engaging with the new period of change. She narrates her life story of how her family and her husband got in touch with the company since the beginning of the exploration of the gold-copper mine.

_I stayed with my husband and then The Camp came to start to explore the gold. It was my husband who guided them to explore this area, they went by airplane around the Phadang Mountains, [located in the gold mine] they stopped at Namahhee [name of a village]. They contacted my husband during two years, and then in the third year they started. The government authorized them to start to explore the mines and they thought about where they could construct The Camp. In the beginning they stayed in my house. At that time my house was next to the river Nam Kok. They stayed with us for one month and looked for a place to construct The Camp (Davy, Ban Phonesa’at)._

This was the starting point for a new pathway for Davy and her husband and they needed to make decisions about the future. The contradiction between preserving the old habits and livelihoods and adapting to a sudden change created a balancing and weighing in the household, as she narrates below.

_At that time….My daughter was still very young, my husband went to The Camp every day and I went to the Hay. During November when it was harvest time I hesitated, but finally my husband decided to work for The Camp first, just to satisfy them. My husband planned to work with them only for two or three months but he went to work every day. Then there was the problem: who will take care of the animals, the buffalos, and cows? Then Sot[23] [from The Camp] said 'Father'[24], you should sell all of your animals (...) I asked my husband what he did at The Camp and he said he was cutting wood, and then brought it to the camp. He got 45,000 kip [around 50 USD][25] per month...Finally, we sold all of our buffalos (...) and my husband continued to work for The Camp and stayed there (...) I stayed alone with my daughter; he came home only during holidays. I just thought about how to do. He earned only 45,000 kip (50 USD), but we still had a lot of paddy left from the previous years. We could not sell; nobody sold or bought rice, so we had a lot of stock. I said we should make a choice, either do Hay or cultivate Na. It was so hard and too tiring to do both (...). We thought what do we really want to do? Then we stopped to do Na and continued to do Hay. But during harvest time in November, he still worked in The Camp. I harvested, threshed, and hauled alone; that year I got_

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23 Sot worked for the Community Relation (CR) team of The Camp and is one of the pioneers in exploring the mines in Virabury.

24 Sot call Davy’s husband Father to show the close relationship.

25 Exchange rate in the early 1990s.
nearly two tons of paddies. One year later, it was clear that your grandpa\textsuperscript{26} [her husband] could not quit his work. People from The Camp said they needed your grandpa to work with them as a permanent worker, and told me to stop cultivate. I said Oh! No! I still wanted to eat agricultural products like cucumber, corn, sweet potatoes as our neighbors. I still plant such things (...) and have it for my children so we can eat like our neighbors. Your grandpa worked for the camp for 10 years. His salary increased from 45,000 kip to 200,000 kip, then to 300,000 kip, then to 500,000 kip and finally one million kip; he got one million kip during about one year\textsuperscript{27}. And we built this house (Davy, Ban Phonesa’at).

The case of Davy is a good example to illustrate how the shift from agriculture-based livelihoods to non-agricultural economic activities or new forms of economic activities proceeded. It was a long process of hesitation and struggle for preserving the old lifestyle and livelihood. The narrative describes how the process of changing livelihoods took place in her family. Her family started to sell animals because of lack of labor when her husband decided to work permanently in The Camp. Then they needed to choose between \textit{Hay} and \textit{Na} and decided to drop \textit{Na} and keep \textit{Hay}. The main purpose was not to plant rice for selling or for food; it was more about trying to keep the trajectory of their old livelihood. When her husband decided to work permanently for the mine, the family already relied mainly on the income from the mine. When they decided to abandon their \textit{Na}, it was already clear that they had adopted a new livelihood, because keeping \textit{Hay} could not be the main source of income of the family.

Regarding this point Rigg (2006) states in his study on rethinking the link to the rural South with focus on the agrarian transition that is not only a question of balance and weighing but a profound transition from one way of making a living to another (Rigg 2006:181). Reflected in the case of Davy’s family, we can see that decision-making went through a weighing and struggling stage, and despite of the hesitation and the struggle against the ‘forces’, her family finally little by little got into the trajectory of change by adopting the new economic activity. The story of Davy also mirrors how she and her family were profoundly attached to agricultural production and the traditional livelihoods, and therefore it was not only balancing and weighing but a profound change, and losing the land for cultivation did not only mean a loss of property, but had deeper meanings in terms of relations to neighbors, memories and emotions attached to practices with long

\textsuperscript{26} The respondents employ the word your Grandpa to refer to her husband when telling the story. Using this word reflects closeness and ‘trustfulness’ between the teller and the listener (interviewer). It means that the story teller treats the interviewer as her grandchild.

\textsuperscript{27} It is difficult to compare incomes in USD in each period because of the inflation of Lao currency. In 1993, 45000 kip was equal to 50 USD; in 2005 1 USD was equal to 10000 kip; 1 million kip was around 100 USD in 2005.
traditions. This point will be further discussed in relation to the theme of compensation.

Another story of transition from Na cultivation to paid work was told by Bouavone, a woman living in Ban Vang Ngang since she was born. She does not know how old she is. Bouavone belongs to the Lao Theung ethnic group in Ban Vang Ngang and she has two sons. Her household is an extended family with 13 members, which is a characteristic form in her Lao Theung ethnic group. Her family owned a Na, which used to produce around 400 to 500 Meun\textsuperscript{28} of paddy per year. Her family also has a Souan in their old village. Bouavone’s family was among those who lost their land after the opening of the mines. The company rents her former Na for 5 million kip (around 500USD) per year. The family had to stop cultivate the paddy as soon as the operation started, as the land was destroyed by the soil from the mine which covers the fields.

In the interview, Bouavone described how her family abandoned their rice field definitively and had to adapt to the new situation in order to secure family well-being. Her husband was accepted to work for UXO clearance for Lang Xang Minerals Company. One of her sons worked for the transport subcontractor company (Lotus Hall Mining Company) and the other son worked with the mine exploration. She and her daughter-in-law became members of groups of informal economic activities: sewing group, vegetable planting group, weaving group.

Bouavone’s case differed from Davy’s in the sense that Davy’s family had the chance of a long procedure of decision-making, because her family did not lose their Na. Davy’s decision was made on weighing and balancing; while in Bouabane’s case her family had no choice and no time to weigh and balance due to the sudden loss of land for cultivation. Her family changed livelihoods according to stress, pressure, and force, not by their own decision. The change and the adoption the new livelihoods were negatively perceived as she expressed through her narrative.

\textit{It changed. Before we were very poor, we worked on the farm in the rice field, we worked under rain and heat, but we had food, we could produce rice, and Phack Mee, Mark Phet, Mark Kheua\textsuperscript{29}, we could produce by ourselves. Now, we do not work under rain or heat, but it is difficult to earn money. We need to buy everything, chili, eggplant, corn, cucumber, everything. We earn much, but have a lot of expenditure, we can not save it. Before we worked hard but we had plenty of food. Now if we don’t have money, we don’t have food (Bouavone, Ban Vang Ngang).}

\textsuperscript{28} Meun is a unit of weight in Laos; rice is always measured in Meun. One Meun is equal to 12 kg.

\textsuperscript{29} Phack Mee refers to different types of vegetables, Mack Phet means Chili, Mark Kheua means egg plants.
The story reflects a negative feeling about the change of livelihoods from working with rice farming to being workers of the company. The explanation of Bouavone mirrors the different meanings and feelings between having money from cash income and having land for cultivation. Even if the income of the family from their work increased compared to before, and working conditions became better, Bouavone still felt that it was not secure and stable. For Bouavone, the new economic activities, which her family adopted, were not just a change in the way of earning but it was followed by a change in lifestyle from producer to consumer, which she perceived was not stable. Again, it reflected the profound transition from one way of making a living to another.

Khamphiou is another woman whose family shifted from Na cultivation to the varieties of non-farm economic activities related to the operation of the mine. She is 42 years old, her family lives in Ban Phonesa’at close to the temporary market. Living close to the market facilitates for her to engage in market life. She has been trained to make men’s clothes at the company’s sewing center for around six months. She is member of several groups of economic activities: vegetable planting group, sewing group, saving group. Her family possessed a Na, where they cultivated paddy as main source of food and income of the family. Her family also had a Souan with vegetables and fruits for family subsistence. The daily routine of Khamphiou was to go to the forest near the village in the morning to collect bamboo shoots or catch fish from the river for family daily food; then she went to the Souan and Na to cultivate. When the company started to explore the minerals her Na was one of the plots of land covered by the exploration area. The company rented her land for ten years for 200 USD per year, which the company paid her family as lump sum for 10 years. After that, her family definitely adopted new economic activities; from having one source of income they changed to multiple sources; from subsistence to cash income. In 2006, her family had five economic activities: (1) cash income from three people worked for the company; (2) cash income from selling vegetables at the temporary market, (3) cash income from sewing sample bags for the company, (4) cash income from milling paddy for villagers (her family bought a rice mill machine with the money they got for renting the land); (5) cash income from being occasional daily workers for the company to slash and clear the forest.

Despite the variety of sources of income in her family, Khamphiou perceived that those sources of income were not stable and that they were not a main economic activity compared to the crop which her family got when they cultivated the rice field.
R: I ‘do that and this’, I am selling that and this to The Camp, vegetables, nothing, selling vegetables, maybe 10,000 to 20,000 kip per time…Collect Phack Gna May No Tork30 and sell it.

I: Where do you sell it?
R: Everywhere, at the front gate of The Camp, but not always. It is not a main thing (…)
I: How much does your family get from milling the paddy?
R: Oh, nothing, maybe not even 100,000 kip31 per month (…)
I: So, the sources of income are selling vegetable, milling the paddy, and from rice field renting?
R: But the money from rice field renting is not enough for buying rice for the family, Now 1 Meun of paddy is about 20,000 Kip (around 2USD). You see, what can we do?

(Interview with Khamphiou, Ban Phonesa’at)

Khamphiou describes the work she has done by the expression ‘do that and this’ which in Laos usually refers to something unstable, not fixed and not important which can not be relied on. Khamphiou’s feelings towards the new economic activities of her family reflect once again her attachment to agricultural production and to their old livelihoods strategies. She also describes how the income from renting the land is not enough for buying enough rice for the family, as the price of rice increased to 20,000 kip per Meun of paddy (around 2 USD), and 3,000 kip (0.3 USD) per kilo of sticky rice.

Bannali is an inhabitant of Ban Nonsomboun, whose family moved in in 1994, one year after the company started to explore gold and copper in the area. Bannali was a government officer during the war and she and her husband were engaged in the revolutionary group, which meant that they moved a lot and lived in many different places. At the end of the war she came back to Vilabury, her native town. She has an important role in many projects within her village and is the head of the Women Union, and head of the weaving and saving groups. It is to say that she was a leading member of all groups of activity set up in her village. Like all members of the groups, she had the right to participate in any economic activities of the groups, such as selling vegetables in the temporary market, sewing sample bags for the company, weaving cotton fabrics for the company. Her family had two plots of Na of which one was taken by the company without compensation; she only got 60,000 kip (around 70 USD) for her fruit trees. She did not complain, as she only needed promises from the company to accept all her children as workers for the company. She has six children; three were still living with her, and the others were already married and lived in separate households. All were working for the mine. Her second plot of land was in the stage of negotiation for compensation but it was already clear that she

30 This expression means different NTFP, for instance vegetables and bamboo shoots.
31 Around 10 USD in 2006.
would leave both her two rice fields. In order to sustain the well-being of her family she was negotiating with The Camp to accept all of her children as workers in the mine and engaging in socio-economic networks and in the groups of economic activities.

*I do many things, I sell vegetables at Ban Phonesa’at market and I sell food at the morning market32 at the main gate of The Camp. I sell many things such as vegetables which I produce by myself and sometimes I buy from other people and sell, sometimes I collect from the forest or I make food and sell it. And I also sell biscuits and sweets in my house. I do many things as you see here (Bannali, Ban Nonsomboun).*

Bannali was able to generate a quite high income from a variety of informal economic activities. She opened a retail shop in her house and engaged in small trading by buying agricultural products from the villagers and selling it at the temporary market. Every month she could earn around three million kip (around 300USD), which is higher than the salaries of the workers in the mine.

The shift from wetland Na cultivation to non-farm economic activities in the case of Bannali’s family reflects another procedure than our previous examples. Her case was made through negotiation between her and the company, the powerful actor in providing job opportunities to the villagers. It is an interesting case, as it reflects how Bannali needed to neglect or ignore what she lost and she did not claim compensation for her land in exchange for her children being admitted as workers for the company.

The four cases raised above, the case of Davy, Bouavone, Khamphiou and Bannali, represent families who since a long time have relied on agricultural products, based on the natural capital of Na as their plot of land. They and other families like them have created new forms of livelihood according to a new shape of capital, but according to different procedures and different trajectories of change. The similarity was that they all had to abandon Na and adopt new forms of livelihood with different capitals: social capital when being members of several groups in the economy; financial capital from the land compensation either in the form of money or in the form of wages when being accepted to work in the mines as compensation for the land; and human capital from participation in job training organized by the company. The process of leaving wetland or Na cultivation also mirrored different

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32 The morning market here is a non-official one. The market was created by the villagers and is located close to the main entrance of The Camp. The villagers come to sell particular food to the workers. Every morning the company picks up workers from the villages surrounding the camp at around 6.00 am. The workers buy food from the market before they go to work. The Camp tried to prevent the villagers from selling goods and food in that place, however The Camp could not resist the villagers and now the market has become bigger and bigger.
feelings and meanings given to having a plot of land for cultivation and having money. One interesting finding was that nearly all of them perceived their new livelihoods as unstable and not secure in comparison with Na cultivation, even if the new livelihoods brought higher incomes.

3.4.3. From Hay cultivation to wage workers and cash income earners

The shifting from Hay cultivation or upland cultivation to wage workers for the company was another transition of livelihoods strategies that appeared pervasively in the communities around the Sepone mine. As stated before Lao Theung is one of the main groups in these communities. It is well known that livelihoods of Lao Theung historically have relied on shifting cultivation and the collection of NTFP. Therefore, this form of transition is mainly related to this group of the population. I will raise one example here, the case of Havam, a Lao Theung woman from Ban Vang Ngang. She was born in Ban Vang Ngang and has lived in the village all her life. She has given birth to twelve children, of which five died at a young age. Her family’s subsistence has relied on Hay cultivation combined with Souan and searching for food in the forest. Her case differs from the first form of transition I have pointed out as she and her family did not get any rent or compensation for their land from the company like the families who had Na. They were forced to leave their Hay and nowadays Havan’s family has multiple sources of income from the labor of two persons; herself and her son. The son works with UXO clearance at The Camp and Havan started to work in a mulberry center, established by the company in 2004. In this center there were many types of work such as planting mulberry trees, collecting mulberry leaves, feeding silk worms, making silk, weeding around the mulberry trees, and weaving cotton fabrics.

When I conducted fieldwork in 2006, there were five women working in this center. Their work was difficult to classify as they were in between being workers, habchiang33 or temporary contractors. Reflecting on the discussion with Havan I understood her work as doing all the activities mentioned above, in addition to cleaning and washing dishes during parties held by the company at the center. She also planted vegetables to sell at the temporary market. Her workday varied and depended on the company, as she described when I asked about her working hours:

I: How many hours do you work per day?

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33 See Damdouane and Sengchanh (2004). Habchiang is defined as a daily worker who works with no rate for paying; the wage depends on negotiation between employer and labor. The work done is very varied. The word is also used referring to unemployment; a person who has no fixed income, and no stable work.

UnpublishFaculty of Social Science
R: I don’t know.
I: At what time you come to work here?
R: At 6 in the morning.
I: When do you go back?
R: It depends, sometimes at 3 PM, sometimes at 5 PM sometimes at 7 PM. If the car from The Camp comes here I go with them.
I: Why does it depend?
R: It depends on the car from The Camp, when they come here I ask them to take me to my house.
(Interview with Havan, Ban Vang Ngang).

She neither has a salary, nor is she paid as daily worker. During the first year when she worked in the center, she and the other workers were paid 20,000 kip (around 2 USD) per day as daily workers. The second year the company changed its mode of paying; the company paid them according to their products, but they still needed to come to the center every day as if they were permanent workers. On the average she earned around 200,000 to 300,000 kip (around 20 USD to 30 USD) per month from all economic activities combined: (1) the company paid 120,000 kip (around 12 USD) for one kilo of silk. However, Havan said it was very hard to make one kilo of silk and in a month she could make only about 500 g to 600 g; (2) from weaving she was also paid according to her product by meter; from 4,000 kip (around 0.40 USD) per meter to 8,000 kip (around 0.8 USD) per meter, (3) from weeding grasses around the mulberry trees for which the company paid one million kip for cleaning 28,000 m² in a type of temporary contract. She did this work together with three other workers so she would get 250,000 kip (around 25 USD) for the full weeding; and (4) from selling vegetables to the company in the temporary market.

First we worked together and we got 20,000 kip per day. Then The Camp stopped it and said they did not have quotas any more, they told us to work by ourselves; to feed the worms, to collect the mulberry leaves here [she points at the mulberry farm close to the center], when the silk is made they will buy it from us at 120,000 kip per kilo. And the camp provides the meals; since two-three months I eat here with the camp, I have to do it. Before I brought my own meal, but now I have nothing, I have no land, no Hay, no Souan, to plant rice (Havan, Ban Vang Ngang).

Havan cannot be classified as a worker because she has no salary or fixed work hours, but she still needs to come to work every day. Sometimes she worked as habchiang; for instance with weeding. Habchiang means that she was hired for doing a specific work in a definite time and the contractor paid her according to her work, and usually provided lunch. Sometime she worked as a housemaid, she cleaned and washed the dishes but without getting money.

I: In general, how much do you earn?
R: I don’t know, it is not exact, not fixed, not a big amount, sometimes 10,000 kip, 20,000 kip, then I spend it; it is spent directly for Keu Peng Noua [a small amount of food] (...) When I get money, for instance 10,000 kip, it is Pay Wab. (Interview with Havan, Ban Vang Nyang)

The term Pay Wab indicates insufficiency and insecurity, an income that is spent for daily food. Even if she worked regularly from 6 am, she could not account for her family’s well-being, and she used the term Pay Wab to explain that she earned a very small amount of money that she immediately spent, she could not save even ‘one kip’ from what she earned from her work. This form of livelihood may be the most vulnerable one, and the most unstable one.

3.4.4. From paid work to small business

Bouala is a woman aged 31 years old who belongs to the Phu Thai ethnic group in Ban Muang Luang village. She has two children and was pregnant at the time of the interview. After she finished primary school, she left her studies and helped her parents to do agricultural work. The opening of the mine provided her an opportunity to engage in paid work when she was still young. She started to work for the mine in 1993 when she was 19 years old and continued to work there until 2005. During these twelve years, she experienced different types of work: as a cleaner; as a laundress, as a cook assistant and finally she became the main cook. Her salary has increased according to her work, which finally became an important financial capital for her own business.

I began to work in The Camp on the 23rd of September 1993. It was hard, I tried to overcome everything because I thought if I stayed in my house I would not have money, I would have nothing to do. I produced Lao Khao [Lao traditional whisky] and sold it for 200 to 250 kip per bottle. Sometimes I sold chicken, but only for 200 to 300 kip per chicken (...) First, I worked as housemaid and cleaner; then I moved to work in the kitchen and became responsible for washing the dishes, then I worked as a cook assistant and learned how to make Western food; I continue to work as a cook until 2005 when I decided to quit that work (...) I started by getting 45,000 kip in 1993; in 1996, I got 70,000 kip per month, then 100,000 kip and some more from 1999. In 2002, I got 120,000 kip. And in 2002 I got married and moved to stay outside the camp, then I got 160,000 kip per month. At that time I was already a cook (Bouala, Ban Muang Luang).

After working in The Camp for more than 10 years, she decided to quit her job in 2005 and set up a new economic activity. With the money she had saved from working in The Camp she decided to run her own business in the center of Vilabury district. She opened a retail shop where she sold varieties

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34 The salary of Bounhom has increased, but it is difficult to compare rates in USD. In 1993, 1 USD was around 1,000 kip and in 2005 1 USD was around 10,000 kip.
of goods; she opened a restaurant which became the biggest in the district and brought incomes of around 500,000 kip (around 50 USD) per day. She rented a house to a subcontractor company of Lane Xang Minerals and also worked as a housemaid for that company for which she got 600,000 kip (around 60 USD) per month. She has a Souan where she plants varieties of vegetables for family subsistence. She has many important diverse sources of income as mirrored in her narrative.

I knew the work in The Camp and wanted to run a business by myself. On June 15th 2005 (...) I quit my job and got some money as compensation, which I could use as capital for a small business... I opened a retail shop in my house and had time to take care of my children (...) I tried to urge and encourage him [the husband] to plant vegetables so we don't need to buy it. We buy only meat from the market. From the retail shop and the restaurant we get at least 500,000 kip per day, and if there is a special guest or celebration, we earn around two million kip per day (Bouala, Ban Muang Luang).

The story of Bouala reflects another trajectory of adopting new livelihoods strategies according to the new social milieu and the new shape of capital. Her story also draws a picture of the process of acquiring and accumulating knowledge or human capital to be able to adopt new forms of livelihoods over time and to shift away from agricultural work. One of the pertinent differences from our previous examples was Boula's perceptions of paid work and agricultural work. She perceived it as a good transition and felt very proud about her successful accumulation of financial capital and of running her own business.

3.4.5. From self-sufficient agricultural cultivation to market based agricultural cultivation

Another adaptation by the villagers in accordance with the change of economic policy was the change of purpose of agricultural cultivation. This was not obviously seen and not yet practiced everywhere, but it began to occur in Lao Theung communities. Lao Theung communities are sometimes, undocumented, represented as 'backward' in comparison with Lao Loum communities. A monetary system did not pervasively exist in the Lao Theung communities in this area before the operation of the gold mine. The villagers cultivated rice in their Hay, raised animals, and collected forest products, for direct exchange for food and clothes, which is referred to as a form of exchange practiced in ‘primitive societies’. Souvanh in Ban Vang Ngang describes the exchange relations between ethnic groups.

I don't know how to say. As I remember everyday we went to the forest Ha Phack Ha No [vegetables and bamboo shoots] for our food. We were so poor; we cut the bamboo, and then used it to make bamboo mattresses to exchange them for cloths from Lao Loum, from Phu Thai. We raised ducks, chickens, pigs, sometimes we sold
The story told by Souvan figures out the daily routine of a Lao Theung tribe, who based their traditional livelihoods totally on natural resources. It also reflects how they were not involved in a monetary market life yet. Agricultural work and NTFP collection were done with the purpose of supporting the family’s daily food and to exchange products with Phu Thai. Here I will bring another example where there was a change of purpose of production in a Lao Theung family as a consequence of the mining operation.

Thongvanh’s family decided to change their practice of agricultural production towards market-based production. Before the operation of the gold-copper mine, the livelihoods of her family were in fact ‘very diverse’, based on natural recourses, and involving monetary exchanges.

R: I will tell you about myself, what I have done to earn money; first I collected pieces of iron left from the bombs during the war, my husband did not go. Secondly, I collected Kheua Hem from the forest and sold it. It gave some amount of money.
I: How much does it cost, I mean 1 kilo of iron and Kheua Hem?
R: 1,700 kip per kilo for the iron. Before the operation of gold mine, I used to search gold in the river Hone Kham, sometimes we could find one Salung per day and could sell it for 500,000 to 600,000 kip per Salung. Every day people from the town came to buy gold from us. You see it was a big amount (Interview with Thongvanh, Ban Vang Ngang).

The story told by Thongvanh shows that before the operation of the mine there were five main economic activities in her family: (1) collect and sell debris from the bombs; (2) collect and sell non-timber forest products; (3) search gold from the river the traditional way Hone Kham; (4) cultivate Hay; (5) cultivate Souan.

Threaten by the lost of the indirect property; Thongvanh began to think about how to change her livelihoods. She got an opportunity to participate in a study tour to commercial plantations, organized jointly by the company and the local government, to several places throughout the country. With her new knowledge and despite hesitations caused by previous failures with plantations of cotton trees in the village, she urged her husband that they should cultivate a large Souan. Thongvanh and her husband planted around 1,500 rubber trees and 800 pineapple trees, which she thought never, had happened in Lao Theung society. Even if this event was seen as strange by

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35 Kheua Hem is a type of NTFP, a yellow plant used in traditional medicine, particularly for curing diarrhea.
36 One Salung is equal to 3.75 g
other people in her village, her family decided to adopt new form of plantation as she had learned to do.

When Chanthone told me to do the Souan I said immediately I am lazy, I don’t want to do it. The Camp proposed four families in this village to plant rubber trees, but no one wanted to plant; they said it would be similar to the plantation of cotton trees that did not give a good result. Then my husband and I discussed it, we said, why are we so lazy, why don’t we try to plant it, maybe we will have a good result. (…) He agreed to plant the trees. Now the trees have grown up. I travelled to learn about plantations. We went with The Camp and the Department of agriculture to Savannakhet, Vientiane, Vangvieng, Kasi, many places (…) We visited farms, vegetable gardens, mulberry farms; I learned how to plant mulberry plants and vegetables. It was the first time in my life that I have travelled so far away (…) They taught me how to use bio-fertilizers, taught me how to plant (…) From that I kept in mind that I wanted to do like them (…) In the Hay we planted many kinds of trees and vegetables, but only for family food, not for selling, we might plant ten banana trees, 15 pineapple trees, but not 800, and we never planted Para rubber tree. It is the new thing. Now we don’t plant for eating but for money (Thongvanh, Ban Vang Ngang).

The case of Thongvanh is witness of that market-based production began to filter down to the local and daily life of people in this remote area. One similarity between Thongvanh’s and Bouala’s cases is that both built their new livelihoods strategies through accumulation of new knowledge; and also that they both went through successful struggles and negotiations with their husbands.

All cases above show different forms of transitions of livelihoods from natural resources and agricultural production-based to new livelihoods based mainly to non-farm economic activities. One can say that both the change of the shape of the assets and the contextual circumstances of vulnerability, policies, and institutions were important for the villagers to transit to new livelihoods and to cope with the new situation. Below I have drawn a schema to summarize the transition processes towards adopting new livelihoods in the communities affected by the operation of the gold-copper mines.

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37 Staff of Lane Xang Minerals Company working for the Community Relations team.
As shown in Figure 10, before the operation of the mine most economic activities were related to agricultural production and collection of NTFP. Even the collection of debris from bombs was done in a similar way as collecting NTFP; the materials were collected and used in the household or sold/exchanged. This was done in danger of finding active bombs, which continues to cause severe accidents in these areas. Small trading was also related to agricultural production and collection of natural resources, and most of the goods traded were NTFP. After the operation of the mine the most important family asset, land for cultivation, were in many cases lost and there was a decrease of natural resources due to the expansion of the mines and the priority given to land concessions for the mining company. This became stress factors for the villagers to drop their old livelihoods. By the same token, the operation of the mine provided opportunities for villagers to access new jobs and in some cases to accumulate financial capital to start a business, as in the case of Bouala. The development of infrastructure facilitated access to new places, which enhanced opportunities to acquire knowledge about new economic activities, as in the case of Thongvanh. As shown above, there have been profound transitions, but in different forms at the local level. The differences are related in particular to
previous forms of cultivation (*Na*, *Hay* and/or *Souan*), which in turn are related to ethnic background. We will now look more closely on the consequences of these transitions and how people talk about them.

**3.5. Good fruits and bitter tastes**

In the introductory chapter I referred to how the outcome of development could result in both negative and positive aspects, where the negative dimensions often relate to increased inequality, dependency, poverty, uncertainty of livelihoods and other social problems. Frank (1967) cited in Potter (2004:109) argues that development and underdevelopment is opposite sides of the same coin, and that both are outcomes and manifestations of the contradictions of the capitalist system of development. From this point of view, positive and negative consequences coincide with each other as two faces of the same coin. They bring with them not only good fruits but also bitter tastes. So far, in this chapter I have pointed out many positive indicators as a result of the investments in the mining industry. However, unavoidable, and parallel with the good changes, several problems coexist in this area; for instance the problems of compensation; poverty and dependency, as well as inequality and uneven development, which Rigg (2005) defines as ‘new poverty’ created through development itself. Some of these problems are pointed out and unpacked in this section.

**3.5.1. Poverty**

How to measure and define poverty is a subject of debate (Maxwell, 1999; Laderchi et al 2003; Moser 1998; Brady 2003). For instance, should poverty be measured by the income obtained by households or individuals or should it be measured by lack of access to social services? Or is poverty best conceptualized as lack of opportunities to participate in society, economically, socially, culturally or politically? Different terminologies have been used when measuring and discussing poverty, for instance ‘absolute poverty’, ‘relative poverty’, ‘old poverty’ and ‘new poverty’.

In Laos the definition of poverty is drawn from The Prime Minister’s Instruction on the eradication of poverty and the measurement of poverty is based on ‘lack of basic human needs’ as follows.

*Poverty is the lack of ability to fulfill basic human needs such as not having enough food, lacking adequate clothing, not having permanent housing, and lacking access to health, education and transportation services. (Instruction No. 010 /PM, June 25, 2001 cited in Lao national Growth and Poverty Eradication Strategy).*

The households are classified as having escaped from poverty if they fulfill the needs described above. Rigg (2005) puts forward that there are two types of poverty; old poverty and new poverty; where old poverty is centered on
the characteristics of lives and livelihoods and new poverty is understood as created through development. The same author further describes how old poverty in Laos has often been defined by several indicators recognized as problematic.

(...) the ‘problem’ of shifting cultivation; the ‘problem’ of lack of market access; the ‘problem’ of an absence of government services and amenities; The ‘problem’ of low incomes; the ‘problem’ of infant mortality rates; and the ‘problem’ of adult literacy (Rigg 2005:25).

New poverty, in turn, is the lack of ability to participate in national life, especially in the economic sphere, and is created through unintended outcomes of development, in particular, through the operation of area based development programs (Rigg 2005). Through development and modernization, social classes of losers and winners have been created as a result of discrimination in society. It means that new poverty is rather defined and measured by social indicators, such as inequality and social stratification, than by economic indicators. In the report on major problems induced by mining and resettlement, Downing (2002) points out that the major risk of mining operations was the appearance of new poverty. He further explains how a mining process relates to the loss of physical and non-physical assets, including homes, communities, productive lands, income earning assets and sources and cultural and social structures, and also civil and human rights. Downing analyses how the failure of mitigation to avoid these risks may create new poverty and the poor may become poorer (Downing 2002:8).

In Laos poverty reduction has been brought to the center of development policy and strategies, and the elaborated definition of poverty reflects the concern about people’s quality of life, but it seems that the main focus is on material conditions. In Vilabury, the measurement and classification of poor families were principally based on the criteria set up by the government and the indicators of poverty were: lack of clothes; lack of permanent house; if the household does not have enough money for health treatment or to support children’s primary education; and if the household does not have enough food, which is measured by having 16 kg rice per person per month\textsuperscript{38}. Based on these criteria, a survey on poverty was done in Vilabury district in 2005 which revealed that more than 30% of the households in the district were living under the poverty line. Even if the mining operations started in 1993, and many families have had opportunities to work and generate high incomes, until now Vilabury district is still classified as one of the poorest districts of Savannakhet province. Among 90 villages in the

\textsuperscript{38} District survey 2006, unpublished.
district, five villages are recorded as having 100% poor households, and in 37 villages, more than 50% of the households live with poverty. In total, among the 5055 households in Vilabury, 1629 (32%) were classified as poor.

Figure 11 provides more detailed information about the 1629 household that were classified as poor: 434 households had lack of cloths, 1498 households lacked a permanent house, 905 households could not access medical care, 904 households could not support children’s education, and 1036 did not have enough food. If a family had a lack according to at least one of the criteria, it was classified as poor. In the five villages selected as research sites, 68 families of 292, which equal to 23%, were classified as poor families (Table 10).

![Figure 11: Number of poor households by poverty index category.](image)

*Source: District survey, unpublished, 2006.*
Table 10: Number of households defined as poor in the five villages.

<table>
<thead>
<tr>
<th>Ban/village</th>
<th>No. of hh</th>
<th>Poor hh</th>
<th>Percent</th>
<th>Cloth.</th>
<th>House</th>
<th>Health</th>
<th>Edu.</th>
<th>Rice</th>
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<tr>
<td>Nongkadeng</td>
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<td>6</td>
<td>24</td>
<td>0</td>
<td>6</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Nonsomboun</td>
<td>93</td>
<td>4</td>
<td>4.3</td>
<td>3</td>
<td>4</td>
<td>4</td>
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<td>4</td>
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<tr>
<td>Phonesa’at</td>
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<td>17</td>
<td>32.1</td>
<td>1</td>
<td>15</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Vang Ngang</td>
<td>56</td>
<td>36</td>
<td>64.2</td>
<td>10</td>
<td>36</td>
<td>16</td>
<td>27</td>
<td>16</td>
</tr>
<tr>
<td>Muang Luang</td>
<td>65</td>
<td>5</td>
<td>7.6</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>292</td>
<td>68</td>
<td>23.2</td>
<td>15</td>
<td>66</td>
<td>26</td>
<td>37</td>
<td>26</td>
</tr>
</tbody>
</table>

Source: Vilabury district office, 2006.

If we compare the proportion of poor families in the five villages located around the gold-copper mine to the rate of the whole district, we can see that it is significantly lower (23% as compared to 32%). As seen in Table 9 there are also important differences between the five villages; in Ban Vang Ngang, an ethnic minority village, 64% of households were defined as poor, while in Ban Nonsomboun only 4% were classified as poor. Ban Vang Ngang was recently resettled, which is often associated with poverty, particularly new poverty (Downing 2002). Downing argues that one of the patterns of new poverty is homelessness, defined as loss of house plots. In the case of Ban Vang Ngang, the major indicator of poverty was lack of permanent houses.

### 3.5.2. The unsolved problem of compensation

One of the most pervasive problems related to the operation of the mine that emerged in this study was the problem of land compensation. A report by the World Bank Group (2001) indicates that nearly all mining projects raise complex issues in relation to compensation to local communities. In Lao PDR these complexities are compounded by significant local variation in systems of land ownership and use, and a lack of overall consistent regulations. Issues of individual and village rights to land are multifaceted and in many cases poorly understood and often only related to very broad guidelines.

In the case of Sepone mining, Lane Xang Minerals Company Limited accomplished a yearly socio-economic impact assessment from the beginning of the operations, as baseline for how to handle the issue of compensation. In practice, the handling of compensations remains unclear.
The delay of promulgation of decrees and regulations regarding compensation of land and other properties provokes prominent problems and difficulties to cope with this issue. When the broader guidelines of the decree and regulations adopted in 2005 were applied to the variety of specific cases of properties and land ownership it created complicated procedures and led to misunderstandings and conflicts between the company and the land owners, and in general between the company and the villagers. In fact the broadness of the regulations easily provoked divergences, misunderstandings and trick’s playing. And the most vulnerable group is the villagers who practice shifting cultivation, who traditionally, as mentioned before, hold land without having land titles or certificates. The World Bank group (2001) reports.

In general terms it is clear that a legal framework is in place for the provision of compensation for land holders affected by mining projects. However, there are two areas requiring further investigation, clarification and, in all likelihood, policy development. First, it appears likely that there are a range of land uses (in particular those associated with shifting cultivation, other forms of relatively impermanent upland cultivation, and collection of forest products) for which the legitimacy of compensation is not recognised either in law or in practice. Second, the processes for arriving at appropriate levels of compensation remain unclear and, in the mining sector, the body of precedent appears to be very limited (ibid: 2001:27).

The government decree and the regulations concerning the compensation set up in 2005, (Part III Article 6, paragraph 6), do recognize the right to compensation for the population in remote areas who do not have a legal land certificate. However, in the case of Vilabury it has not been applied yet. According to my fieldwork information, nearly all respondents reported delays and complications in the procedure of compensation, which they could hardly follow. The problems were not only faced by people who practiced shifting cultivation, but also by people who owned Na and had land certificates. A further problem was how to compensate for land, which was indirectly impacted. For instance, in one of the interviews the respondent talked about her plot of land, which was not taken by the company, but was indirectly impacted: her family still cultivated their Na, but the harvest had decreased to nearly half of the usual harvest; from more than 200 bags to 110 bags. The decrease of the harvest caused problems for her family’s well-being and living standard, since rice production was their main source of income and main livelihood activity. All her family’s expenditure came from rice production: health treatment, children’s education, housing, and in her family no one was accepted to work for the company. When the harvest fell, there was food shortage in her family as she talked about in her life story with tears in her eyes.
R: Normally, each year, the crop is enough for the family food staple. But now The Camp created the lime's well, and the water from the limestone powder came to my rice field, and then we had a very small harvest.

I: Normally, how many Meun do you get in the harvest?
R: I don't know, but more than 300 Meun. It is really the main source of income of my family. Every year, we were able to sell paddy; all family expenditure is based on the income from selling paddy; food, cloths, everything. Last year we got more than 200 bags, but this year we got only 110 bags. You see, I don't know how long the rice will subsist in our family; we are ten persons, and the cloths, the food...

Her family had discussed with the company regarding compensation, but nothing had been settled yet.

In this and other interviews the respondents talked about three unsolved problems; firstly, the definition of stakeholders: who was responsible for the issues - was it the district, the province or the company? Secondly, what forms of compensation could be made? This was unclear as no concrete and practical rules were communicated. Thirdly, what was the appropriate rate of compensation? There were disagreements about differently applied rates between the families and the company. All of these problems made this issue enduring and families were involved in difficult procedures of discussions and negotiations.

R: The Camp said that they would compensate, but they said that the district was responsible for it; but the district said that it is The Camp's responsibility. If they don't compensate, we will complain at the provincial level.
R: I did not, but some families did, we are waiting now and if they do not compensate, we will go.
I: How do you want them to compensate?
R: In whatever way, they could compensate by giving rice or money.
I: How much do you want?
R: I don't know, I don't remember. It doesn't mean that we don't want to give them my rice field. We agree to give, but they need to compensate as we request. They agree to compensate, but very little. You know, if we have the rice field we can produce rice for many generations. If we don't have a rice field, what will happen to my children, my grandchildren, and the next generation? You know, even if we get compensated, the money may not be enough for family subsistence, but we agree to give them if they compensate as we request. We have complained at the district, they said they already submitted the document to the company. When we went to the company, they said that they already gave the document to the district. That is the problem (Interview with Lanna, Ban Phonesa'at).

Firstly there were delays in implementation. Secondly there were no rules that applied to the local area. Thirdly, the division of responsibility between the district and the company was unclear. Fourthly, which might be the key problem; there was no circulation of information and intercommunication between the villagers, the company, the local government and other committees responsible for solving this issue.
One respondent in Ban Nonesomboun raised another important case related to the compensation. She explained that the company explored minerals at her Souan, which was full of fruit trees and had a fishpond. The company started to explore her Souan without asking permission and without informing and negotiating with her family.

The Camp explores the gold and traced the boundary of the mine, which covers our land (...). Now the company wants to get it; they already destroyed one side of the hedge without talking to me, they used the tractor to destroy it. So when the hedge was destroyed the cows and the buffalos entered my Souan, where there were plenty of pineapples. (...). Later on, with the villagers, we went to see Chanbhone; and submitted the application about compensation through him. The Camp said that they agreed and requested us to apply for compensation through the district’s agricultural office. We went to the agricultural office. They said that they needed a letter to approve that The Camp will pay one hundred million kip [around 10,000 USD]. The Camp said that they agreed and we could directly withdraw the money at Sepone. But when the villagers at Ban Phonesa’at did the same thing, they were told that it was wrong (...). The Camp said, why did the villagers have the right to do that?

I: Could you explain more about that?
R: It is the letter from the agricultural office; the agricultural office is supposed to identify the price of land (...). That office came to ask the villagers whose land was explored by the camp, in order to know whether the owners had document about ownership or not and if the owners pay tax every year. I have all of document and I pay tax every year. The agriculture office said they recognized the ownership of my land, and then The Camp requested us to count the number of plants at the Souan. But they still have the problem for example in Ban Phonesa’at. The villagers wanted 24 million kip (around 2,400 USD) as compensation for their banana and mango trees, but The Camp said it was too expensive and did not want to pay.

I: How about the agricultural office, didn’t they calculate it?
R: The agricultural office went to evaluate, and said that the cost was 47 million kip.
I: But that was more than the villagers requested?
R: Yes, and The Camp said that the agricultural office did it wrongly. That is the problem, and it could not be solved. If the agricultural office had evaluated my Souan, it would have cost 170 million kip (around 17,000 USD) (interview with Bannali, Ban Nonsomboun).

The story confirms the complicated procedure of compensation and also the lack of communication between the villagers, the company and the district authorities. The respondent relates that compensation would be made in accordance with official land ownership, defined by having a land certificate; based on that the calculation of the rate of compensation would be done by the agricultural office of the district. However, the problem was still tuned on the issue of what regulations they should use in order to calculate the rate for each plot. The respondent revealed that the rate of compensation was first calculated by the land owners themselves, which was not acceptable to the

39 She refers to the villagers.
company; then it was officially calculated by the district agricultural office, which was not accepted by the company either.

If we look at the compensation decree and regulations adopted in 2005 by the Lao government, it is stated that the compensation should be made according to discussions, negotiation and agreement between the project owner and the land holder. The case referred to above of the company entering a *Souan* without talking to the owner reflects a problem of communication between the company and the land holders. It does not only reveal weak communication, but more importantly and more dangerously some respondents perceived that they had to face threats from the company. They felt they had no equal power to negotiate and also limited right to do so.

The problems and conflicts between the villagers and the company concerning compensation for land and other properties were not only reported by the villagers but also raised by some key informants. The excerpt below is from an interview with an informant involved in the process of compensation.

*There are many opinions against the company, in particular concerning the compensation procedure, which touches directly the feelings of the villagers. Now we are in the stage of discussing and negotiating about the plots of land which the company wants to use to construct roads to transport minerals from the mines to the factories; lands that the villagers herited from their ancestors a long time ago, passed on from generation to generation. All their life is based on that since a long time ago; it is the important source of their food and basic livelihood. The company will compensate for only 30 million kip (around 3,000USD), which is nothing; it is not enough for family subsistence. That is the main thing which affects strongly the feeling of the villagers (District governor).*

The excerpts above illustrate both the disagreements and the unacceptability of the land compensation for the villagers, concerning both the procedures and the rate. The most important point, however, was the neglect of the feelings of the villagers towards their plots of land. People valued plots of land and money differently, and the meanings of having land for cultivation contrasted strongly with the meaning of having a lot of money. The villagers felt more secure if they had land for cultivation. Bannali metaphorically compared between having plenty of money and having land for rice cultivation by using the expression *Mee Ngeun Tem Pha Bo Tho Na Pheuan Koang*. The first part, *Mee Ngeun Tem Pha* means having a lot of money; *Bo Tho* means not equal to or not similar to; while the last part, *Na Pheuan Koang* means a large plot of rice field. The expression reflects how people felt and valued a rice field or land for cultivation compared to having money. For them there was incomparability between having a land for cultivation and having a lot of money. In this area the livelihoods of people have relied on agricultural production from generation to generation and they expressed
how they feel more secure when having land for cultivation rather than having money. Therefore, the problem of compensation could not be solved by just focusing on compensation but would also need to be concerned with the feelings of the villagers connected to their lands.

The same key informant also raised the problem of weak communication and the different perceptions about compensation rates between the villagers and the company, which caused disagreements between the two sides.

A second thing is the important impact on the villages around this area, for example the case of Ban Vang Ngang, in terms of the compensation for rice paddy. The company referred to the state, to the laws to solve the problem; to identify the level of compensation, while the villagers talk about their reality. The situation can not satisfy local people. To be clearer, it is to say that the company wanted to pay a lower price than the owners of rice field requested (District governor).

The informants and the villagers who lost their lands provided stories of how land compensation was still an unsolved problem. This problem may grow in the future, if there is a new agreement of expansion of the mine at the end of the current phase in 2014. It will not only be a problem of how much and in what ways there will be compensations, but also of how to convince the villagers and consider their feelings as well.

Partly as a response to these issues, the Lao government established a specific vertical network organization, from national to local level, called the National Administrative Committee for Sepone Mining Project presided by the Vice minister of energy and nominated by the Prime Minister. All committee members were from high rank positions such as vice ministers and vice provincial governors. This committee holds quarterly meetings in the Sepone area to discuss problems occurring in the communities. At the local level, the Community Issues Concern Committee (CICC) was also established to be directly responsible for handling problems related to the operation of the mine within the communities. During the quarterly meeting, the problems were raised and discussed in order to look for solutions. Even though the Lao government set up a specific organization, the problem of compensation remains unsolved. Part of the reason may be that the working mechanisms of the organizations and institutions have not functioned well, especially in the case of organizations directly involved with the villagers.

3.5.3. Dropout of students
One serious problem that was seen in relation to the operation of the mine in Vilabury was the dropout of students from school. High-income job
opportunities became an important attractive factor for especially young villagers to leave agriculture-based livelihoods and engage in paid work. The opportunity to work for the mine obviously resulted in an increase in living standard for many families, but correlated with this was a serious negative side effect on education, which might not have been noticed concretely by the government and the villagers. The students, attracted by high incomes and pressed by their family’s living condition, were pulled from schools to look for a job in the mines, where they were mostly hired as casual workers. As Gnong, a key informant from Ban Phonesa’at, related in the interview.

*R*: I found some impacts, for instance in the school in Vilabury district. I asked and there were some students who did not complete their studies, they dropped out of school to work in the mines.

*I*: In these cases, did their parents beg them?

*R*: I think that would depend on their real situation, for example if the families had very poor living conditions. In a case in Ban Sopkong, a student graduated from the university and was waiting for a job in the local government; it is hard to find a job. That boy has an education, but he still could not find a satisfying job. So people in this area lack motivation to study, because even if they have a high education, it doesn’t help them to find a good job. In contrast, people who drop out of school and have the opportunity to work in the mines, they earn money. They can support their family, so people prefer to quit school and work to earn money. In fact, if they work in the mines, their living condition and their life can change quickly, they can build a new house, for example. That is why many people want to quit school (Interview with Gnong, Head of Neohom or elderly association).

Apart from the attraction of the mine, which was the main reason why students retired from school, another important factor seemed to be a negative perception about education. Due to very few available qualified jobs, people lacked motivation to continue studying on higher levels. The non-correlation between level of education and job satisfaction and the unavailability of jobs in the area seemed to influence young people to leave school instead of continuing to study, and some even left compulsory primary education.

Table 11: Number of students and estimates in primary school 2006-2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2,043</td>
<td>970</td>
<td>650</td>
<td>460</td>
<td>355</td>
<td>4,478</td>
</tr>
<tr>
<td>2007</td>
<td>2,329</td>
<td>1,115</td>
<td>715</td>
<td>496</td>
<td>404</td>
<td>5,059</td>
</tr>
<tr>
<td>2008</td>
<td>2,665</td>
<td>1,282</td>
<td>786</td>
<td>535</td>
<td>460</td>
<td>5,728</td>
</tr>
<tr>
<td>2009 (est.)</td>
<td>3,026</td>
<td>1,474</td>
<td>864</td>
<td>577</td>
<td>524</td>
<td>6,465</td>
</tr>
<tr>
<td>2010 (est.)</td>
<td>3,449</td>
<td>1,695</td>
<td>950</td>
<td>623</td>
<td>597</td>
<td>7,314</td>
</tr>
</tbody>
</table>

*Source*: 5 year plan for socio-economic development of the district 2006-2010, draft.
Table 12: Estimated number of students in secondary school 2006-2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>Grade</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2006</td>
<td>272</td>
<td>182</td>
</tr>
<tr>
<td>2007</td>
<td>331</td>
<td>189</td>
</tr>
<tr>
<td>2008</td>
<td>403</td>
<td>201</td>
</tr>
<tr>
<td>2009</td>
<td>491</td>
<td>222</td>
</tr>
<tr>
<td>2010</td>
<td>564</td>
<td>235</td>
</tr>
</tbody>
</table>

Source: 5-year plan for socio-economic development of the district 2006-2010, draft.

Tables 11 and 12 show the estimated number of students enrolled in primary and secondary school in Vilabury district, from 2006 to 2010. The data indicates the problem regarding dropouts of students, in particular at primary level. In 2006, there were 2043 students enrolled in the first grade. If we follow that cohort in a five-year system, in 2010 only 579 students in the cohort were estimated to reach the fifth grade. It means that only around 30% would finish primary school, which is compulsory education in Laos. The statistics and the 5-year plan of the district did not provide criteria and the details how this estimation had been calculated, but it was probably based on the historical background of the dropout of students in the past.

Another picture of the educational problems is shown in Table 13 below where the number of students in Ban Namkheep primary school from grade 1 to grade 5 is presented.

Table 13: Number of students in Ban Namkheep primary school, grade 1 to 5 2006.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 1</td>
<td>45</td>
</tr>
<tr>
<td>Grade 2</td>
<td>34</td>
</tr>
<tr>
<td>Grade 3</td>
<td>37</td>
</tr>
<tr>
<td>Grade 4</td>
<td>11</td>
</tr>
<tr>
<td>Grade 5</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>136</td>
</tr>
</tbody>
</table>

Source: Fieldwork 2006.
Ban Namkheep primary school is one of the old primary schools; old here refers to its condition; the school was made of bamboo, with an old zinc roof. The teacher’s office had old tables and chairs which were about to collapse (see Figure 12). The students in this school came from five villages, namely Ban Namkheep, Ban Vang Ngang, Ban Nongkadeng, Ban Phonesa’at and Ban Sopkong. The total number of children in grades one to five was 136, of which 72 were girls. The data reveals two main things. Firstly, the number of girls in the school was higher than the number of boys, which is an indicator of changing gender relations in education. Secondly, grades four and five had very low numbers of students. This phenomenon might be explained by a high rate of dropouts between the third and fourth grades, but the data in Table 10 does not show how many students had enrolled in the first grade in the cohort currently studying in the fifth grade. However, it is quite striking that only nine students from five villages were still studying in the last year of primary school.

The quotation presented below is from the interview with Mr. Boun Oum, acting director of Ban Namkheep primary school. Mr Boun Oum gave several reasons why there were so few students and why there was a high rate of dropouts from primary school.

> After first and second grade, the students are already grown-up in the rural area. They start to study quite late, and then they are shy to study when they grow up (…) The impact is from The Camp, for example the students who are grown-up, in 4th or 5th grade, they see their friends working in The Camp so they also want to work there. They drop school and work as daily workers, slashing the forests. The second thing is access to television, the children don’t study, they watch TV. The parents also encourage their children to drop out because with daily work they get money, but to go to school, they don’t get money (Head of Namkheep primary school 15/5/2006).

The main reasons behind student dropout seem thus to be, firstly, that rural children start to study late and are grown-up in third grade, which make them shy to go on and study on higher levels. Secondly, they are often a main labor force of the family and seen as a richness of the household, as they can help their parents in agricultural work or with housework. They can provide a main source of income for the family by working as casual or permanent workers in the mines. The attraction from the wages provided by the company even for the casual work coincided with the encouragement from the parents who wanted their children to generate income for the family rather than to continue their study. Finally, the dropouts may also be influenced by changes in life styles of young people. The recent access to television led to changes in the daily habits of children; at home, children were attached to television programs and spent most of their time watching television rather than studying.

Regarding these incidents, the long-term impact should be considered. If there is a high rate of student dropout already from primary school, it is
questionable if poverty eradication strategies can be achieved in the long run. The level of education is important in many aspects, including in terms of providing opportunities and finding ways to escape from poverty. The high numbers of dropouts related to the mining investment rise questions about whether the national education strategies of having compulsory primary school for all will be achieved in this area.

![Uneven development in Vilabury district](image)

Figure 12: Office of Namkheep primary school and private transportation to The Camp.

### 3.5.4. The legacy of war

During the ‘Vietnam war’ or ‘American war’ 1957-1975 between the revolutionary left side in Laos supported by socialist countries, and the Vientiane or right side supported by USA, Vilabury was recognized as a vulnerable area due to its location in the area of the Ho Chi Minh trails. The Ho Chi Minh trails are known as a network of routes where the revolutionary groups in both Laos and Vietnam used to communicate and transport war materials from the north to the south in order to fight American troops in South Vietnam. As described above, the area was heavily contaminated by bombs and Vilabury has been classified as the highest contaminated area in the country. In recent reports on UXO clearance in the area (Earth System 2002) it was shown that between June 2000 to March 2001, 2793 fragments and 7,791,529 pieces were cleared. Nearly 50,000 people have been victims of bomb explosions between 1964 and 2007, of which more than 11,000 cases occurred in Savannakhet province (Table 14). The data also show UXO victims by district in Savannakhet province.
Table 14: Number of bomb victims in Laos 1964-2007 by province and district in Savannakhet province.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Province</th>
<th>No. of victims (casualties)</th>
<th>No.</th>
<th>Name of district in Savannakhet</th>
<th>No. of victims (casualties)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vientiane Capital</td>
<td>1,163</td>
<td>1</td>
<td>Khanthabouly</td>
<td>471</td>
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<tr>
<td>2</td>
<td>Phongsaly</td>
<td>500</td>
<td>2</td>
<td>Outhoomphone</td>
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<td>3</td>
<td>Luang Namtha</td>
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<td>Atsapangthong</td>
<td>364</td>
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<tr>
<td>4</td>
<td>Oudomxay</td>
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<td>Phine</td>
<td>1,521</td>
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<tr>
<td>5</td>
<td>Bokeo</td>
<td>913</td>
<td>5</td>
<td>Sepone</td>
<td>1,431</td>
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<td>6</td>
<td>Luang Prabang</td>
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<td>Nong</td>
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<td>Houaphan</td>
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<td>Thapangthong</td>
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<td>8</td>
<td>Songkhone</td>
<td>1,344</td>
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<td>9</td>
<td>Xieng Khouang</td>
<td>6,823</td>
<td>9</td>
<td>Champhone</td>
<td>1,296</td>
</tr>
<tr>
<td>10</td>
<td>Vientiane</td>
<td>1,628</td>
<td>10</td>
<td>Xonbuly</td>
<td>469</td>
</tr>
<tr>
<td>11</td>
<td>Bolikhamxai</td>
<td>1,299</td>
<td>11</td>
<td>Xaybuly</td>
<td>653</td>
</tr>
<tr>
<td>12</td>
<td>Khammouan</td>
<td>2,877</td>
<td>12</td>
<td>Vilabury</td>
<td>845</td>
</tr>
<tr>
<td>13</td>
<td>Savannakhet</td>
<td>11,987</td>
<td>13</td>
<td>Atsaphone</td>
<td>99</td>
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<tr>
<td>14</td>
<td>Saravane</td>
<td>3,746</td>
<td>14</td>
<td>Xayphoothong</td>
<td>337</td>
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<tr>
<td>15</td>
<td>Sekong</td>
<td>1,303</td>
<td>15</td>
<td>Thapalanxay</td>
<td>688</td>
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<tr>
<td>16</td>
<td>Champasack</td>
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<td>16</td>
<td>Total</td>
<td>11,987</td>
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<tr>
<td>17</td>
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<td>2,272</td>
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<tr>
<td></td>
<td>Total</td>
<td>48,849</td>
<td></td>
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</tbody>
</table>

Source: Compiled from the National Regularity Authority for UXO/Mine action section in Laos.

Apart from the high numbers of victims, the legacy of war has also affected people in this area in terms of their past and present settlements, mobility patterns and livelihood strategies. To be safe and secure during the war the inhabitants abandoned their villages to live in the mountains and/or in the forest to escape from the airplane bombardments. They had no permanent residences and moved here and there to hide from the enemy. People lived under fear and were not able to cultivate or do other economic activities, their lives were totally depended on available natural resources. It was a very hard time for the villagers, as Vongthong narrated through her life story.

_We were afraid of the airplanes, which came to throw bombs; we lived in the mountains, the same mountains where the company now extracts gold. We moved here and moved there, maybe two to five times per month. In the year 1966, I was around 13 years old; we fell into famine so all of my brothers and my sister engaged in the patriot party. All of them engaged in the army, even my sister, then one of my_
The story told by Vongthong reminds me again of the feelings expressed by the villagers towards their land and their property rights in their communities. They struggled during the war and many of them participated actively to protect their lands and communities, as well as the country against foreign bombings. After the war had finished in 1975, the UXO continued to threaten the mental and physical safety of Lao people. It has been found that two-thirds of the land area is contaminated by UXO, and the most highly contaminated villages are in remote areas. It has also been found that a high incidence of poverty in rural communities is correlated with high levels of UXO contamination. Such large-scale UXO contamination has rendered vast areas of the land unsafe for agriculture (Lao PDR 2006).

Thus Vilabury is a highly contaminated area and therefore the population of Vilabury not only faced difficulties during the war, but what was left from the war still threatens their lives and their livelihoods. Unexploded bombs are serious obstacles for the villagers to cultivate Na, their paddy rice fields. To prepare Na, as explained by La, they need to slash the forest and dig deep in the soil, so sometimes they had to abandon certain places to do Hay instead, since Hay does not require digging deep in the soil. Bannali is a woman aged 56 years old who has lived in Ban Nonsomboun since the establishment of the village. She is head of several groups of economic activities and she is also a member of the women union of the village. She explained the difficulty her family faced when transforming a plot of land to a rice field.

... it was in the phase of building our lives; somebody started to slash the forest to make Na, but there were a lot of bombs left in the forest (...). When we dug in the field, we found one bomb and we ran away, luckily it did not explode; otherwise, we would have died. Then I thought I had to stop [doing Na] even though we did not have anything to eat. Then we started to slash forest for making Hay (Bannali, Ban Nonesomboun).

The heritage from the war is not only the threats against people’s livelihood but also difficult memories and nightmares for some families. Souvanh is a woman from Lao Theung ethnic group who lives in Ban Vang Ngang and who recently lost her husband in a bomb explosion in 2005. For Souvanh the event was a nightmare she will never forget. She told about it with tears in her eyes and expressed word by word with strong emotions.

We went to slash the forest to make Hay, my husband, our two daughters and me. We went together and at mid-day we had lunch. He ate before me and I continued to cook. I boiled the vegetables and he said he would eat before us since he wanted to go to the forest to look for some food from the forest (...). I told him that there was a grenade; when he came back from climbing a tree, I pointed out that grenade to him.
He had seen it already (...) I do not know what happened. After he had lunch, he went out for about two minutes and then I heard the explosion. We ran to that place and it was my husband, his body had exploded, his hand had been cut, his throat was destroyed.

I: Did you have a chance to take him to the hospital?
R: No, not long after the explosion, he died. I tried to call him, there was no reaction, he only breathed very quietly then he died (Interview with Souvanh, Ban Vang Ngang).

In Lao Theung community, a patriarchal system is practiced and the husbands and sons have the main responsibility for income generation and are much respected. Souvanh has two sons, one is too young to be the main laborer of the family and the other son is grown-up and works in the mining company with UXO clearance. However, he has a health problem and several times he must stay at home instead of working regularly; which means he does not get the money. Working with UXO clearance is not a permanent work and the workers are not paid if they are absent, unless they have a certificate of illness from a doctor. Souvanh’s family did not have money to go to the hospital and were using traditional medicine, which could not be used as reference or evidence for the company.

R: In my house, we rely on my son’s income, but when he gets sick like now we don’t know how to do. My husband passed away so what can I do? My son has a health problem, he is not heavily sick but he can not be totally cured, it is an obstacle for working.
I: Did he go to the hospital?
R: Yes, he did, but we needed to spend a lot of money.
I: What did the doctor say?
R: I don’t know, it was something about the nerves.
I: Did the doctor give him some medicine?
R: We take traditional medicine (Interview with Souvanh, Ban Vang Ngang).

When I visited Souvanh in her house, her son was sick and lying down on the bamboo’s floor, while Souvanh boiled traditional medicine for him. The scenario of preparing the medicine for her son provided me a picture not only of the legacy of war but also of the severe misery or a new form of poverty, which a single family had to cope with by itself. Despite a project run by the government and the company to clear unexploited bombs from the area, much remains to be done. When accidents happen to villagers, as in the case of Souvanh’s husband, there is no responsible organization to support and aid the families, who are left to deal with it alone. The legacy of war is not directly related to the exploration of the mine, but indirectly the issues become connected as people need income and access to medical aid and support in case of increased vulnerability.
3.5.5. ‘No seller no buyer’ and the problem of the contract
The expression ‘no seller and no buyer’ is taken from an interview with a respondent who described the market life at the big temporary market in Ban Phonesa’at. As explained before, this market was constructed by Lane Xang Minerals Company and is bigger than the market at the center of the district; however, there are very few sellers and customers. The sellers are supposed to be the vegetable planting groups from the 15 villages located around the mine, and the buyer is only one client: The Camp. The shape and the size of the market mirror its dimension: it might accommodate more than 500 sellers and customers. ‘No seller and no buyer’ did not mean that the market was abandoned, it was rather used as a metaphor for the proportion between the dimension of the market, the number of sellers and customer and the time used as reflected in an interview with Vongthong:

I: I saw a new market; are there many sellers at the market?
R: Yes, a new market was built by the company, but nobody is there, because there are no customers.
I: What does it mean?
R: Who will buy the products? We are all sellers, but who will buy? (...) We sell our products at the market two times per week. We sell vegetables to the company; only people from The Camp come and buy vegetables from us, only two times per week at the market (Interview with Vongthong, Ban Nongkadeng).

According to Vongthong, the big market opens only two days per week, Mondays and Fridays, when the villagers come to sell their agricultural products to their single client: The Camp. The other five days the market is empty and was not used for any other activities. From the first glimpse, it looked to me like an old abandoned monument and I thought that ‘no seller and no buyer’ was a most appropriate expression about this market. It seemed that even the market days Mondays and Fridays were insecure and depended on the favor of The Camp; for instance, on Monday 15/5/2006, when usually the market should be opened, I went to the market to meet a woman that I had made an appointment with. She was waiting for me at the market, but nobody else was there. I was informed that the people from The Camp could not come that day and the market day had been postponed to the next day.

As explained in the first chapter I combined in-dept interviews with observations, and the market was one of the places where I did participant observation. On May 5th 2006 I arrived at the market at 10 a.m and there were four women there whom I sat down to talk with. I knew they were from Ban Namahi, the farthest village of the 15 villages participating in the vegetable planting groups. From the discussion I knew that they had come by Toc Toc. At around 11 a.m another group of women arrived, also by Toc Toc, and after that group after group kept coming until 3.30 p.m. At 4 p.m, no customer or buyer had come. Everybody was waiting for a buyer. One of the
four sellers I talked to let me know that usually The Camp came to buy their products at around 3 to 5 p.m; they never knew the exact time, so they always came a little early in order to wait until 5 p.m.

I counted the number of sellers and found that there were 18 sellers, all women, and many had their small children with them. I guessed their ages from 20 to 50 years old. The vegetables they brought to the market were chili, cabbage, cucumber, long bean, mint leaves, egg plant, bamboo shoot, onions, banana’s flower and lemon grass. Each group brought a weighing scale and all of vegetables were put in big plastic bags. Of the market’s five buildings, a third part of two buildings were used and the others were empty. At around 4:30 p.m two people arrived with a big truck, and I was informed by a woman next to me that they were from The Camp. Firstly, they started to pay money to the sellers. They called the sellers village by village and gave money to the representatives of each village group. After getting the money, the head of the group joined the members in order to divide the money within the group according to a list they had. The list specified information about the vegetables sold by each member. The process of dividing the money was done with difficulties and since most group members could not read the head of the group explained and reminded everyone about their products sold. The process of paying took nearly one hour. I asked a woman close to me why they started by paying and not by buying, she said that when the villagers sold their products they were not paid immediately, but maybe one or two weeks later, or sometimes one month later. After the complicated procedure of paying had ended, the buyers called the sellers village by village to weigh their vegetables, which they checked according to a list they had. The process took about an hour and a half, and then the market life was completed for that day. People left the market at around 6 p.m with their vegetables and a murmur because they could not sell all of it. And the market became very quiet and again looked like a big monument surrounded by small village houses.

The market was thus open around half the day and from what I observed as well as from the discussion with the sellers, it was undoubtedly not used as a normal market and it seemed unnecessary to construct such a big building. I found it striking to observe how the sellers were dependent and attached to one single client, The Camp, and how they waited long hours both for the buyer to come to the market and also for the buyer to finally pay for the products. The transactions between The Camp and the villagers were regulated in a contract which the villagers had very limited rights to complain about. Gnong, who is head of the Neohom association, explained

\[41\] Neohom is an ‘elderly association’ that exists in each village. The responsibility of the association is to give advice to villagers. In rural areas in is a much respected association, particularly in Lao Theung communities.
the character of the relationship and the contract between the customer (The Camp) and the sellers (the vegetable planting groups).

People from the company informed that they wanted to buy 10 kg of vegetables, or 12 kg of bamboo shoots, some kilos of lemon; it means that the company did not buy all vegetables brought by the villagers. The members of the groups are discontented, because they already planted and brought it to the market. But they could not sell it, this is the problem. The vegetables become spoiled if they cannot sell it. I would like to say something about the company that I really don’t understand. We talked about this issue in a meeting at the district in which representatives from the district and provincial levels attended. I tell the truth and this is not to blame or to be against the company. The provincial staff said that the expenditure of the company for the workers’ food is around 40 million kip per day (around 4,000 USD). So why is that money not spent in this area? It was spent in Savannakhet despite the intention of supporting local people; the company did not do as they had said. From what I observe, I do not understand the company. They established the groups, they made a contract with the groups but why did they not buy all their products? (Gnong, Ban Phonesa’t)

The explanation given by Gnong indicated three main points regarding the relationship between The Camp as ‘patron’ and the villagers. Firstly, the company was the only buyer, and thus in a position to set the rules. Secondly there was a ‘contract’ [promise] between The Camp as buyer and the villagers as sellers in terms of the type and quantity of vegetables that The Camp wanted the villagers to plant and sell. However, despite the contract they did not buy all the villagers’ products. Thirdly, the company bought vegetables from two main sources: from the villagers and from the center of Savannakhet province and they regarded Savannakhet province as the main supplier, while they bought from the villagers only in order to ‘help them’. Problematically, it meant that the contract made between the two sides was not properly implemented; whether the sellers planted more than requested, or the buyer bought lesser than promised, it produced misunderstandings between the two sides. The information from the interviews also reflects the problem of the dependent relationship between the villagers and The Camp.

Bouala has worked in The Camp for around 10 years and she confirms that the Camp bought more vegetables from Savannakhet than from the villagers.

I: How long have you worked as a cook assistant and a cook?
R: Ten years. When I became the main cook, I was also responsible for buying vegetables for cooking.
I: Normally, where did you buy it?
R: We bought it in the market in BanPhonesa’at; we bought it every week from the villagers. We also bought from Savannakhet. We bought from Phonesa’at market for helping the villagers.
I: Between Phonesa’at market and Savannakhet, which one is the main source?
R: We bought more from Savannakhet than from Phonesa’at (Interview with Bouala, Ban Muang Luang).
The story told by Gnong and Bouala confirmed more or less that the company bought vegetables from the villagers just for ‘helping them’ or, which will be discussed later, to solve a conflict that had resulted from the recruitment policies of the company. Thus, they did not consider the villagers as main suppliers, nor did they mainstream the procedure of marketization in the communities.

Figure 13: The empty market built by the company at Ban Phonesa’at.

Figure 13 shows how only a small space is used in the market and confirms the appropriateness of the expression ‘no seller no buyer’ and also the metaphor of creating a ‘monument’. This example reveals how the development project driven by the company was not in accordance with the needs of the villagers and not suitable to the local situation. It is rather an example of a function of trusteeship of development, as discussed in the introductory chapter (Potter 2004). It created insecurity among the women in the village planting groups and there is a high risk that the project will continue to be unsuitable for the needs of the target group of development.

3.5.6. Dependency
Dependency is a complex and multifaceted concept as discussed in the introductory chapter (Grusky and Kanbur 2006). Here, I will briefly reflect on how patterns of dependency seemed to emerge as a result of the developments in the communities around the gold-cooper mine and how these patterns were produced through the inter-relationships between The
Camp, the villagers and the local and provincial authorities. As mentioned before, the company initiated many projects and established different economic group activities in order to solve the unequal access to permanent jobs and casual work in the mine. Largely, these projects were initiated as a response to the grievances raised by the villagers related to the recruitment policies of the company. Strategically, the aim was to enhance income generation and to sustain livelihoods in the future. Practically they began to more and more create forms of dependency. All economic activities were related to the company which became a kind of localized axis with everything else circulating around it. All projects are related and managed by the company, as La explained.

It started in 2000 when two persons from this village participated in training. One was trained in weaving silk and the other in weaving cotton. The person who learned about weaving silk went to Vientiane and the other person to Savannakhet. After the training, the company provided all materials for weaving. In the beginning we started by weaving handkerchiefs, scarfs, then fabric for making cloths. The camp paid us 5,000 kip for our labour (La, Ban Nonsomboun).

The projects’ activities connect to the company as the company plays the double role of both ‘supporter’ and client. For instance, the weaving group received raw materials (cotton string) from the company, and after they finished their work, the company paid them for their labor, but not for their products. In this sense it meant that the group members worked as day laborers rather than being engaged in the market economy or running a business of their own. All their work depended directly on the company; if the company did not provide raw material the weaving activities were discontinued accordingly.

Phoune, a woman aged 50 years old, participates in several economic activities such as the planting vegetable group and the saving group, but her main activity is dyeing cotton string used as raw material in the weaving group. Phoune talked about the fragmentation and the instability of her work.

I: How much do you get from dyeing the cotton?
R: The Camp pays me 20,000 kip per kilo.
I: On average, how many kilos do you dye a month?
R: It is not fixed, some months there is no cotton to dye, it depends on The Camp, when they have cotton I can dye. Sometimes they give me 20 kilos or 40 kilos.
I: Do they pay you immediately, when you finish your work?
R: No, it takes a long time; it is around one month later.
I: Are there any problems in getting paid?
R: No, except the delay in paying (Interview with Phoune, Ban Phonesa’at).

The case of Phoune confirms once again the dependency of the villagers on the company. Phoune did not know if or when she would get cotton for
dyeing, nor how many kilos she would get. And without cotton string for dyeing, the weaving group did not have work either. It meant that Phoune and the others could not make any decisions or plan for their economic activities; they just waited for their ‘patron’.

The dependency system appeared even more clearly in the functioning of the contract applied for the vegetable planting group. The group functioned according to the rules set up by The Camp. The group was requested to plant several types of vegetables, which the company wanted to buy for the canteen of The Camp. Every week, the company distributed the list of vegetables they wanted to buy from the villagers, separated village by village; for instance 20 kg of cabbage from Ban Vang Ngang, 30 kg of eggplants from Ban Phonesa’at and so on. Based on the list the group’s members made quotas among them, and in the end, each member earned very little from selling small quantities of vegetables, which the villagers found could not be the main income of the family.

*If we divide among the members, each time each member sells 2 kilos. They order maybe 20-30 kilos, from all members, the whole village. And we share, you see, how much we can sell, each member. Do you think that is enough for buying food? (Khamphiou, Ban Phonesa’at).*

The function of the relation between The Camp and the vegetable planting group was a little different from the cases of the weaving and dyeing groups. The members of the weaving and dyeing groups were treated and paid as workers or labor cost, while the vegetable planting groups earned by selling their products. However, they shared the dependency on the same single client. All economic activities, both formal and informal, related to the instable demands of the company. It is normal that the company could not accept all villagers as workers in the mines. The company provided, after grievances from the villagers, a number of projects with indirect jobs, expecting to ‘help them’ to generate an income. Practically and apparently, it did not focus on the sustainability of income generation; it was rather ‘to show’. The broader issue to consider is the long-term perspective of livelihoods, and how the villagers, for instance, could sustain their own economic activities. There is also the issue of what will happen in the future when the mining operations close down.

### 3.5.7. Uncertainty of livelihoods, Houa Xang Hang Nou

The concept of sustainable livelihoods has recently become a central feature of development discourses. One approach to this is based on the idea that rural communities obtain their livelihoods from different types of capitals. In striving to achieve sustainable livelihoods, individuals and households utilize different types of capital in a variable portfolio of productive activities (Maconachie and Binns 2007). In this sense, sustainability is defined as the
maintenance of stocks or capital over time. In the case of the communities affected by the gold-copper mine operation in Vilabury, the households tried to apply a variety of activities to generate income. Apparently, there was a diversity of livelihoods with different forms of non-farm and farm economic activities. However, most of the livelihood strategies were pulled in the same direction towards dependency on the company, as shown above. This may lead to insustainability and uncertainty of livelihoods both in the short term and in the long term. Since the activities are economically and socially dependent on the company, the villagers could not define for themselves what kind of secure livelihoods they could adopt. As seen in Table 15, most of the employed people from SPDA worked for Milsearch (UXO clearance), which is unskilled and temporary work. Even though they temporarily could earn a relatively high income, they did not have income stability or a sustainable livelihood.

In my interviews, there were few people who knew what they would do when the mine close down in the future. Bouala, who owns a retail shop and the biggest restaurant in the district, does feel the uncertainty of her own business since her current customers are mainly from the company, but she still thinks she can save for the future.

I: In the future, when The Camp stops operating the mines, what will you do?
R: I have the intention and always keep in mind that I will continue to open the restaurant.
I: To continue to do that, what are the strengths and the constraints you will have in the future?
R: (laughs) I don’t know exactly, but if there is no camp, the guests will decrease and it will be difficult. But from now until the mine closes, I think we can save money which can become capital for other economic activities, but I don’t know yet what will be the new things, maybe at that time I will have an idea (Interview with Bouala, Ban Muang Luang).

Thongvanh, who has a large plot of Souan where her family planted many industrial trees and pineapples, uses the term Khamang to describe the uncertainty of the livelihoods. Khamang means to have no idea or to have no plan, plus the notion of a sudden shock.

I: Suppose, they could not work at the camp, what will you do in the future?
R: (...) I don’t know, Khamang, maybe we will continue to cultivate the rice field like before. If we will do the small trading, we don’t know how to do (Interview with Thongvanh, Ban Vang Ngang).

Bannali did not either have any clear plan for future livelihoods and she also thought that many families would face the same problem as hers.

I: In the future, your family, as well as other villagers, what do you plan for your livelihood?
R: I don’t know exactly what to do yet, maybe when we face the problems, we will have ideas, now it is hard to tell. In particular, when The Camp stops to operate the mines, I think many people will have problems, because now every family relies only on the mines. (Interview with Bannali, Ban Nonsomboun)

Bouala, Thongvanh, and Bannali all recognized that their current sources of income were highly dependent on The Camp and they had no concrete plans for livelihoods after the closure of the mine. On one hand, they had been fortunate to have family members employed in the mines. On the other hand, the different development projects for women in the communities seemed rather to be ‘flower actions’. I use the term ‘flower action’ with a similar meaning as in the notion of ‘flower report’ described in the introductory chapter: ‘just to show’. For instance, whenever guests visited The Camp the group members were requested to ‘work actively’.

Today The Camp asked us to wait for the guests [delegations]. Normally we should cut in the forest, but the guests will come so we need to weave and wait for the guests. The Camp said that if the guests come we should be ready and weave to show the guests that we work actively as a group. So we weave and wait, we don’t know when they will come (workers at mulberry centre).

As many projects (groups of economic activities) began to decline, one of the respondents described them with the term Houa Xang Hang Nou. Houa Xang means head of elephant and Hang Nou means tail of rat. This expression is well known and describes something that starts with a very good plan and a complex procedure and then little by little declines and ends with very limited success. The expression illustrates the unsustainability of something that starts with a good plan but ends in failure. One of the respondents told the story about the saving group in her village.

I am quite worried about it. Before, many people seemed enthusiastic about creating a saving group. Now, it is really Houa Xang Hang Nou as I explained before. I am waiting until the end of the year to see what will happen. I try to encourage the members to be patient and wait until the end of the year so that every member will get interest from their share, even if the interest will not be a big amount. Many people said that the interest is very low, if they had used their money to do trading, maybe the profit would have been higher than the interest from saving. I said that do not say like that, you get 1,000 or 2,000 kip per month [0.10 or 0.20 USD] as interest to buy something sweet for your children, it is better than nothing. And you still have your own money as you save 5,000 kip per month [0.5 USD] (...) It is really Houa Xang Hang Nou. At the beginning it seemed to work very well, everybody was so enthusiastic, and then it slowed down (Bannali, Ban Nonsomboun).

The saving group faced the problem of instability; the members wanted to quit which was different from in the beginning when everyone wanted to join. The weaving activities also fluctuated and the number of group members in one village decreased from 19 to one or two. One respondent
explained it with lack of raw materials but Davy, an older woman in the group, raised another reason why members of the group decided to quit the project.

*The villagers want to participate in the weaving project, but the labor cost is very cheap. A woman who weaves nine Va\(^{42}\) gets only 50,000 kip (around 5 USD). So one woman quit her work immediately, but my daughter tried to finish all her work and the other women's work. People from The Camp came to pick up the fabric and then they measured the fabric together. There were 20 meters but when they paid later on they said 15 meters only. If there were 40 meters, they said 30 meters when they paid (Davy, Ban Phonesa’at)*

The story told by Davy demonstrates the problem with the issue of the mode of payment. As in the case of the vegetable planting group, they were not paid immediately. According to Davy, there was a lack of transparency in the process and disagreements emerged in terms of the quantities of products made by the villagers. The villagers felt they were corrupted by the 'patron'. The in-transparency of payment was mentioned not only by Davy, but also by many other respondents.

Referring to what respondents felt and faced as expressed through their stories it is clear that people felt uncertainty concerning their future livelihoods. They did not rely on any of the projects in their communities, since many of them began to decline and look like the tail of the rat.

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\(^{42}\) Va is a traditional measurement of length: it is the measure of two straight open arms from the ends of the middle fingers.
Table 15: Number of villagers in different type of work by villages.

<table>
<thead>
<tr>
<th>Type of work</th>
<th>Nonsomboun</th>
<th>Phonessa’at</th>
<th>Nongkadeng</th>
<th>Muang</th>
<th>Luang</th>
<th>Vang</th>
<th>Ngang</th>
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<tr>
<td>Milsearch</td>
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<td>29</td>
<td>24</td>
<td>29</td>
<td>31</td>
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<td>Cook/clean</td>
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<td>9</td>
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<td>0</td>
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<td>10</td>
<td>5</td>
<td>14</td>
<td>3</td>
<td>43</td>
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<td>5</td>
<td>16</td>
<td>11</td>
<td>58</td>
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<td>0</td>
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<td>4</td>
<td>0</td>
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<td>0</td>
<td>6</td>
<td>0</td>
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<td><strong>Total</strong></td>
<td><strong>112</strong></td>
<td><strong>79</strong></td>
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<td><strong>87</strong></td>
<td><strong>66</strong></td>
<td><strong>399</strong></td>
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*Source: Fieldwork 2007.*
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<th>SVK</th>
<th>Other</th>
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<td>0</td>
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<tr>
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<td>DSB &amp; Rubber</td>
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<td>199</td>
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<td><strong>Total</strong></td>
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<td>184</td>
<td>119</td>
<td>225</td>
<td>199</td>
<td>1,755</td>
<td>2,482</td>
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</table>


Table 16 lists the sub-contractor companies in the Sepone mining operation and shows that people from Vilabury district and SPDA were employed in mainly two companies; Lotus Hall Mining, which is responsible for transportation of minerals, and Milsearch which works with UXO clearance.
Local people were hired as drivers for Lotus Hall Mining, a job which requires training, while UXO clearance does not require any specific training. Table 15 shows the overall distribution of employment between the five villages in the SPDA. The villagers were employed mainly for UXO clearance, as cleaners, and for other casual work. It proves once again the uncertainty of livelihoods and the unstability of their income.

3.5.8. Inequality, social stratification and feelings of exclusion

Much research on the impact of FDI on local people has looked at skilled and unskilled work as a dichotomy and in many cases neglected how subgroups within these two categories are affected. However, people in the same socio-spatial situation may not have the same occupation and position, and for instance within the skilled group there is a variety of jobs and positions. These differences usually define the level of their income, which often are the criteria used by society to evaluate or classify the social position or the social status. Similarly, there is also a variation of income among unskilled workers, and despite having low incomes compared to their skilled counterparts (and maybe being classified as ‘poor’), differences can be important between low-income unskilled workers. This is usually the root of the phenomena of differentiation; the inequality and the stratification in society as two complicated forms of ‘differences’. Heller (1969) points out that social inequality is diverse, complicated and difficult to understand, and there is no uniform definition or meaning of social stratification either (Heller ibid: 4). Social stratification is often treated as synonymous with social differentiation, which it is not. The most common meaning refers to an arrangement of positions in a hierarchy of superior and inferior ranks, and as suggested by Heller it may be thought of as a system of structured inequality in a given society. Barber (1957) argues that social stratification is a product of the interaction of social differentiation and social evaluation. People rate one another as higher and lower, they treat one another as better and worse, in other words, they value one another on various scales. The criteria of evaluation of individuals are those social roles and their associated activities (Barber 1957: 20)

The common point raised by Heller and Barber is that they both distinguish between differentiation and stratification, for instance in the society people have different position and roles, but that does not always constitute stratification. Social differentiation does not always involve differential evaluation or ranking positions, while stratification does. However the authors add that social stratification can be considered a certain type of social differentiation. In this sense, it means that social stratification is one type of social differentiation. According to Heller, the economic factor is the predominant factor in class stratification. Heller
further explains that economic inequality could be viewed at least in two ways: the distribution of income and the distribution of wealth.

Based on the ideas of Heller and Barber raised above and looking back at the small societies around the gold-copper mine in Vilabury, I have pointed out that this society has been transformed positively in terms of economy and materialization; in particular in the form of increase in income per capita, development of infrastructure and improvement of housing conditions and living standard for many people. However, the economic change has been accompanied by social changes and transformations, especially in terms of social arrangement and stratification. The differentiation of positions, occupations and wealth, resulting from unequal access to jobs provided by The Camp, creates new distinctions between the villagers which have led to a social stratification in the society. The affected people felt stratification as something new in comparison with their previous society. They felt that in their previous society, despite the poverty they faced, all families seemed to have equal access to resources, and there were no ‘differences’ among them, as one of the respondent described in her story.

People who work in the mines, they have money, they have new houses, they have motorbikes. I have nothing. Before The Camp came here, all families were similar; we were maybe poor but there was no gap between the families, now there are differences (Lanna, Ban Phonesa’at).

Wealth and income differences of the villagers became an important factor in forming different groups in the communities; roughly I observed two dichotomous groups of people: those who could work directly and indirectly for the mine, and those who could not. However, when I looked more closely I could differentiate these into several groups; all were stratified mainly by the level of income they got and evaluated through the wealth they possessed.

- The first group was people who worked in the higher income jobs (even casual work) for instance people who worked with UXO clearance and as truck drivers: these people had the highest incomes. Their salaries varied from more than 1 million kip to more than 2 million kip per month (around 100 to 200 USD); this work was highly attractive to the villagers. Everyone dreamed about this kind of work. Materially, the most marked distinctions between this group and other groups were their new houses, their household domestic appliances and their means of transportation.

- The second group was the group of people who got employed in permanent work, and some ‘semi-skilled’ workers; these were for instance people who worked as cleaners, carpenters, with office
maintenance and as security guards. Their salaries varied between 800,000 kip to 1 million kip or more per month (80 to 100 USD). Even though the salary is lower compared to the first group some of these workers (such as carpenters) could be classified as semi-skilled workers. I use the term semi-skilled instead of skilled because a carpenter in (rural) Laos has no certificate or formal training. The knowledge is transferred from generation to generation within the family, from grandfather to father and then to the sons.

- The third group was a group of people who had a chance to be hired for casual work such as slashing and cutting the forest. They do not have any fixed income; they were paid 24,000 kip per day (around 2.40 USD). In case they could work for one month, they would get around 700,000 kip (around 70 USD) per month

- The fourth was the group of people who had the chance to engage in informal economic projects run by the company; this group consists of women whose incomes are also low, instable and hard to calculate.

- And the fifth group was the group of people who had no chance to work for the mine either directly or indirectly. This group of people is the most vulnerable group; they see themselves as inferior, and detach themselves from the other groups of people. They have become an excluded group.

Lanna's family, who's Na was indirectly impacted by the operation of the mine, is a good example of the process of forming a new stratification in the society. Lanna's family still had the Na to cultivate rice, but the harvest decreased dramatically during the last couple of years and was not enough for food subsistence. None of her family members was accepted to work for the company. With no access to paid work, her family was differentiated from others in terms of income, wealth, and prestige in the community. She evaluated her family metaphorically by comparing it with other families whose family members were working for the mine. To classify her family's status, she used the concept of distance to explain how her family was different from others. She said that her family was different from others by around 10 or 20 Va. Va is a traditional measurement of length, for instance to measure the size of land or the length of a fabric: a Va is the length of two straight open arms measured from the ends of the middle fingers. Lanna used this notion not to measure a specific distance but to metaphorically express the 'backwardness' of her family and to classify and evaluate it as lower than others. The excerpt below reflects how she felt the social stratification in her community.
R: I feel shy to go with other women because I am poor.
I: Excuse me, if you compare your family to the family whose members work in The Camp, what are the differences?
R: It is different maybe by 10 to 20 Va. I don’t want to talk about that, please look at those houses, the houses of people working in The Camp [she points to the new wooden houses], and you compare them to my house, do you find any differences? I have no money, no motorbike; I don’t want to say more [she has tears in her eyes] (interview with Lanna, Ban Phonesa’at).

The quotation above does not only reflect the construction of social stratification, but it is also followed by another inequality and poverty indicator: social exclusion. Social exclusion can, according to Duffy (1998, cited in Kenyon et al. 2002:208), be distinguished from the definition of poverty in the sense that poverty centers upon the outcomes of unequal access to material resources, while social exclusion centers upon the process of unequal participation in the society. Lanna’s family and other families with no opportunities to work for the company were excluded and detached themselves from the participation in the community’s activities.

I: Suppose there is a meeting, community work or entertainment in the village, do you participate?
R: No, I feel shy, I feel I am poor; I am not like other people. Other persons, in a party, ceremony or festival, they buy this and that, they drink beer, Pepsi, and they are able to do this and that. I feel pity of myself, I have no money and I can not do like them. I have no beautiful clothes like other people (Interview with Lanna, Ban Phonesa’at).

The inaccessibility to new resources and differences in terms of wealth made family members express feelings of inferiority and excluded themselves from social community life. This phenomenon is certainly, as defined by Rigg (2005) and Downing (2002), an indication of the appearance of new poverty, or as pointed out by Rigg (2005), through development and modernization, social classes of loser and winners have been created as a result of discrimination in society. Rehbein (2007) also pointed out how social stratification is formed and constructed through the globalization in Laos’s rural communities.

3.5.9. Youth behavior and the fluidity of space and place
Massey’s (1994) notion of place as social relations ‘stretched-out’ implies that physical geographical boundaries become blurred by socio-economic and cultural constructions. Above I have discussed how The Camp in Vilabury district tried to create its own island in order to separate the two different worlds of the company and the surrounding communities respectively. High iron fences and security guards make up a visible boundary, while different rules and control mechanisms function as ‘invisible’ boundaries or as symbols of property and power over the territory the company occupies through its concession. However, the relational spaces
created by the operation of the mines are not delineated solely by those visible and invisible fences. New socio-cultural patterns and western lifestyles have gradually had an impact on the communities where many people now start to change their behaviors. Westernization began to appear most obviously in youth lifestyles. Within a decade from the installation of the gold and copper operation, this ‘new world’ has interacted importantly with the surrounding societies. Despite resistance from the elderly in the communities and efforts made by the company as well as by the local government to separate the two worlds, there are much evidence of socio-cultural influences, in particular in terms of the lifestyles of young people, both female and male. This is seen in the forms of entertainment, clothing styles and hairstyles, and in consumer habits. Young people have more freedom and confidence to adopt and accommodate themselves to lifestyles imitated from Western culture, and capitalist consumerism has become incorporated into everyday lives of young people. Below are extracts from five respondents, who explained what people have seen and felt in terms of changes in youth behavior.

In appearance, women have changed more quickly, in particular in their clothing styles; young women dare to wear blouses with spaghetti [laugh], new hairstyles, they dye their hair, they even dare to buy very costly Sin43 for up to 1,000 Bath44. Married women also change, but young girls change more quickly (Chanthavisouk, sewing center).

Now the children do not rear their siblings. When I was young, everybody had to rear his or her siblings (...) Now they go out whenever they want, even during nighttime. Before, we could not go out if we were not accompanied by the elderly. Nowadays even the young girls go out with friends, both male and female friends. I myself never dared to go out (Vongthong, Ban Nongkadeng).

Young people change very much, they drink after their work; young girls know how to beautify themselves, they work and they have money (Sone, Ban Muang Luang).

What can I say, for example they dye the hair, we don’t like it at all, but they do it, the young people. They drink alcohol, beer, they go out, they don’t save money, and they don’t obey elderly people. They say it is the new generation, which is already modernized, they say that before we were poor, now they are not poor, they earn money, they can spend and do as they want [laugh]. I cannot follow them and I resisted them, but now I need to recognize it (Khamphiou, Ban Phonesa’at).

Normally, if young boys want to meet young girls, the boys should come and meet the girl at their houses, but nowadays they meet everywhere, they work outside, there they meet each other, they love each other, then they get married, or they live together without marrying (Gnong, Ban Phonesa’at).

43 Sin is the traditional Lao women’s skirt.
44 1000 Bath (Thai currency) is around 35 USD (2009)
These stories describe not only changes in young people’s behavior but they also exemplify global socio-cultural influences such as living in union and the development of a more specific youth culture. These changes can be related to young people’s access to well-paid work, which create potentials for increased consumption in line with Westernized ideals and lifestyles in the new social milieu.

3.6. Gender relations
Changes in the economy and relations of production are usually accompanied by other changes, in particular the relations between men and women. The restructuring of gender relations in any locality depends upon the set of social relations, which result from previous rounds of restructuring (Walby 1997:7). As Massey (1994) states about economic restructuring in the UK, ‘jobs were not just jobs; it seemed they were gendered. While the jobs, which had been lost, had been men’s, the new jobs, arriving on the wave of globalization and decentralization, were largely being taken by women’ (ibid:187). In this sense it means that the engagement and increase of women in paid work do not simply mean that women have a new job but it is also related to new forms of gender relations resulting from changes in the proportions of women and men in paid work.

3.6.1. Understanding the public and domestic spheres
The division between the public and the domestic spheres is a subject of debate. Walby (1997) distinguishes the domestic gender regime as based on household production as the main structure, while the public gender regime is based on relations within the structure of paid employment and within the state. Milroy et al (1994) classify women’s work into three spheres instead of two: domestic work, paid work and community work. One interpretation is that paid work and community work can be classified together as public work in opposition to domestic work as distinguished by Walby. Defined by the characteristics of place, it may also relate to close and open spaces. In the domestic sphere, women have a more limited space and are attached to the insides of the houses, while in paid work and community work women become part of public spaces. The division into public and domestic spheres has been widely used as a guideline in analyzing gender relations, but it can hardly be applied directly in the case of Laos, in particular not in rural areas. Walby divided gender relations into two spheres in accordance with the European context where paid work in the public sphere and housework in the domestic sphere are more obviously clear-cut. In Laos work in two separate spheres can not be definitely distinguished, as many informal economic activities are residence-based, and many people work as unpaid family workers. In Census reports in Laos, unpaid family worker is a major category of workers who do no have a salary but are recognized as main
recourses of the family’s economy. One example from Vilabury district is the case of Havan who works at the mulberry center and whose typology of work was difficult to define. Given these aspects, I will here look at gender relations in three spheres or arenas: the economic sphere, the household sphere and the sphere of politics and community work.

3.6.2. Changing gender relations in the economic sphere
As mentioned before the existence of the gold mining company has had deeply localized impacts and led to local socio-economic restructuring, which has provided opportunities for women to be exposed to paid work and to be engaged in informal economic activities. This has affected gender relations within the society, and in many cases women have become main income generators for the families. One example is Bannali who could earn around 3 million kip per month, which is higher than the salary of any person working permanently for the mines or in other sectors.

The access to new places and opportunities to participate in training and new jobs enabled women to acquire new knowledge and be able to actively generate income for the family as I examined in the section of the change of livelihoods. The ways these changes influenced gender relations within the household is narrated by Bouala, who owns a retail shop and restaurant and became the main income generator in her family.

I: Excuse me, if it is not too confidential I want to ask about you and your husband, who are the main person in generating income to the family, and who is more responsible for managing family work?
R: Euh...me (laughs softly), I am responsible for running the business, the retail shop, and other things. My husband, he is a government employee, he works every day at the office, you know that his salary is very low (Interview with Bouala, Ban Muang Luang).

Many women were able to work in different sectors together with male counterparts, both as permanent workers, casual workers and in other informal economic activities. Santa, a young woman, works as a truck driver to transport minerals from the mine to the factory. Santa was born in 1986 and started to work in the mine in 2003 as a cleaner and laundress for around one year. Then she found that as a laundress, she needed no specific skills and she wanted to be a skilled worker. She applied for work as a truck driver for a subcontractor company in the mine and was accepted and trained as a truck driver. Now she has become a skillful truck driver and can generate the same level of income as her brother, who also works as a driver in the Sepone mining operation.

R: I wanted to work here, because in cleaning and laundry I did not need any skills, I want to have a skilled job, and as a driver I could get more money.
I: Did you need to learn how to drive?
R: Yes the company trains us how to drive.
I: How much do you and your brother get per month?
R: Around 200 US $ per month (Interview with Santa, Ban Muang Luang).

The case of Santa confirms that access to education and training provided women opportunities to earn higher salaries at the same level as men. Their roles as income generators changed their economic positions and, as Walby (1997) points out, young women who obtain high levels of education are more likely to gain entry to good jobs and to work full time. The case of Santa also reflects the appearance of non-traditional jobs for women as female truck driving is a new phenomenon that has never seen before and is perceived by the local people as ‘strange’. Data on the involvement of women in the economic sphere is shown in Tables 17 and 18.

Table 17: Women and men working in the mine 2004 and 2007.

<table>
<thead>
<tr>
<th>Ban/Village</th>
<th>2004 Male</th>
<th>2004 Female</th>
<th>2007 Male</th>
<th>2007 Female</th>
</tr>
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<tr>
<td>Ban Nonsomboun</td>
<td>35</td>
<td>20</td>
<td>63</td>
<td>49</td>
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<tr>
<td>Ban Phonesa’at</td>
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<td>20</td>
<td>59</td>
<td>20</td>
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<tr>
<td>Ban Nongkadeng</td>
<td>20</td>
<td>12</td>
<td>31</td>
<td>24</td>
</tr>
<tr>
<td>Ban Muang Luang</td>
<td>46</td>
<td>22</td>
<td>74</td>
<td>13</td>
</tr>
<tr>
<td>Ban Vang Ngang</td>
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<td>49</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>143</td>
<td>78</td>
<td>276</td>
<td>123</td>
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</table>


The data shown in Table 17 indicates that the total number of male workers was twice the number of female workers in both 2004 and 2007, but there were also important differences between the villages. Roughly calculated it was found that the number of female workers almost doubled from 2004 to 2007. Noticeable, in Ban Phonesa’at the number of female worker was constant between 2004 and 2007, while in Ban Muang Luang the number of female workers decreased to half from 2004 to 2007. Part of the explanation behind this decrease in formal work by women could be the engagement of women in informal economic activities in this village. The other reason is related to the historical background of the village: Ban Muang Luang is one of the oldest villages in the area, and women in this area have distinguished skills in weaving traditional fabrics. They also have a higher status in society compared to women in other villages. Therefore, they prefer not to work for with casual work in the mines, they rather prefer to engage in informal economic activities, particularly weaving.
Table 18: Men and women in different types of work by villages in 2007.

<table>
<thead>
<tr>
<th>Type of work</th>
<th>Ban/village</th>
<th>Nonsomboun</th>
<th>Phone-Sa’at</th>
<th>Nongkadeng</th>
<th>Muang Luang</th>
<th>Vang Ngang</th>
<th>Total</th>
</tr>
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<tbody>
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<td></td>
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<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
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<tr>
<td><strong>Total</strong></td>
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<td>49</td>
<td>59</td>
<td>20</td>
<td>31</td>
<td>24</td>
<td>74</td>
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</tbody>
</table>


Table 18 provides data on the proportion of women in different types of work and shows that the number of women was higher than men in two types of work; cook/cleaner and cutting trees. This reveals that women's work typology is still related to female housework responsibilities of cooking and fetching firewoods. Interestingly, there were no significant differences between Phu Thai women and Lao Theung women in the economic sphere. According to Table 17 and Table 18, women from the two ethnic groups have similar chances to be formally employed in the economic sphere. This indicates that ethnic background seemed not to have been a major factor in terms of job recruitment. The data also shows that each village seemed to have similar chances to have workers admitted to work in the mines. Companies are required to not discriminate on the basis of ethnic background, which is also an explicit policy of Lane Xang Minerals Company. One might say that as long as the projects focus on ethnic equality there might be enhanced chances of equal access to the new resources.

3.6.3. Gender relations in housework

Despite the increase in women’s involvement in the economic sphere, gender relations in housework seemed not to change correspondingly. Women were the main responsible for housework and reproductive work as told in the stories by four women below.
After I get up at around five o'clock I start to do the cleaning as a house maid [she work as a house maid for the company who rents her house], then I open the shop and my husband goes to his work. Then I take a bath and give food to my children. I start to work in the restaurant and at 11 a.m I prepare food for my husband. If the guests come to our restaurant, I start to work there earlier (Bouala, Ban Muang Luang).

I: Can you tell me about your daily work?
R: I look after my children, wash the clothes, clean the house and cook. Some time I go to collect vegetables and bamboo shoots from the forest for food (Interview with Mone, Ban Nongkadeng).

My husband and me, we do the Souan together, but he never does housework like cooking, cleaning or fetching fire wood (Bouavone, Ban Vang Ngang).

I: What does your husband do?
R: My husband, he is the head of elderly organization of the village, today he is going to town, he goes to meetings in the village, he always has meeting, nearly every day. I: If he doesn't go to meeting, what does he do?
R: Maybe cleans this and that, walks around the farm. Does Pok Pok Pek Pek\(^45\) around the house (Interview with Thongvanh, Ban Vang Ngang).

The four women are from two different ethnic groups; Bouala and Mone are Phu Thai and Bouavone and Thongvanh are Makong (Lao Theung). They have similar narratives of gender relations in housework; both Phu Thai and Makong women are the main responsible for reproductive work and housework. In the narrative of Bouala, she tells how she as the main income generator of the family still is the care-giver for her husband and her children and responsible for all housework. Bouavone is also involved in many economic activities but still responsible for all housework. One might say that the changes in gender relations in the economic sphere did not impact much on the division of housework, especially in the cases when women engage in informal economic activities.

Even if there were few differences in the stories between Phu Thai women and Makong women in terms of the responsibilities for reproductive and housework, Phu Thai women appeared more independent and more powerful in controlling the household economy. They presented themselves as having more power in decision-making, while Makong women expressed more dependence on their husbands. In interviews with Bouavone (Makong) and Bannali (Phu Thai) below, these differences can be discerned.

I: In your family, who keeps the money?
R: Men.
I: Does he give you some amount or does he keep it all?
R: He keeps it all, for buying food.
I: Who is responsible for planning and buying?

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\(^{45}\) The expression means to do something that is not important.
R: My husband.
I: If you want to buy something for yourself for example your clothes?
R: I ask my husband.
I: If you want to outside, or travel, are you able to go as you want?
R: I can go, but I should ask him before going (Interview with Bouavone, Ban Vang Ngang).

I: Excuse me, if possible or if it is not too confidential, I would like to know whether your children keep the money by themselves or if you keep it for them?
R: Yes, they give me all, and I keep it for them, I mean those who are singles (Interview with Bannali, Ban Nonsomboun).

The excerpt presented deviate in the sense that one focuses on the power relation between husband and wife while another is about the relation between mother and adult children. Nonetheless, both cases reflect how the power of control of family finances is exercised in relation to gender within families in two different ethnic groups.

As described before Bannali belongs to Lao Loum group, while Bouavone is positioned in Lao Theung group. They are both members of several groups and engaged in informal economic activities and they both generate incomes for their households but the power of control and decision-making were different between them. Bannali had full control of the family’s financial means and was responsible for keeping the money earned by the family members, while Bouavone, like many other Makong women, was dependent on her husband. Her husband kept the money she earned and if she wanted to spend money, she needed to ask permission from her husband.

As exemplified above gender relations in housework seemed not to change much when women worked in informal economic activities, but when women were fully engaged in paid work their role in housework diminished. Santa told about this in her story.

Before I worked in the mines, I had a lot of things to do in the house. After getting up I went to fetch the water, then I washed the dishes, I steamed the rice, I cooked and took care of two of my elder sister’s daughters until my elder sister came back from her work. Then I cooked or sometimes I cooked before my elder sister came back, if my nieces slept or if they were not disturbing me. When I work in The Camp, I don’t need to do housework (Santa, Ban Muang Luang).

The case of Santa might not be the most prominent and pervasively occurring in the communities, but it reveals the possibility of how women fully involved in paid work may change their reproductive roles over time. One might say that the process of changing gender relations within households was not as visible as the process of change in the economic sphere, but rather a kind of ‘slow dripping’ process (Sullivan 2004).
3.6.4. Women in the arenas of politics and community work

Women’s limited participation in the political sphere is a long enduring problem of gender relations in Laos. In rural and remote areas the issue of gender inequality in political life is even more pronounced than in urban areas. Very few women hold positions in district or village administrative structures, or in government and party structures, as expressed in an interview with the district governor.

I: How many staff do you have in the district office?
R: Maybe around 20 to 30 persons.
I: How many women are there?
R: In the district office, there is only one woman and she is a secretary.
I: How about their participation in district or community organizations?
R: At the district level, there are not many women. Only one woman works at the top level in the district, and there are only two women at the division level. No women work as head of the villages and no women have positions in the party leadership (Interview with District governor).

The district governor further explained what he saw as reasons behind why women do not hold important positions in government structures or why so few women participate in the sphere of politics.

I think it is because of the tradition and the culture. In general, women are only responsible for doing housework; and people think that community work and political work are men’s work. Another thing is about the level of education; to be leaders, women need to have a certain level of education, but most women have no higher education, they always stop their studies in grade two or three of primary school. Only men continue to study at higher levels, because before there were not many schools and to study at higher levels the pupils needed to walk far away from their villages; sometimes they needed to walk for two or three kilometers. It was too difficult for women, so they dropped out of school very early and got married (…)

Those are reasons why women do not have enough education to be heads of the villages or leaders (District governor).

The district governor thus saw two main reasons regarding the root of the limitations for women’s participation in the sphere of politics. Firstly, it was because of the traditional or social beliefs which define gender roles by giving women the role of care-givers, and men the role of political leaders. And both women and men still stick to that belief. The second reason was the lack of opportunities to study at higher levels of education due to the belief that women should not be away from home. I recognize this from when my grandmother did not allow me to continue my studies, as I describe in the beginning of this book. And even when women hold a position, their role in decision-making can still be limited as told in the interview with Phoune who was elected vice head of her village.

I: Do you regularly attend village meetings?
R: No, the head of the village always attends, I only attend sometimes, and usually
the head goes to the meeting.
I: What are your responsibility as a vice head?
R: The head of the village assigns me to inform the villagers when there is a meeting.
I: Are there any other activities you have done or participated in?
R: Sometimes I attend the meeting.
I: At the meeting what is your role?
R: Only listen to the head of the village (Interview with Phoune, Ban Phoensa’at).

The case of Phoune shows that she was not involved in any process of
decision-making in the village even if she is the vice head of the village. She
just followed and did what the head of village told her. Fortunately, it could
be said that while women’s lives in the sphere of politics were limited, their
lives were more open to the public in the terms of entertainment and
community activities. The stories told by many women as well as by key
informants witnessed how women have become more exposed to community
activities and entertainments, for instance participation in wedding parties,
ceremonies or festivals, and not only the young women who had the chance
to work in the mines but also women who already got married.

Middleaged women they change a lot, they entertain during festivals and
ceremonies, and they drink beer, alcohol which never happened before. They
socialize. Before when women went for example to the Baci46 ceremony they didn’t
drink beer, but nowadays they do. They dance; they enjoy (Mone, Ban Nongkadeng).

The narrative of Mone mirrors how women felt they had more freedom to go
out and participate in entertainments than before.

In conclusion, it can be said that gender relations in the economic sphere
have been transformed both in the Makong and in Phu Thai ethnic groups.
The number of women working for the mine has increased importantly;
many women became members of groups of economic activities, which in
many cases positioned them as main income generators of the families.
While gender relations in the economy changed progressively, gender
relations in housework and in the sphere of politics did not change to the
same extent. Differences in the levels of education and persistent social
beliefs seemed to be the root of the obstacles for women to participate in
community work and in the arena of politics. Particularly in the case of
Makong women, very few could read and many were subordinated due to
problems of illiteracy, as exemplified in the process of dividing money
between women in the vegetable planting groups.

46 Baci is a popular traditional ceremony of Laos often organized during new year or weddings.
3.7. Actors/agencies of development

As conceptualized in the introductory chapter actors or development agencies can be individuals, organizations, institutions, groups, or other sources whose actions aim at development. At the national level, the development agencies are composed of two parties: the state as the formal official development agency, and other agencies such as intergovernmental or multilateral organizations; the UN, the IMF and different NGOs who promote or implement development programs. At the local level, the composition of actors is similarly the local government, multilateral organizations and non-government organizations, in addition to organizations formed by local populations. In the communities surrounding Sepone gold-copper mining, several institutions and organizations are present and form a network of relations in this socio-spatial context to implement different development projects. Some of these organizations were created in order to respond to and cope with the new situation.

The relationships between different actors and/or institutions are complex and change over time, often reflecting asymmetrical power relations. The roles and mandate of different actors are not always clear-cut, as exemplified by the specific groups established to respond and handle the problems occurring in the district related to the issues of compensation and recruitments. From the interviews with the district governor, the executive director of Lane Xang Minerals Company and the head of the department of geology, it was possible to classify actors into four main groups of institutions/organizations in a network of relations with different roles in driving the socio-economic life in the area. These four groups are firstly, the governmental organizations from the central to the provincial and district levels, including Lao Women Union; secondly, the private companies Lane Xang Minerals Limited Company and their subcontractor companies; thirdly, the local actors - the villagers; and fourthly, the intermediary organizations functioning as coordinators and facilitators in the center of the set of relations. Below I will specify more clearly the character of each group of actors.

3.7.1. The state organizations

The government agencies usually play a central role in setting up policies and development strategies and in applying national policies on provincial and local levels. The national development policies nowadays focus largely on poverty reduction, on enhancing sustainable livelihoods for local people, and on protecting rights and benefits of the population. The government provides the policy and regulatory framework to conserve the environment and improve livelihoods of local people, as well as to improve good governance (Lao PDR, NGPES, 2003). In general each local government plays their role according to the mentioned framework; in practice each
province or district applies it according to the physical and social environment of each zone. When looking in detail on the role of the government of Vilabury district, it can be described as follows: (1) to be leader in the arena of policy development; (2) to be coordinator in terms of reconciliation between actors, in particular between villagers and the company when conflicts occur (such as the problems of recruitment and land compensation); (3) to be promoter of good governance by focusing on the establishment of new institutions to respond to new demands and new situations; (4) to control existing rules or enhancing new rules and regulations, for instance regarding the role of discussing and negotiating and moderate the conflict between the company and the villagers, particularly about the procedures and the rate of compensation, which was an urgent issue in the communities.

3.7.2. The Camp - Lane Xang Minerals and subcontractor companies

After Lane Xang Minerals Company started to operate the mine, the company became one of the most powerful actors in community development and the source of funds for development projects and new jobs for local people. The company became an actor for community development in all arenas: in economic, social and cultural life and as leader in terms of being ‘owner’ of all economic activities within the communities. Statistically, in the operation of the gold-copper mines the company hired around 2,000 permanent employees, and was reported as the single largest employer outside of government47.

Officially, the company has an explicit and clear policy towards community development, which focuses on building sustainable livelihoods, preserving local culture, and keeping good relationship with the villagers based on honesty and two-way communication as written in the Community Relation policy.

- Utilize Lao labor and services, raw materials and products produced and manufactured in Laos, provided such services and products are available and competitive in respect of time, cost and quality
- Endeavour to assist in maximizing the economic and social benefits generated by the company and promote local business development in fulfillment of its obligations under MEPA.

The detailed policy:
- Recognize that each community is different and respect the culture, values and traditions of those communities in which it seeks to operate
- Be open and honest in describing the impact of any mining activities

47 Australian government Department of Foreign affairs and trade, Laos Country brief - September 2007

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- Establishing two-way communication mechanisms to develop lasting and beneficially interactive relationship
- Encourage and provide opportunities to share in the benefits which flow from mining activities
- Commit to long term development so that social and economic benefits are safeguarded
- Seek to create lasting relationships built on mutual respect and trust so as to reach agreed objectives and share involvement.
- Comply with this policy as well as observing any statutory laws and regulations (Lane Xang Minerals Limited 2004).

Each year the company allocates money to Sepone Trust Fund for community development with the purpose to build schools, construct roads and establish electricity lines to the villages surrounding the mines. In 2004, the roads connecting the villages to the center of the district and to the main road had been constructed and two schools with six classrooms were built for the villagers. A temporary market where people could sell their agricultural products two days per week, with the expectation that the companies would be important customers, was also constructed (as discussed above).

As the main development agency, the company has also implemented many projects in the community by establishing groups of economic activities. This was done in order to improve the living conditions of local people, in particular to generate income for people who could not work in the mines, and to increase the status of women in society. All these activities meant that the company became the axis or core center of development that all other actors turned around, in particular the villagers.

### 3.7.3. Local actors – the villagers

At the local level, the main targets of the development projects are the villages, the communities affected by the operation of the mine. The villagers should be the main actors of development, but they were rather practitioners and followers. The development policy of the state highly emphasizes the importance of participation of local people and a sustainable development based on the needs of local people. Practically, development projects and policies are mostly imposed top-down on the villagers, and it was general pattern for the villagers living in the communities around the Sepone mining in Vilabury district. The role of the villagers as followers of projects has been examined above in the examples regarding the land compensation procedure and the contract between the vegetable planting group and The Camp.

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48 Information from a socio-economic survey in 2003 in the villages located near the golden mines.
3.7.4. Intermediary actors – playmakers in the midfield

The last group which I put in the center of actor relations is composed of several organizations established in response to the ‘demands’ of development and the changes in the socio-economic field in the area. Firstly, the company created a Community Relation team (CR team) responsible for communicating and coordinating directly with the villagers on behalf of the company and also responsible for directly running the projects supported by the company. The members of this group are permanent employees of the company, but I distinguish them from the company due to their intermediary role, which has been very important for how community development has taken place. A second organization in this group is the working group or special group formed by representatives from the provincial and district governments. Thirdly, there is the Community Issues Consultation Committee (CICC), an organization which is a type of joint venture between the company and the government: the members of the group are from both the company and the government. The role of this group of actors may be described as a kind of bridge that connects and coordinated between all other actors. Usually the role of coordination and administration is always important in economic development (Chang 1998).

When I examined the functions of the relations between the actors of development in the communities around the gold-copper mine, I came to think about a football game and how the role of the intermediary actors could be compared to the role of playmakers in the midfield. Their part is crucial for making players act as a team rather than think about his or her personal benefit. If compared to the communities affected by the gold-copper mine, all stakeholders were players: the villagers, the representatives of the government, including different organizations set up by the state, the company, and all the organization set up by the company and all sub contractor companies. The ‘playmakers’ were the organizations responsible for coordination between the actors, the CR team, and CICC. As strategic actors and designers of social and economic life in the communities, their role was also to mediate conflicts and to secure the implementation of projects. However, when I examined the role of each actor and the functions of the relations between the actors, it was clear that they did not function as a team, but rather acted in the ways that exposed unequal power relations between actors with different objectives. Nevertheless, the quotation below describes the formal role of the institutions of coordination.

Community Relations officers will conduct regular and frequent visits to all villagers in the SPDA area. The purpose of these visits is to build strong and enduring relationships with the members of these communities, and discuss current issues affecting them that are related to the mine (…) Every month, the CICC will be convened, and involve the Resident Manager, Manager of Environment & CR, Environmental and CR senior officers and staff, District Government officials and
The roles and responsibilities defined for this organization was to communicate with the local communities. Practically, it does not function as intended, and several incidents and problems have occurred over time. The relationship between the CR team and the villagers has been marked by the unequal power of the actors and by untruthfulness on the side of the company, as Davy explained with the example from the weaving group. The problems that have occurred may have been unintentional, or may have emerged because of weak communication between the CR team and the villagers, but they reveal an important gap between the actors.

3.7.5. Power relations and the incident of patronage and dependency

Power is a complicated concept. Power is not a single unambiguous entity; it is attributable to agents and it is a product of institutions (Haugaard 2008). Power can be imagined as similar to the displacement of water or gravity; it is everywhere (Haugaard and Malesevic 2008). Massey (1994) points out how in society different classes and groups are defined in relation to each other and to the overall division of labor; through the institutionalization of actors power relations are played out.

Nowadays development strategies tend to be formulated as being people-centered and promoting equal participation of local people in the development process. However, given the power relations between actors in the arena of development such strategies are seldom successful. In many cases, the relationships are based on the notion of trusteeship. In the communities around Sepone mining many development projects were set up and implemented by the company as development agency; the unequal power relations between actors became manifest through the activities in the projects. I will end this section by providing an observation on how unequal power relations between actors emerged in this socio-spatial context. The observation is of a scene in the sewing center of Lane Xang Minerals Company. The center is part of the projects to promote community development and women’s empowerment. The working day in the center depended on the company’s working shift. When the trainer was on vacation the center was closed accordingly; the trainer was hired by the company as a permanent worker with 30 days work followed by 14 days vacation. In the center there were ten sewing machines where the trainees sat working. This day there were six women of different ages from two ethnic groups, Phu Thai and Makong. The oldest woman was around 40 to 45 years old, while the youngest was around 16 to 18 years old. Everyone concentrated on their
work, cutting fabrics or sewing clothes. Most of them used the sewing machine and all fabrics used were made of cotton produced by local people in the weaving group.

I arrived at the center around 8 a.m. I already knew many of the women and I was supposed to have a blouse cut by one of the trainees, which was also one of my respondents. She had asked me to come to the center if I wanted her to make me a blouse, which was exactly my intention since I wanted to observe the activities in the center. I stayed there the whole day. At around 2 p.m, a woman came with a big bag plenty of clothes. I thought she came with fabrics, but when she opened the bag, it was full of T-shirts of the sort sold in markets everywhere. She wanted to sell them to the trainees. First, I thought she was a trader from the market who did in-door service, which is a common informal economic activity in rural areas. Nearly all trainees were interested in looking at the cloths; they left their work to choose some cloths. Only two women belonging to the Makong ethnic group still concentrated on their work. But the seller called them and urged them to choose some cloths; finally the two women joined the group. But they said they did not want to buy because they did not have enough money; they wanted to save the money for buying food. They had no money because the company had not paid them yet for the sample bags, they had sewn last month. The seller told them that if they agreed to buy her goods, she would pay them immediately; finally, the two women decided to buy T-shirts. Then the seller paid them for their labor. I suddenly knew that she was not a trader from the market; she was a staff from the mining company who was responsible for paying the laborers who sewed products for the company.

Obviously, the two women had no choice but buying the cloths. It was not their intention to buy but in order to get their wages they had to do it. This scene illustrates how the villagers had no equal power to negotiate. They were forced to accept unfair and unreasonable conditions in order to get what they had the right to get. This scenario is only one example of unequal power relations between the actors, which emerged from the interviews, and observations in the communities around the mining operation.

3.8. Conclusions
By examining social and economic transformations at the local level in the context of implementation of economic liberalization and foreign direct investments in the mining sector in Vilabury district, Savannakhet province, it was found that within a decade of operations of the Sepone gold-cooper mine, the communities around the mine have gone through profound changes in both the economic and socio-cultural spheres. In the field of the economy, a visible transformation has taken place in the form of development of new infrastructure. Respondents named this as the period of Nam Lai Fai Savang, an expression widely used to describe development and
modernization in Laos. The study highlights several indicators of economic modernization such as increase in income per capita; increase in living standards and improvement of housing conditions. Many household have improved their housing conditions; there are new asphalt roads; water supply systems have been constructed and electricity has been extended to the villages around the mine. In terms of people’s livelihoods, important shifts took place from natural resources and agricultural production-based livelihoods to cash income economic activities. It was found that before the operation of the mine there were eight main economic activities adopted by the villagers. All were based on agricultural production and natural resources, for instance Na cultivation, Hay cultivation, Souan, Hone Kham, small trading and collection of NTFP, including debris of bombs left from the war. With the operation of the mine, the main sources of income of the villagers became oriented towards working for the mine formally or informally; formally as permanent or casual workers; informally as members of group activities and development projects run by The Camp.

The loss of individual property in the form of land for cultivation, and the loss of communal property in the form of forests around the villages, combined with new job opportunities created by the new development agencies, formed new shapes of capitals for households in the communities around the mine. The changes induced and stressed villagers to adopt new livelihood strategies in order to generate cash income. In the interviews with villagers, there were many stories about how the decrease in natural resources and land for cultivation pushed them to cross the boundary of agriculture based livelihoods to more ‘diverse’ ones. The opportunities provided by the mining company include the development of infrastructures, access to markets, paid work, casual work with high income, economic group activities, as well as some financial capital for establishing small businesses. Balancing between threats/stress and opportunities, many villagers hesitated in front of the contradictions between preserving the old habits and adopting new ones. The situation created a new economic diversity, which at the same time was dependent on one major actor. This can be described as ‘diversity in the sameness’, which had the character of dependency. Despite increases in income and living standards for many villagers, a common narrative in the interviews was the insecurity and uncertainty that people felt with their new livelihoods. The stories presented strong contrasts between the new livelihoods and the previous ones, which relied on having access to land for rice production and access to forests for collection of NFTP.

This chapter also found incidents of new poverty related to the operation of the gold-copper mine. Based on Rigg’s (2005) research on new poverty in Laos and on how Downing (2002) defines what new poverty means, poverty produced by mining relates to the loss of physical and non-physical assets, including homes, communities, productive lands, income earning assets and
sources, as well as cultural and social structures, and also civil and human rights. One might say that complex patterns of new poverty already begin to be produced in these communities. Indicators would be the loss of land for cultivation; the unequal access to new resources and jobs provided by the company; the enduring problem of compensation; the dependency produced through the functioning of the relations between the main actors; the limitation of the villagers’ rights in negotiating; the uncertainty of livelihoods, the formation of new social strata and the exclusion of the poor from social life. All of these issues are tightened together and became chains in new structures of poverty. One such chain is exemplified by the case of Lanna’s family. Her land for cultivation was indirectly lost, no member of her family got work in the mines and her family had limited incomes and could not afford food and cloths and other recreational facilities like other families in her community. She isolated herself and her family from social activities and became excluded in the social organization. All these events were related to each other and created more and more distance between poor and non-poor people in the community.

Another indicator of new poverty found to be associated with the operation of the mines was the high rate of student dropout from primary school. This will undoubtedly have a long term negative impact on the development target of eradicating poverty within the next decade. Segal (2007) points out how education is both a measure of social success and an indicator of future economic status, and as such, it is important in terms of distribution of resources (Segal, 2007: 69). If in the case of Vilabury the high rate of student dropout from primary school continues, it will be hard to achieve poverty reduction both in the short and long terms. In the long run, it will provoke lack of qualified resource persons and skilled workers which seem to be an enduring problem in Laos. In sum, the operation of the mines led undoubtedly to economic development and improved living standards but it did not eradicate poverty in terms of new poverty, insecurity and social exclusion. The formation of lower social strata was made through feelings of being negatively affected by the new economic system.

In terms of the changes in gender relations, this study examined whether the operation of the mines had any affect on gender relations in the two major ethnic groups Makong and Phu Thai. Through observations and the individuals’ experiences narrated in the life stories of many women, it was significant how gender relations had changed in the economic sphere. Many women had opportunities to be admitted as permanent or casual workers in the mines. The development projects, which aimed at enhancing women’s ability to generate income, were another important mechanism in mainstreaming women to become main income generators of the families. However, the analysis also showed that the mainstreaming of women in economic activities was not conducive to a longer-term achievement or
sustainability in the role of women in the economy. The projects were metaphorically described by the respondents as *Houa Xang Hang Nou* (head of elephant and tail of rat) or as I termed them ‘flower activities’. Therefore, one might predict that whenever the mine closes the projects to ‘help women’ in the communities will also come to an end.

Interestingly, in terms of the categories of gender, class, and ethnicity, it was found that there were small differences in the roles of women in different ethnic groups in the economic sphere. Women in the two major ethnic groups seemed to have equal chances to work in the mines and in other informal economic activities. This phenomenon could be explained that the clear policy focus on equal distribution of opportunities could avoid the discrimination between ethnic groups.

While the role of women as income earners has changed in a positive direction, it seems that there was no significant impact on the role of women in housework; both the Phu Thai and the Makong women were still responsible for nearly all of the housework and reproductive work. This study demonstrates that women’s economic resources have a relatively minimal impact on the division of domestic work. The division of domestic work is still based on the social belief that women should be caregivers and responsible for housework. Nonetheless, in the few cases of women who were fully engaged in paid work it was possible to note a diminished role in reproductive and housework. This study mirrors that the involvement of women in economic activities, especially in informal economic activities, could hardly free them from the heavy responsibility of housework. Although women of different ethnic groups had a similar role in the household sphere, the Phu Thai were found to have more power in decision-making and in controlling the finances of the family.

The last important dimension related to the development and profound transformation of the communities around the mine is the roles played by different institutions or actors in influencing the socio-cultural and economic changes in the area. Among the different actors, The Camp (the mining company and the subcontractors) seemed to be the most authoritative actor in developing all social and economic aspects in the communities. One important development mechanism in the communities was driven by the ‘midfield playmakers’; a very powerful component of actors, who played the role of coordination and communicating between and within actors, particularly between the company and the villagers. However, the trusteeship functions of the relations exemplifies clearly the unequal power relationship between the actors, which more and more produced a system of dependency which limited the equal rights of negotiation among actors in these communities. The process of transformation provides a pattern of top-down development, where a single actor has a powerful position in directing
social and economic life of the communities, while the villagers have a limited role in decision-making and even in defining their own livelihoods.
IV. International tourism and local transformation in Vang Vieng district

4.1 Introduction
In the previous chapter I examined the integration of local people in the process of economic transformation in the communities located around the Sepone gold-copper mine, a form of globalization that was largely driven by a foreign investor. In this chapter, I will investigate another case of engagement in the flow of change by people at the grass-roots level. It is the case of the expansion of the tourist industry in Vang Vieng, a small town in Vientiane province, located in the central-northern part of Laos. The purpose is to provide a diverse picture of how people in local communities engage with the flow of globalization and their adaptation to economic liberalization. As pointed out in the introductory chapter, societal phenomena are place-based, and different places produce different forms and different procedures of change. Even in a country with strong political centralization as Lao PDR there is no uniform process of change.

This chapter is divided into 9 sections. The first section discusses the relationship between tourism and economic development in general, and in the context of Laos. The next section portrays Vang Vieng, the research site, and discusses its typical characteristic. The third section is concerned with the increase in tourist arrivals and growth of income per capita in Vang Vieng. The fourth section focuses on economic change and livelihoods of local people and the policy of the local government in terms of pro-poor tourism as tool for poverty eradication in the district. The fifth section raises socio-cultural impacts related to the tourism industry. The sixth section focuses on changes in gender relations in the context of tourism and the seventh section discusses the manifestation of a new gender ideology, the involvement of women in the arenas of economy and politics and in the household sphere. The last section is centered on the actors of development in Vang Vieng and the chapter ends with a concluding discussion.

4.2. Tourism and economic development in Laos

4.2.1. Tourism and development
In research on tourism and development, tourism is often seen as an effective vehicle of economic development. Tourism provides important foreign exchange earnings and employment (Telfer and Richard 2008). As pointed out by Grandall (1994) many developing countries are reliant on tourism as a mainstay of their economy. In some studies tourism has shown to be generating a multitude of beneficial macroeconomic effects; foreign exchange earnings, increased economic growth (GDP), increased revenues...
for governments, creation of employment and improvement of infrastructure and social services (Goodall and Gregory 1992; Lea 1988). In least developed countries with high levels of poverty, tourism is assumed to contribute considerably to poverty reduction (Sharma 2006) and tourism is sometimes presented as offering an ideal door which poor countries can open up to the benefits of globalization (Scheyvens 2007). However, there is no strong evidence that an increase in tourist arrivals automatically leads to significant benefits for the poor (Shilcher 2007). Some argue that paradoxically, it may even lead to new forms of poverty, as pointed out by Shilcher (2007). Shilcher explains that an economic growth-focused approach could prove successful in reducing levels of absolute poverty, whereas it is likely to further exacerbate deep and severe poverty; an increase in new forms of poverty, for instance inequality between the rich and the poor, or more precisely between the rich and the relatively poor. Schilcher further argues that within the context of tourism, inequalities may be increased; by lack of bargaining power, the poor have limited opportunities to participate in the industry and because of limited access to assets and capital they may not be able to acquire benefits from tourism. For example, some forms of community tourism enterprises or small scale locally owned businesses can be wrecked in a neoliberal environment due to the competition from capital-intensive companies (Kalisch 2001, cited in Schilcher 2007). Incirlioglu and Culcuoglu (2004) put forward that the consequences of tourism development, including local responses, have widely been discussed as a linear cause and effect relationship, where tourism is seen as cause and a select set of occurrences as its effects; but the effects are not only positive but rather display binary opposite outcomes. Regarding this point, Brohman (1996) has listed several common problems resulting from the development of tourism in developing countries; for instance, there is the problem of the control over local resources; the reinforcement of patterns of socioeconomic inequality and spatial unevenness; the fluctuation of earnings defined by the seasonality of tourism; environmental destruction; the rising alienation of local people because of increasing social problem such as crime; the competition in accessing resources and the loss of cultural identity. Mowforth and Munt (2003) largely criticize mass tourism which leads to dependency and leakage of tourism benefits and damage of local cultures. Concerning proposed alternative tourism forms based on communities as a choice in order to bring benefits to local people and to avoid local cultural destruction, Mowforth and Munt elucidate that tourism’s impact on host countries was not different from the outcome of development; as one of the globalization processes, the result is usually the entanglement together of both negative and positive impacts. They further argue that tourism development leads to dependency and new imperialism by which developing countries are controlled by developed countries. According to their analysis,
globalization, sustainability, and development are the standard holders of western capitalist development and expansion (Mowforth and Munt 2003:31).

In Lao PDR, classified as one of the least developed countries in the world, the importance of tourism’s potential in terms of contribution to economic development has been underscored since 1995, when the Lao government identified the tourism industry as one priority development areas (Harrison and Schipani 2007). The Lao government recognizes that tourism is one of the important tools that may be used in order for the country to escape from poverty. The keynote speech of his Excellency Bounnhang Vorachith, former Prime Minister of Lao PDR, addressed to the ASEAN Tourism Forum in February 2004, also highlighted that tourism should be an important tool for poverty alleviation in order to lift Lao PDR from the list of least developed countries by the year 2020 (NTAL 2005).

Since the end of the last decade, tourism has highly contributed to the development in Laos in terms of economic parameters; it has become one of the main sources of foreign exchange earnings (see chapter two). At community levels, there was also some evidence that tourism could bring benefits to local people. Some research shows that tourism can improve incomes in host communities. Harrison and Schipani (2007) analyzed the community-based Nam Ha ecotourism project in the northern part of Laos and found that some part of the gross revenue from the project went directly to the village. Lyttleton and Allcock (2002) reported that Nam Ha ecotourism provided a good opportunity for villagers to generate income from a variety of economic activities; accommodation fees, guiding, food provision, cleaning, massage service and handicrafts sale. It was found that 18% of the gross revenue from eco-guiding services went directly to the villages, which lead to increase in the family income and improved living standard of the local people.

Despite of having a good profile in terms of management and the way in which the project focused on distribution of benefits to the communities, Lyttleton and Allcock (2002) also found that the traditional culture and lifestyle began to be threaten and replaced by modern styles:

*Money income is now more widely available because of ecotourism than before. This can mean many simple changes. For example, ethnic women feel great desire to replace traditional clothing with ‘modern’ and easy purchased lowland Lao attire. Various traditional subsistence lifeways will disappear as cash income brings a market economy into the more remote area (Lyttleton and Allcock 2002:44).*

Although some negative impacts from tourism were identified by Lyttleton and Allcock, the positive impacts of tourism have been the mainstream focus of analyses in Lao PDR, in particular in terms of impacts on the national level. More research is needed to understand consequences and meanings of
tourism on local levels. Thus, this chapter seeks to examine the impact of tourist industry developments at community level in Vang Vieng.

**4.2.2. Tourism in Laos**

From 1975, after the declaration of the new regime, Lao PDR started to apply the closed-door policy (see chapter two). International relationships were maintained mainly with socialist countries and with socialist parties of capitalist countries. The country was closed to most classes of tourists. The arrivals to Laos during the late 70s and early 80s were frequently members of delegations from the socialist countries or members of communist parties from the capitalist countries (NTAL 1990).

The New Economic Mechanism from 1986 impacted obviously and directly on the tourist sector. The new open-door policy uplifted international tourist arrivals to Laos and the number of international tourists as well as the length of their stay in Laos began to increase significantly from 1993. There has been fluctuation in the number of arrivals some years, but the increasing trends in revenues, arrivals and length of stay have been quite stable during the last two decades (Table 19).

**Table 19:** Number of tourist visits to Laos, revenues from tourism and average length of stay 1990 -2006.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of tourist arrivals</th>
<th>Change (%)</th>
<th>Average length of stay (days)</th>
<th>Revenue from tourism (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>14,400</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>1991</td>
<td>37,613</td>
<td>161.2</td>
<td>N/A</td>
<td>2,250,000</td>
</tr>
<tr>
<td>1992</td>
<td>87,571</td>
<td>132.82</td>
<td>N/A</td>
<td>4,510,000</td>
</tr>
<tr>
<td>1993</td>
<td>102,946</td>
<td>17.56</td>
<td>3.5</td>
<td>6,280,000</td>
</tr>
<tr>
<td>1994</td>
<td>146,155</td>
<td>41.97</td>
<td>5.1</td>
<td>7,557,600</td>
</tr>
<tr>
<td>1995</td>
<td>346,461</td>
<td>137.05</td>
<td>4.25</td>
<td>24,738,480</td>
</tr>
<tr>
<td>1996</td>
<td>403,000</td>
<td>16.32</td>
<td>4.12</td>
<td>43,592,263</td>
</tr>
<tr>
<td>1997</td>
<td>463,200</td>
<td>14.94</td>
<td>5</td>
<td>73,276,904</td>
</tr>
<tr>
<td>1998</td>
<td>500,200</td>
<td>7.98</td>
<td>5</td>
<td>7,996,0145</td>
</tr>
<tr>
<td>1999</td>
<td>614,278</td>
<td>22.81</td>
<td>5.5</td>
<td>97,265,324</td>
</tr>
<tr>
<td>2000</td>
<td>737,208</td>
<td>20.01</td>
<td>5.5</td>
<td>113,898,285</td>
</tr>
<tr>
<td>2001</td>
<td>673,823</td>
<td>-8.6</td>
<td>8</td>
<td>103,786,323</td>
</tr>
<tr>
<td>2002</td>
<td>735,662</td>
<td>9.17</td>
<td>6.5</td>
<td>113,409,883</td>
</tr>
<tr>
<td>2003</td>
<td>636,361</td>
<td>-13.50</td>
<td>6</td>
<td>87,302,412</td>
</tr>
<tr>
<td>2004</td>
<td>894,806</td>
<td>41</td>
<td>6.5</td>
<td>118,947,707</td>
</tr>
<tr>
<td>2005</td>
<td>1,095,315</td>
<td>22</td>
<td>7</td>
<td>146,770,074</td>
</tr>
<tr>
<td>2006</td>
<td>1,215,106</td>
<td>11</td>
<td>7</td>
<td>173,249,896</td>
</tr>
</tbody>
</table>

*Source: National Tourism Authority of Laos PDR 2006.*
According to the 2006 statistic report on tourism in Laos (NTAL 2006), international tourists to Laos came from all over the world, but the great majority, more than 70%, came from the Asia Pacific regions. In terms of nationalities, most tourists were Thai, Chinese, Vietnamese, Japanese and Australian. It was noticeable that tourists from the Americas and Europe have increased constantly since the 1991 (Figure 14).

In terms of destination provinces, five of 18 provinces in Laos received the bulk of international tourists: Vientiane Capital, Savannakhet, Luangprabang, Vientiane province, and Champassack. Vientiane Capital was recorded as the most visited site and is primary gateway for air travelers: most international tourists pass Vientiane to transit to other places. Vientiane is also close to the Friendship Bridge over the Mekong River to Thailand which is the main channel for car and bus travelling of Thai tourists, who are the most frequent visitors to Laos. Thai tourists can visit Laos for up to three days without a passport; they need only a border-pass. For many tourists, three days in Vientiane Capital is long enough to for instance explore temples and monuments, visit the National Ethnic cultural park located near the Friendship Bridge and shop at the Morning market, a typical Lao cultural market since many decades.

![Figure 14: Number of tourist visits Laos by region 1991-2006. Source: National Tourism Authority of Laos PDR, 2006.](image-url)
4.2.3. Tourism development potential

The 18 provinces (17 provinces and one special zone) of Laos are divided into three regions: the Northern region with eight provinces, the Central region with four provinces and one special zone, and the Southern region with five provinces. After the adoption of economic liberalization, each province has obtained more autonomy in defining their policies and strategies for socio-economic development according to their characteristics and the assets existing in each province. Tourism is one type of industry which most of the provinces have paid attention to. NTAL (1998) and NTAL (2005) point out that each province has its specific type of cultural and natural resources which could be developed into different types of tourism, for instance ecotourism; touring to ethnic villages; border transit sightseeing; historic site sightseeing or adventure tourism. In the master plan for tourism development in 1998, NTAL framed the basic concept of decentralization strategies of tourism development by encouraging provincial governments to develop their own systems of tourism in order to spread the benefits from tourism throughout the country. Four basic types of tourism development and activities are considered in the strategy: (1) Conventional touring and sightseeing based primary on group tours; (2) Eco-tourism, village tourism of special interest and adventure tourism; (3) Border and transit tourism from neighboring countries; and (4) Enhancing domestic tourism. The diversity of ethnic groups is highlighted as strength for developing cultural tourism, in particular in the northern part of the country where many traditional lifestyles of ethnic minorities endure. Laos has several important historical sites, which could attract international tourists, including two sites proclaimed as world heritages: Luangprabang in the north and Wat Phou Champassack in the southern part of the country.

Undoubtedly, the geographical characteristics of the country pose difficulties for transportation and development, but the richness of rivers and the abundance of caves in the mountains sketch a fascinating and mysterious landscape which provides a potential for especially ecotourism and natural adventure tourism. The most well known and cited ecotourism site is Nam Ha community; an ecotourism project located in the Luangnamtha province in the northern part of Laos. The project started in 1999 with many stakeholders involved: ADB, UNESCO, the Netherlands Development Organization (SNV), NTAL, and New Zealand Agency for International Development (NZAID). Nam Ha ecotourism is one of the largest and well organized projects and has been considered a model for ecotourism in the region. It is also recognized that the Nam Ha project has contributed to poverty alleviation for local people (Harrison and Schipani 2007). However, research is scarce and it is unclear whether tourism could contribute to poverty reduction at local level in different places. In Vang Vieng, tourism has developed as an outcome of the open-door policy, by
which the local government has highly prioritized tourism as a tool to eliminate poverty from the district. This approach, labeled pro-poor tourism, will be examined below.

4.2.4. Understanding pro-poor tourism

Tourism is one of the major social and economic phenomena of modern times (Sharpley 2002). With good management, tourism can be an effective vehicle to deliver socio-economic benefits directly to rural and remote areas. Recently, academic studies of tourism and development have put more specific focus on the benefits that tourism might bring to the poor (Harrison and Schipani 2007). The focus of the research on the relation between tourism and poverty reduction is accompanied by a new tourism terminology; the pro-poor tourism. The term pro-poor tourism emerged in 1999 in a report by Deloitte Touch to the UK's Department for International Development (Ashley et al. 2000). Pro-poor tourism has been defined by Chock et al (2007) and Ashley et al (2000, 2001), who differentiate it from other forms of tourism such as ecotourism, sustainable tourism, and community-based tourism. The most cited definition of pro-poor tourism is tourism that generates net benefits for the poor. It has recently been argued that pro-poor tourism set up in developing countries could be an important means to improve the local economy for local people and to enhance the linkages between tourism businesses and poor people, and that poverty will be reduced and poor people will able to participate more effectively in tourism development. The aims of pro-poor tourism are ranged from increasing local employment to involving local people in decision-making processes. Any type of organization could be involved in this form of tourism: from state organizations to small lodges or tour operators. The most important factor is not the type of company or the type of tourism, but that poor people receive an increase in the net benefits from tourism. Net benefits encompass not only economic but also environmental, and cultural dimensions (Ashley 2001). Pro-poor tourism is also explained as an approach applied in order to bring benefits to the poorest. However, it is also argued that there is a lack of convincing empirical evidence to justify that increased tourism development will lead to significant benefits for the poor, in particular from the development of mass tourism (Mowforth and Munt 2003, Ashley 2001). Even if it has been questioned whether tourism could

49 Sustainable tourism in Lao PDR http://www.laotourismnetwork.org/directory.htm
bring benefits to the poor, pro-poor tourism is an approach currently applied as a tool for poverty reduction.

4.3. Vang Vieng, a place in-between

Vang Vieng is one of the eight districts of Vientiane province and is situated half-way from Vientiane Capital to Luangprabang, the world heritage site. In 2005 Vang Vieng district had 78 villages, with 8,785 households, of which 1350 (15%) were classified as poor households. The district government expected to eradicate poverty from the district by 2015\(^{50}\). In 2005 the total population of Vang Vieng was 46,339, which increased to 49,855 in 2007. In Vang Vieng district, as in Vilabury and other districts in the country, the national administrative adjustment concerning village clustering was applied after 2004. The small villages scattered in the mountainous area were encouraged to resettle close to the roads in order to facilitate development intervention programs of the government, and to enable the villagers to access public services such as education and health care centers. Therefore, in 2007, the number of villages was reducted to 64.

Vang Vieng district was recently divided into seven development zones: (1) Keokouang zone, (2) Phonexou zone, (3) Thaheua Zone, (4) Namon Tai zone, (5) Nadi zone, (6) Vang Vieng zone and (7) Phatang (Figure 15). These zones were delineated in accordance with their natural richness, physical characteristics, and ability of production. For instance, Phatang, an area with rich fertile soil suitable for agricultural production, was classified as an agricultural production area, while Thaheua zone located close to the lake of Namgum dam, was promoted as a zone for pisciculture and industrial tree plantation. This division has framed the basic structure of the economy of the district since 2004.

The center of tourism is Vang Vieng zone. This zone includes six villages; Ban Savang, Ban Vang Vieng, Ban Meuang Song, Ban Phone Pheng, Ban Houaysaghao and Ban Viengkeo, where tourist businesses were highly concentrated and agglomerated in since the beginning of the 2000s.

Surrounded by mountains, Vang Vieng has become well known for its caves and other valuable natural resources. There are 26 caves located in the mountains surrounding the heart of the town, and 13 of these are operating and exhibited to visitors, while the others are still unexplored. Distinguished by its natural beauty and geographical characteristic, Vang Vieng looks like an island encircled by mountains. Road No 13 connects Vang Vieng to the two important places of Vientiane Capital and Luangprabang.

\(^{50}\) Interview with the district governor.
Not only the abundance of caves and mountains makes Vang Vieng an attractive tourist destination, but also the much loved river *Nam Song*, which divides Vang Vieng into two parts. The river plays an important role in providing possibilities for tourist activities, both during the rainy and dry seasons. If the Egyptians in ancient time felt that Egypt was the valuable product of the Nile, the feelings of Vang Vieng people towards river *Nam Song* are not much different, as described by Vone:
I think tourists like Vang Vieng because it is so beautiful, and they can do many activities, floating along the river, visiting the caves and trekking the mountains, if there is no Nam Song maybe there is no Vang Vieng, and no tourists like now (Vone, Ban Vang Vieng).

river Nam Song does not only flow through Vang Vieng, but it also creates a small island, where people organize entertaining activities for tourists.

From Vientiane Capital international tourists have two main choices; they may travel to Savannakhet and Champasak, the major tourist sites in the South, or go to the North to Luangprabang and Nam Ha ecotourism site in Luangnamtha province. On the way to Luangprabang by bus most tourists stop in Vang Vieng for three or four nights to enjoy the whole range of tourist activities, for instance sightseeing, experiencing floating along river Nam Song by kayaking or tubing, trekking the mountain, fire making in the small island. As told by the head of the tubing association in Vang Vieng.

I: On average, how many days do tourists stay in Vang Vieng?
R: It depends on the category of tourists: but usually they stay about three days and not more than one week. Sometimes there are tourists who stay here around three months. But three to four days is the most common length of stay: the first day they visit the cave, the second day they navigate Nam Song tubing and the third day they travel along the river kayaking or trekking the forests. If they stay here for three days they may finish the schedule for visiting all places in Vang Vieng (Interview with the head of tubing association).

It is to say that Vang Vieng plays a role as a bridge that connects the two important tourist sites Vientiane Capital and Luangprabang. One might say that its geographical characteristics make Vang Vieng an in-between space. The tourist industry in Vang Vieng is thus based on the advantages of location close to Vientiane Capital and on the road to Luangprabang.

4.4. Increasing numbers of tourists and income growth
‘Vang Vieng nowadays has become a town of backpackers’ said Khanty, an owner of a hotel in Vang Vieng, in an interview during my fieldwork. In fact, since the late 1990s Vang Vieng has become an attractive tourist site in particular for young people. Figure 16 shows the number of tourist arrivals to Vang Vieng and illustrates that from 1997 there has been a steady increase in both domestic and international tourist arrivals. Interestingly, a high number of domestic tourists filled the gap in the 2003-2004 periods when international tourism decreased due to the SARS epidemic. This rapid increase in tourism has provoked a quick and profound transformation in this small town.
International and domestic tourists visiting Vang Vieng

Figure 16: International and domestic tourists visits to Vang Vieng 1997-2005.

The association between national economic growth and the development of the tourist industry in Laos was pointed out in the beginning of this chapter. In the case of Vang Vieng, it is also noticeable that income per capita has increased parallel to the development of tourism. Income per capita fell slightly in 2003, related to the impact of the SARS epidemic, but after that income per capita has increased considerably. Between 2003 and 2007 income per capita tripled from 250 USD to 638 USD (Table 20).


<table>
<thead>
<tr>
<th>Year</th>
<th>Income per capita (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>250</td>
</tr>
<tr>
<td>2004</td>
<td>385</td>
</tr>
<tr>
<td>2005</td>
<td>487</td>
</tr>
<tr>
<td>2006</td>
<td>524</td>
</tr>
<tr>
<td>2007</td>
<td>638</td>
</tr>
</tbody>
</table>

4.5. From a sleeping beauty to a lively town

The expression ‘from a sleeping beauty to a lively town’ comes from the plot of stories narrated by Keo and Vone when they described the physical characteristics of their hometown, and how they felt about the changes in Vang Vieng since the beginning of this decade. Drawn from the stories told by these two women on what was happening in the socio-economic arena, this expression captures the procedure of change or transformation resulting from the development of tourism in this small town. The metaphor reflects the beauty by referring to the miraculous assets offered by nature, but which had not been used as natural capital to build livelihoods until the present decade. Vang Vieng is rich of natural resources, which could be ready for exploration and turned into capital for livelihood strategies, but the richness hidden in the mountains have not been discovered, as described by Vone and Keo, two women originally born in Vang Vieng.

I think Vang Vieng is very beautiful; the river Nam Song, the mountains, the caves. Vang Vieng is sleeping in the middle of the beauty. I think there is no other place like Vang Vieng (Vone, Ban Vang Vieng)

Vang Vieng obviously changed around five-six years ago. I was born in Vang Vieng; I grew up in Vang Vieng and have never moved from Vang Vieng. It has changed very quickly, it looks like a person who slept for a long time and suddenly woke up and had a new life or something like that. You see? Everything changes, you were here before, you know that Vang Vieng was a very quiet town, nothing happened, but very very beautiful. I think it was after 2000 that Vang Vieng changed very much. People look for ways to get money from tourists, it is not like before. They wake up people (Keo, Ban Viengeko).

Phanna is a woman aged 53 years old, whose family runs several businesses related to tourists services, including an internet café, a guesthouse, bicycle and motorbike renting, and a gift shop. She also has a large plot of land where her family has planted rubber trees. As Keo and Vone, Phanna finds that Vang Vieng has changed quickly with tourism since the beginning of the 2000s. Phanna uses the term Farang to refer to the Western tourists. She observes that the appearance of international tourists indicates a new era in Vang Vieng. Phanna was not born in Vang Vieng, her family moved from Luangprabang and resettled in Vang Vieng in 1983. Based on her more than 20 years residence in Vang Vieng she says that she absorbs all new events appearing in Vang Vieng, and she feels that the improvements in housing, roads and transports have been among the most important changes. Within a short period of time, many new houses made of bricks have emerged along the main road of the district and transportation has been significantly streamlined due to increased competition to attract clients.

Since Farang came here around six years ago, Vang Vieng has changed quickly. Before there were no brick houses like this and only one or two good houses. Now
there are a lot of cars and before only two trucks ran between Vientiane and Vang Vieng. If we wanted to go to Vientiane we needed to get up around three o’clock in the morning, otherwise the truck would be full. Sometimes it took two days to go to Vientiane. Now the owners of cars run to the passengers and cry for clients (Phanna, Ban Savang).

In Phanna’s narrative, the term Farang is not only used to refer to Western tourists, but also to refer to the beginning of change in Vang Vieng. She sees a clear-cut period that started with Farang in Vang Vieng. A similar position was expressed by Khanty, a famous businessman in Vang Vieng district. Khanty is a former soldier and born in Borikhamxay province. He moved to Vang Vieng in 1980 and married a woman from Vang Vieng in 1983. He worked for the Lao army until 1988. In 1989, he applied to quit his job as soldier and oriented himself and his family towards the market economy. He started by doing small trading and opened a retail shop in the marketplace with his wife. They extended their business little by little and within a decade Khanty was a famous businessman in Vang Vieng. By 2006, he owned a variety of businesses, including a shop selling construction materials, a drinking water factory, a hotel and guesthouse, a large plot of land with industrial trees. He also owns a chicken and duck farm. He sketched the image of Vang Vieng as a nameless place before becoming a famous tourist town by using a piece of rhyme: Nam Bo Lay Fai Bo Savang Thang Ko Bo Dee51. In the direct meaning, the rhyme composes of three expressions, first Nam Bo Lay means no water flow; Fai Bo Savang means the light is not shining, and Thang Ko Bo Dee means the road is not good either.

I never thought that Vang Vieng would be an industrial town, or a tourist town like this, because if we talk about roads and communication, it was not convenient at all before. And people did not want to live in Vang Vieng. Even people from Vang Vieng moved to Vientiane, because Nam Bo Lai, Fai Bo Savang Thang Ko Bo Dee. To go to Vientiane Capital took around two or three nights. It has changed a lot (Khanty, Ban Houaysaghaao).

The stories told by Vone, Keo, Phanna and Khanty confirm the appropriateness of the expression ‘from sleeping beauty to a lively town’; within a decade Vang Vieng experienced a complexity of socio-spatial transformations due to the development of tourism and its multiplier effects. These phenomena produced visible new forms of livelihoods for local people.

51 The rhyme is used in Laos to explain underdevelopment in contrast with Nam Lai Fai Savang (see chapter three).
4.5.1. Development of infrastructure

The provisioning of infrastructure is a crucial development issue in Laos. In rural areas, which occupy two-thirds of the country, the population still confronts problems of inaccessibility to basic infrastructure, particularly roads and electricity (Lao PDR 2004). LECS II and LECS III and participatory poverty assessments conducted in Laos find a high correlation between lack of road access and severe poverty. Development of local transportation and extension of electricity have become the main focus in development strategies of the country.

Improvement of roads and bridges

Vang Vieng is not classified among the poorest districts in the country, but combating poverty is still the focus of local policies, in particular enabling accessibility of people to town and market life by extending connections of roads to remote areas. Despite its importance, construction of roads has only slowly proceeded compared to other sectors, as observed by Khanty.

Now many people say that Vang Vieng is a famous tourist site, but there is a lot of mud and the road is really bad. If this issue could be solved it would be very good and Vang Vieng would be the best tourist site of the country (Khanty, Ban Houaysaghao).

It was from 2005 that concrete plans for upgrading the roads were brought into consideration and began to be implemented. The project was supported by ADB, with 20% contribution from the Lao government, of which the local population contributed 3%. The roads in the center of Vang Vieng, around 10,400 meters, were completely asphalted in late 200752. Before 2005 there was no fixed budget allocated to improve road conditions; the maintenance of roads was the responsibility of the local population. It was categorized as community work, or ‘Red Saturday’, a participatory approach to protect public places which started with the new regime in 1975. One of the respondents who opened a restaurant in the center of the town a long time ago described how the main activity was to clean and cut grasses surrounding public places such as roads, schools or government offices during the weekends, usually on Saturday. The villagers were requested to work together and take part in community work without any incentives. Red Saturday used to be widely applied in Laos, particularly during the period of centralization, but began to decline with economic liberalization. The persistence of Red Saturday in Vang Vieng proves more or less the role of villagers as active stakeholders in the process of development, and by the same token it also mirrors the lack of a comprehensive plan and budget.

52 From the interview with the district government and the draft of the 2008 report of the district.
Figures 17 and 18 shows the main road in the center of Vang Vieng in 2005 and 2008 and illustrate the recent change from an unpaved muddy road to an upgraded road.

Upgrading of roads took place not only in urban areas, but also increasingly in remote areas. Roads connecting all villages in the districts were constructed in 2007 in order to facilitate transports and access of remote areas to markets. Another main reason was to eliminate the problem of car attacks provoked by gangs operating along the road from Vang Vieng to Luangprabang. This security problem was an important obstacle for tourism in the beginning of the 2000s, as described by the district governor:

Now the roads are connected to all areas as far as to Nampea. It is easy to access now. You also know that before there were gangs there who attacked the cars, but after the construction of the road there is no problem. This year all areas will be connected. This is the important point (District governor).
The other critical part of infrastructure development in Vang Vieng is the construction of bridges. The loved river *Nam Song* is seen as a miracle offered by nature and a place for tourist activities as well. Bridges connecting the two sides of river *Nam Song* is necessary in order to (1) facilitate transportation and communication between people, (2) enable villagers to access the main market in the town center, (3) to streamline the movements of tourists to the caves located on the opposite side of the district center. These factors make bridge construction a key development priority of the district and the villagers. The local government plans to construct new bridges over the river *Nam Song* and its tributaries, in particular to key areas such as Thin On located in the northern part of Vang Vieng. Thin On belongs to Keokouang zone which is classified as a zone for agricultural production (Figure 15), and is one of the main sources of agricultural products sold in the Vang Vieng market. For the tourism industry, new bridges are crucial as well.

Farang like tubing, kayaking and now the Bungy-jump very much. These are adventure activities, but Farang like it very much. The activities take place on the other side of the river; so many wooden bridges are constructed by restaurant owners located on the other side of Nam Song. There are bridges everywhere. It is convenient (Phouthong, Ban Houaysaghao).

Many bridges have thus been constructed over river *Nam Song* and most of them are non-permanent ones. Three parties are involved in the process of
bridge construction: the local government, the villagers, and private companies. The interactions between them have led to conflicts, which I will come back to below under the subtitle of pro-poor tourism in Vang Vieng.

Figure 19: Permanent bridge constructed by a private company.

Figure 20: Temporary bridges constructed by villagers and owners of restaurants.

Provisioning of electricity
Together with road construction, electricity is one of the most prioritized infrastructure investments of the government of Laos. It is recognized that the country cannot escape from poverty if remote areas have no access to roads and electricity. This policy is transferred to the responsible local district governments in the country. The extension of electricity to all villages
in Vang Vieng district was completed in 2007, as explained by the district governor:

Now all villages have access to electricity. We used 900 million kip to extend electricity to remote areas; we used the budget the district gained by selling timber during the construction of Nam Ngum Dam 5. This year the villages will be able to access electricity, but we don’t know yet how many households have electricity. We will start to do a survey among 8987 families in 2008 (District governor).

Availability of electricity and access to roads in remote areas are positive development indicators, which focus on poverty eradication. However, the connection of electricity to villages does not mean that all households are able to access it. To connect electricity to the households is expensive and many families can not afford it. The local government planned to conduct a household survey in the villages in 2008 in order to get baseline information for future development plans.

4.5.2. Expansion of guest houses and restaurants

Among the new features in Vang Vieng district were all the new guesthouses and restaurants. Within a half decade, they visibly flourished in the center of this small town. In 2005, there were 53 guesthouses with 901 rooms available to accommodate more than 1000 visitors. The number of restaurants increased to 84 in the same year (District’s Party report 2005). Not only the quantity, but also the quality of services improved:

If we talk about guesthouses in Vang Vieng, there were only around 10 to 20 before the year 2000, and they were not really good. From 2000, the number of guesthouses increased and the services have improved (District governor).

In Vang Vieng many Western-style restaurants have opened and are typically innovative restaurants. They look like a pound enclosed by bamboo where the customers lie down and eat and drink while watching television. These restaurants opened in response to demands from tourists and are spread out along both sides of the road in the center of the town. During the nighttime, they light up the center and local people consider them a good success in adaptation to the demands of tourism, or to the new shape of capitals.

I could say that it changes in a good way (...) It is good. In Vang Vieng, the owners of restaurants really develop their restaurants to be suitable to the needs of the tourists. You see, in Vientiane I have never found restaurants where customers sit, lie down, eat and watch TV like in Vang Vieng. When Farang sit there it looks like Khok Mou Phanh [a pound of pigs] (Khanty, Ban Houaysaghao).

The flourishing guesthouses and restaurants were also commented by Boua, an owner of an old restaurant in Vang Vieng. Boua was born in Vang Vieng
and she has inherited the restaurant from her mother. The restaurant was the first restaurant to open in Vang Vieng. She compares the increase of restaurants and guesthouses to the sprouting of mushrooms. The expression sprout of mushroom is commonly used in Laos to describe a quick and pervasive growth of buildings or houses in a narrow space.

*Nowadays Vang Vieng is based on guesthouses and restaurants, there are so many since Farang came here. Sometimes it is hard to distinguish which one is a guesthouse, and which one is not. It looks like the sprout of mushroom (Boua, Ban Savang).*

The agglomeration of the restaurants and guesthouses distinguishes the center of Vang Vieng from other places, and forms the center of Vang Vieng district as an ‘ideal island’. All restaurants and guesthouses are concentrated in the center where the tourists circulate, in particular in the evenings (Figure 21). Not far from the center, one can still see traditional lifestyles of people, both in housing style and community interaction. The center of Vang Vieng is distinct as an island created by differences in economic activities and lifestyles from the surrounding communities.
4.6. **New forms of livelihoods**

New forms of livelihoods are central phenomena in the transformation of Vang Vieng district and are largely caused by the prosperity of the tourist sector. Tourism has created many formal and informal jobs for local people. In the context of Vang Vieng, tourism has tempted local people to shift their livelihoods from farm to non-farm economic activities, which has created a
diversity and multiplicity of occupations, for instance in the form of local businesses, new informal economic activities and other occupations related to tourist services.

4.6.1. Appearance of an urban informal economy

The informal economy is recognized as a pervasive phenomenon in developing countries as well as in economic transition countries (Wallace and Rosalina 2006). Lindell (2002) clearly elucidates how informality of economies has proceeded and become main livelihood sources for people in the South. The role of the informal economy in these countries is viewed both positively and negatively in terms of its socio-economic impact. Chaudhuri et al. (2006), for instance, view optimistically the consequences of the informal economy and list some positive roles in developing countries. Firstly the informal economy provides income earnings and opportunities for the poor; secondly it provides goods and services unavailable in the formal sector; and thirdly it maintains low costs of living in urban areas which is enabling for poor urban dwellers. Wallace and Rosalina (2006), on the other hand, are more pessimistic and point out that the nature of the informal economy, with its unregistered and tax-evading small-scale businesses, can be the root of the corruption system.

Another debated problem related to the informal economy is the classification of this type of economy; for instance, how can the informal economy be categorized and separated from the formal economy? Common categorizations refer to family businesses, small-scale businesses, household products, domestic helps, street vendors, small traders and so on. Roughly defined, the informal economy refers to unregistered and unrecorded economic activities out of control of the taxation system (Wallace and Rosalina 2006). In Laos, after the application of NEM, unrecorded economic activities have increased dramatically, in particular in new urban areas and in places where tourism has flourished. In Vang Vieng, for instance, there is a visible surge of street vendors, medium traders, part-time workers in guesthouses and restaurants and other unregistered economic activities. In the following I will highlight some important transitions to new livelihoods in Vang Vieng.

From rice cultivator to street vendor

Khamphanh was born in Vang Vieng in 1958 and has lived in Vang Vieng all her life. When she got married she moved to stay with her husband’s family who also originates from Vang Vieng. In her husband’s family, Khamphanh worked as a housewife and took care of the children. She also worked with agricultural production in a combination of Na and Souan. Her conjugal life was broken in 1986. After her divorce, she returned to her parents’ house. She has five children, which she took with her after the divorce; she left no
one with her husband. Living with her parents, she continued to cultivate rice as the main economic activity and the main source of family income. In 2000, she began to sell food on one of the road-sides in the center of Vang Vieng. With her trolley, full of a variety of local food, Khamphanh located herself every evening from around 6 p.m to 9 p.m in a street where many tourists circulate, both domestic and international. Being a street vendor, Khamphanh earned around 100,000 kip (around 10 USD) per day after deducting expenditures. It means that she could earn around three million kip per month (around 300 USD). She decided to detach herself definitely from her former daily routine as a farmer and become a ‘permanent’ street vendor.

Before, I only worked in my rice field, the Souan and Na. My husband worked in the district financial office. I took care of my children and cultivated the rice field and after my divorce I came back to my parents’ house with all my children (...) I began to sell food in 2000 and tried to sell local food, and I found that it was good. I could earn more money than when cultivating rice. Before I tried many things, I bought animals in Vang Vieng and sold it in Vientiane, but it was too difficult (Khamphanh, Ban Savang).

Khamphanh was the first person in Vang Vieng who adopted this economic activity as a new livelihood strategy. It substituted her previous agricultural cultivation, which she and her parents had practiced for a long time.

I was the first person who did this job, now many people do it because they found it was a good job, and one can earn more money than from cultivating Na. You see many people sell food here. Before I could sell everything, in particular in the beginning, I sometimes got 200 000 kip as profit (Khamphanh, Ban Savang).

As told by Khamphanh, and from my observations, street vending has become an important livelihood strategy adopted by many families to accommodate themselves to the change of social milieu shaped by the prosperity of tourism. In the evenings, numerous trolleys with different goods such as local food, sweets, drinks, souvenirs, are parked on the road-sides in the center of the town. Viengkeo, another street vendor, describes how nowadays many families abandoned their old livelihoods, which relied on rice cultivation and NTFP collection.

The original Vang Vieng people they do services, businesses, trading. They earn more than when cultivating rice fields. For instance, if you do the rice field, you spend two to three million kip, and it takes two to three months, but the harvest is sometimes not good. When they trade they can collect money every day, and it is not hard like cultivating rice fields. So they don’t do it anymore. Everyone does trading and businesses, it is easier. People get money every day, so nobody wants to cultivate, except those who moved recently to Vang Vieng (Viengkeo, Ban Vieng keo).
The stories narrated by Viengkeo and Khamphanh mirror how tourism has impacted pervasively on livelihoods of local people, and also a differentiation between people originating from Vang Vieng and people who recently moved there as newcomers. The narrative of Khamphanh and Viengkeo reflect the transformation from agriculture to tourism, which people calculated and balanced by estimating costs and benefits of cultivation on one hand and new economic activities on the other hand. Agricultural work is left for the newcomers who recently migrated to Vang Vieng; in this sense people firstly think about food security; and rice cultivation is seen as the basis for moving on to other economic activities.

From rice cultivator to a market-based small seller
Toula is a seller of noodles and typical Vang Vieng sweets in the market. She does not have a private shop; she displays all her goods on a small rectangular table surrounded by three benches where her clients can sit. I classify her economic activity as semi-formal based on two things: firstly it is a very small-scale business which is not officially registered or recorded. For her business she does not need to pay taxes; however she needs to pay around 1,000-2,000 kip (around 0.10-0.20 USD) per day to the market manager. Toula began to sell sweets and noodles as a second job in the market a long time ago. Before the flourishing of tourism, her family's main income came from rice cultivation. As in the case of Khamphanh, Toula found that the number of clients increased quickly with tourism, and her income from selling noodles and sweets became higher than what she could get from agricultural production. Toula's family decided to drop their former livelihood and began to sell noodles and sweets seriously in the market. Since then her daily routine has become totally attached to the market. Every day around 6 a.m she leaves the house to go to the market and comes back home around 6 p.m.

It was around four-five years ago that I began to do this seriously, because I found it was better than to cultivate rice. People come to the market, they like these sweets and noodles (Toula, Ban Vang Vieng).

The story of Toula confirms how she saw the shift from agriculture to adopt fully new economic activities as the result of her balancing and perceiving incomes from new economic activities as higher. In fact, market-based small selling has become a pervasive economic activity for women in Vang Vieng. The great majority of market sellers in Vang Vieng are women who sell vegetables, clothes, dry foods and many other products.
From government employee to delivery trader

Phouthong’s family consists of five members: she, her husband, and three children. Phouthong’s husband works at a secondary school and holds an important position in his work place. Phouthong herself used to be a government staff and worked as a health worker at the teacher training center in Vang Vieng for 16 years. In the 1990s, when Vang Vieng district adjusted to a new administrative structure, Phouthong was assigned to be cook assistant in a public kindergarten of the district. In her new job, Phouthong did not have much time for her family, since she had to work every day from 6 a.m to 6 p.m, also during weekends. Working as government staff is a reliable job, but the salary is low and can hardly support a family. Lack of time to look after the family together with the limited income made Phouthong give up her job and adopt a new economic activity as a delivery trader or ‘trader with no shop’.

I worked there for 16 years. I was assigned to be a cook assistant and had to work every day. I could not continue because I am a woman and I have to do housework during the weekends. I need to cook for my husband, for my family (...). The salary is quite low and we need to support our children’s education, so I decided to quit my work. I decide to do trading in order to earn money to support my family. I left my job in 1998 and I now do trading like this: I am a trader without a shop, I have no fixed place to sell the goods; I am a mobile trader, with no need to pay taxes (Phouthong, Ban Houaysaghao).

Being a trader with no shop, Phouthong does not pay taxes and she does not need to pay a fee to the market manager like Toula, even if she earns more money than Toula. As a delivery trader, the routine of her work is to go back and forth between Vientiane and Vang Vieng. She belongs to a trader network in which she plays the double roles as client and as supplier. She is a client of the traders in the Vientiane market where she orders her goods; and a supplier in the Vang Vieng market, where many other traders order goods from her. She travels to Vientiane twice a week to order goods according to the needs of her clients, and in Vang Vieng she immediately distributes all goods when she arrives. In doing mobile trading, Phouthong earns about 200,000 to 300,000 kip (around 20 to 30 USD) per day, which means that she can generate around six million kip per month. It is about ten times higher than her salary as a government staff. The case of Phouthong is one of the most lucrative examples from the informal sector and illustrates also the difficulty of measuring incomes in Laos as mentioned before (see chapter three). The case of Phouthong is an example of how a livelihood strategy can shift from a stable and reliable formal job to an informal job based on tourism, leading to a dramatically higher private income.

These three stories describe how tourism has changed local livelihoods profoundly. Informal economic activities can be viewed both positively and negatively, as pointed out by Wallace and Rosalina (2006), and in this case I
view it as a source of providing opportunities for people to start businesses. Khanty, one of the most successful businessmen in Vang Vieng, also began his business as an informal small trader. Again, the three cases mirror how tourism has had deep impacts on local livelihoods, and confirm cases where tourism has brought benefits to local people.

4.6.2. Expansion of small-scale family businesses

What a family business means and how to define it is debated within academic research (Zahara and Chua 2004). Chua et al (1999) reviewed research literature on family businesses and found that 21 different definitions deal with the nature of family businesses; and most of them focus on patterns of management and ownership where family members are involved. They argue that most researches define a family business based on four main characteristics: the ownership, the management, and the number of employees and the succession of the business. They provide the following definition.

*The family business is a business governed and/or managed with the intention to shape and pursue the vision of business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of family or families (Chua et al 1999:25).*

Regarding family businesses in tourism, Getz et al (2004) have a shorter definition.

*The family business consists of any business venture owned and/or operated by an individual, couple(s) or family (Getz et al, 2004: 5).*

Getz et al (2004) further highlight how many family businesses in tourism and hospitality are small-scale businesses, but these authors do not consider the size as the essential factor to define a family business. They rather stress and include the venture aspect. Basically, the definitions of family businesses elaborated by Chua et al and by Getz et al are concerned with an ownership and managerial typology. Examined in terms of how businesses operate, I found that family businesses in Vang Vieng could be typified according to six characteristics: (1) the size of the business, measured by number of employees, (2) the ownership structure (3) the mode of payment to employees, (4) the relationship between owner and employees, (5) the work hours (6) the location of the business. I exclude the criteria of unrecorded businesses or what Gets et al call non-legal status.

As pointed out before, restaurants and guesthouses have mushroomed in Vang Vieng; and they are mostly small-scale family businesses run by local people. A small survey on the size and ownership of restaurants and guesthouses in Vang Vieng conducted during my fieldwork in 2006 showed
that most of the restaurants and guesthouses had less than five employees. Among 53 guesthouses and hotels, more than 70% had less than five employees and most of them were relatives of the owners. Only eight guesthouses/hotels had more than ten employees. Almost 90% of these businesses were owned by local people and managed by family members: wife, husband or one of the children. Important exceptions were the two biggest hotels in Vang Vieng which are owned by ‘outsiders’, or non-local people. The restaurants, retails shops, internet cafés and other services were largely residence-based, which means that part of the localities was kept as family residence. Some owners built a small house behind or beside their guesthouse, which was described in interviews as well.

Some families build a small house at the back of the guest house, and some who have many plots of land they build new houses. Some still live in a part of the guest house and work as waitresses and other services in that guesthouse (Boua, Ban Savang).

Many families run multiple businesses with a whole range of tourist services. Phanna’s family, for instance, run several businesses related to tourism, which can be seen in the business family tree below (Figure 22). It shows the multiplicity of their businesses and the relationship between family members and their businesses. Phanna and her husband had initiative established a family business in 1987. After migrating from Luangprabang to Vang Vieng, Phanna decided to open a retail shop where she sold clothes and dry foods. Through the accumulation of financial capital during several years, Phanna’s family updated their business and started selling bicycles and motorbikes. Aware of the rapid growth of tourism from 2000, Phanna’s family turned their focus to tourist services and started renting bicycles and motorbikes. One year later, they opened a restaurant in their own house, and at the end of the same year they opened a guesthouse and an internet café. From their residence, Phanna and her husband decided to modify their residence into a small guesthouse with less than ten rooms; at the front they opened a souvenir shop and the internet café and left a small space close to the road for showing motorbikes and bicycles for tourists. It was an amazing space management. Phanna has only one employee, her relative, who is hired to work as a housemaid. Practically she does everything as Phanna requests, she has no fixed working hours, no definite job description and no official agreement about her salary.

I: Who helps you to manage and look after the guesthouse and the gift shop?
R: Me, my husband and a housewife from Ban Vieng Keo, our relative.
I: Who is responsible for the housework?
R: The housewife and me.
I: What type of work does she do?
R: Only cleaning, cooking, arranging the goods in the shop; everything I tell her.
I: How much do you pay her?
Phanna’s business is a quite complex example of a family business, but it is characteristic for Vang Vieng. From my interviews and observations I could see that many families had a similar pattern of businesses as Phanna.

Phanna has five grown-up children of which four are already married and live independently. Three of them live in Vang Vieng and two sons moved to Vientiane; and all of them have their own businesses. The youngest daughter is still living with Phanna and helps her to manage the business parallel with running her own business. I drew Phanna family business tree to show the multiplicity of their businesses and the relationships between parents and children in managing them. The function of the relations was made through ‘kinship service’ between parents and children. For instance, Phanna and her husband take turns to visit their sons in Vientiane and help them to manage their businesses, by the same token their children help them to manage their business without getting any incentives; this is what I mean by the term ‘kinship service’. This type of ownership and management of small-scale businesses has been widely adopted by local families in Vang Vieng. This appears as one of the most striking phenomena after the flourishing of tourism in Vang Vieng. Among hotels and guesthouses in the district, only two were classified as big hotels and these were owned by non-local people. The expansion of small-scale local family businesses, as opposed to externally-owned operations, probably indicates that an important part of the benefits from tourism actually stay within the local society. The phenomena pointed out above, both the appearance informal economic activities and the expansion of local family businesses are visible livelihood changes in Vang Vieng since the beginning of 2000. They have led to improved levels of income for local people, most importantly for those who already had some financial capital to start up businesses.
4.6.3. Pro-poor tourism: promoting community businesses

Pro-poor tourism was defined in the beginning of this chapter as tourism activities which generate net benefits to the poor. A pro-poor tourism policy is an approach applied in order to favor the poor; in this sense, pro-poor tourism could be measured by the type of activities created by and how different actors, in particular the local government, prioritize the poor to extend their decision-making and participation. Vang Vieng district is not among the poorest districts in Laos (NGPES 2003) but there is still a need to combat existing poverty. Vang Vieng has taken tourism as an important tool to reduce absolute poverty in terms of increased income per capita during the last couple of years. However, average income measurements do not capture the full picture of how people are affected by new economic activities such as tourism.

During this period, several approaches were applied by the local government to ensure distribution of benefits from tourism to the communities including the poor. The first approach was to enable poor families to access bank loans. An enduring problem for many people when
trying to establish a livelihood, for instance through a business, is the lack of financial capital. To obtain a bank loan a family needs assets such as land, a house or other assets in order to guarantee the loan. This is a ridiculous condition for poor people, because if they had such assets they would not be classified as poor. To enable them to access bank loans, the local government tried to encourage villagers to form groups of families with both poor and non-poor families. The idea was to enable a group loan by using the assets of non-poor families as warranty for the loan:

*The local government also tries to help poor people by creating groups of families which mix between poor and rich people, so that they can help each other. For example if the villagers want to get a loan from the bank they need family resources. The bank gives the loan to the group based on the properties of the rich families. Then the loan is divided between the members of the group to do their businesses, or their agricultural production (...). For example, in Ban Phone Pheng not many people could access a bank loan because most of the people fall under the poverty line, so they established a group and got money from the bank by using the properties of the rich family in the group (Keo, Ban Viengkeo).*

The second approach applied as a pro-poor tourism policy was to create community based businesses for tourist activities. In the beginning of this chapter I described different innovative forms of tourist activities such as tubing along the river, kayaking, bungy-jump, hiking in the mountains, trekking the forest, exploring the caves and enjoying fire making on the island in river *Nam Song*. Among theses activities, there were two activities that local government tried to establish as community businesses, in which the villagers, both poor and non-poor families, took part and shared the profit. The first activity was the tubing service, which became a good source of income for local communities. The second was the service for crossing the bridge over river *Nam Song*. The tubing service started in 2000. It was initially opened by a small group of people who provided this service privately and independently without any regulations or rules, as described by Sin, a pioneer in tubing:

*I started in 2000 (...). At that time tubing on river Nam Song did not exist. I did not know about this kind of business, the idea came from the tourists themselves. They came here and found that river Nam Song is navigable and wanted to hire tubes. And immediately, I remembered that when I studied in Vietnam I had seen tubing services along the river, so that was my first idea to do this business (...) There were only two-three persons doing it, and one person had only four or five tubes and ran their businesses privately, therefore there were no rules and the price for renting also varied, it varied between 3,000 kip to 5,000 kip [around 0.30 to 0.50 USD] per tube (Sin, Ban Savang).*

After one year of service, the number of people providing tubing services to tourists increased to 17. The competition to attract clients increased, which resulted in lower prices for the services. The most serious problem, however,
was that the owners of the businesses neglected the safety of the tourists. In 2000, a tragedy occurred; there was a severe accident and one tourist died when tubing along river Nam Song. The expenditure for the event was high and no single business owner could afford it. There was a need for an institution or organization with rules and regulations to cope with the problem. In 2001, the tubing service association was established with 17 private owners. The purpose was to solve the problem of competition and to prevent accidents, as described by the head of the association.

First we started in a very easy way; each member must contribute five tubes and at that time there were 17 persons who did this business (...) After that, we increased the price of the service from 5,000 kip to 15,000 kip [around 0.50 to 1.5 USD] per tube. Then many people applied to become members. Normally 17 persons could manage and run the business, but the villagers wanted to do it with us (Head of tubing association).

Tubing service is a business, which does not require much capital; therefore, the poor and even the poorest families can take part in it. The income, however, varies and depends on the number of tourists visiting Vang Vieng. According to the association, the income is never less than 300,000 kip (around 30 USD) per month per share (family) which is equal to a basic one month salary of a person who works as a cleaner, housekeeper or waitress in restaurants or guesthouses. Therefore, the local government, in applying its poverty reduction strategy, saw this as an effective tool to elevate the income of poor families. Being a central actor in the process of change in the area, the local government took the occasion to change the business property from private to community business in order to equally distribute the benefits to the communities, in particularly to the poor families. In 2006, about two thirds of the families in the villages located in the center of Vang Vieng became members of the association.

I: How much does each member earn per month?
R: Ah! It is about 300,000 kip (around 30 USD) per person, after paying tax and deducting all expenditures.
I: And what are the criteria for accepting members? (...)
R: Ah, we set up many criteria such as they must be born in Vang Vieng and live in Vang Vieng, they must be no less than 18 years old, and they must have some family asset as warranty (...). It was not approved by the district; the district said that the association should accept all applicants in order to help poor people to escape from poverty (Interview with a member of the tubing association).

This excerpt from an interview with one leading member of the tubing association describes how he perceived the district government’s locally centered approach with focus on the poor. The pro-poor tourism policy took use of the organization to distribute the benefits from tourism to the poor.
Figure 23: Tubing and kayaking along Nam Song.

The second community business classified as a pro-poor tourism approach was the crossing bridge service. I have described how Vang Vieng is divided into two parts by the river Nam Song. The bridges are important for the communication between the two sides, as well as for the movements of tourists. All caves are located at the opposite side of the center of the town and the fee for crossing the bridge is an important source of revenue for anyone who has the power to control it. Before 2005, the local government allowed the villagers to construct a temporary bridge53. The villagers provided bridge service for both local and international customers and the crossing fee was 1,000 kip (0.10 USD) per person per time for Lao people and 2,000 kip (0.20 USD) per person per time for foreigners. As with the tubing service, at the end of the month, the villagers shared the benefits. For several years the benefits from the bridge service filtered down to local people, including the poorest community members. However, the bridge could only be used during the dry season and it was always destroyed by floods during the rainy season.

The lack of a permanent bridge provoked problems of transportation and communication during the rainy season. To solve this problem, the local government decided to construct a permanent bridge. Initially, the villagers proposed to take responsibility for constructing the bridge as a community investment. They began to construct a bridge with 70 million kip (around 7,000 USD) gathered from villagers who intended to share the new businesses. However, the money was not sufficient to complete the construction, and then a private company was granted the concession for the

53 The main bridge connecting Vang Vieng to Nadi zone, see Figure 15.
bridge for 15 years. The company continued the work without refunding the community investment, as described by Khounmy, whose family invested in the construction:

*First the villagers agreed to construct it, and we collected the money, we got around 70 million kip and started the construction. But it was not enough and a private company continued to do it, but until now we have not gotten our money back (Khounmy, Ban Viengkeo).*

The concession granted to the private company reveals a change of ownership patterns, and it also indicates a change in the roles of development agencies: from having villagers as important actors in community development with focus on the poor, towards giving them a lesser role. Secondly, it also designates the contradictions between economic liberalization strategies and poverty reduction policies.

When the bridge was opened it created problems for the villagers living on both sides of the river. People living on the opposite side of the town center have to cross the bridge everyday to go to the market and sell agricultural products. The most affected were women with their lives strongly attached to the market activities. The villagers perceived that the crossing fee was expensive compared to what they could gain from selling goods in the market. Fundamentally, the problem was not only the high fee for crossing the bridge, but maybe more significantly the change of ownership, which eliminated definitely the power of control over the bridge, and the source of income for the villagers.

*Every day I go to the market to sell vegetables and other things from our garden, we don’t get much but we must pay 4,000 kip (around 0.40 USD) to cross the bridge. If we use a push-cart it is expensive (…) before the bridge belonged to the villagers, it was constructed by the villagers, the villagers collected the fee and at the end of the month we divided and shared the money. Now a private company owns it and collects the fee and we lost the income (Khounmy, Ban Viengkeo).*

Khounmy’s family, whose livelihood relies mainly on agricultural production, lives in the center of the town. Her family has a farm on the other side of the river, where they planted several types of fruits, in particular rambutan. Her family is an important fruit supplier to the Vang Vieng market. Travelling back and forth between the two sides is the daily routine of her family. The high rate of the fee bothered Khounmy’s family and other villagers, especially the poor families whose economy is based on small trading in the market.

Even though there are differences in fees between Lao people and international tourists (Table 21 also Figure 24), the price is still relatively low for tourists while the bridge costs became a burden for local people who have to cross the bridge daily.
The shift from community ownership to private ownership might not only mean a change in the form of property; it might also indicate the beginning of change of policy away from tourism as tool for poverty reduction. It might be that this event signals the beginning of the end of pro-poor tourism in this small town.

Table 21: Bridge crossing fees.

<table>
<thead>
<tr>
<th>Type</th>
<th>Lao people</th>
<th>Foreigners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pedestrian</td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Bicycle</td>
<td>2,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Push-cart</td>
<td>2,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Motorbike</td>
<td>3,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Tuc Tuc</td>
<td>8,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Car</td>
<td>8,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Pick up</td>
<td>10,000</td>
<td>26,000</td>
</tr>
<tr>
<td>Van</td>
<td>12,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: Fieldwork 2008

4.7. The other side of the coin
In the introductory chapter I discussed how the outcome of globalization and development could be likened with two sides of a coin with both negative and positive outcomes. George and Reid (2005) called it the ‘double-edged sword’. In NTAL (1998) a number of negative socio-cultural impacts from
tourism in Laos were highlighted. Some were related to the loss of traditional culture caused by the imitation of dressing styles and behavioral patterns from tourists by young people; others were problems of drug abuse and exposure of young women to sex work (see also NTAL 2006). In Vang Vieng some of my respondents also talked about unwanted incidents related to tourism, social problems and changes in people’s socio-cultural traditions.

### 4.7.1. Han Noi Han Gnai and the incident of social problems

If we talk about social problems, in general the government and the communities do not want them but they happen. Like Han Noi Han Gnai. It brings problems to the society, in particular effects on our traditional culture. I travel to many places and it seems to exist everywhere; in our town it also happens (...). We should recognize that we get something from tourism, and at the same time we also lose something. It is normal (Khanty, Ban Houaysaghao).

The quotation above is taken from the narrative of Khanty, a businessman in Vang Vieng, who uses the term *Han Noi Han Gnai* to describe social problems in Vang Vieng. This term is well known in Lao society; the direct meaning of the words *Han Noi* is small shop, while *Han Gnai* means big shop. The words do not provide any clue to the social problem, but hidden in the term are three meanings. The first meaning is that it is a shop where people can drink and have snacks, a kind of snack bar but with only male clients. The second meaning is that it is a shop decorated with multicolor lightning, especially pink and blue. The colors communicate to the clients a specific entertainment, which is different from a normal shop such as restaurants or nightclubs. The third meaning is that it is a place where men can find temporary partners. The term temporary partners has a similar meaning as prostitutes or sex workers, but these terms are too sensitive since prostitution is prohibited in Lao society; on the other hand these people do not identify themselves as sex workers, they mostly declare themselves as waitresses. Khanty also avoided the terms prostitutes or sex workers in his narrative, he used the expression ‘they do this, that person do that’ to refer to the hidden sex workers or their hidden jobs. Nonetheless, Khanty perceived it as a general phenomenon that occurs as result of tourism, and in this sense, it indicates the backside of the tourism industry in Vang Vieng.

The exposure of young girls to this ‘hidden jobs’ was observed and talked about by many respondents and by the Lao Women Union as well. For instance, Kongmy, president of Lao Women Union in Vang Vieng district, notices that hidden jobs have become an important social problem in Vang Vieng.

*One important problem is about young people, for instance in the restaurants they work as waitresses but behind that they go out with the clients. Apparently there is nothing, but behind there is something (...) Many young girls work there, you can not...*
see them during the day, but during nighttime if you see a restaurant or shop with different colors, or a little dark place, you find girls who work like that (Kongmy, president of Women Union).

Phanna also used the term Han Noi Han Gnai to refer to the appearance of hidden jobs of young girls. Again, Phanna provided a distinction between restaurants and the Hai Noi Han Gnai to insist that there was prostitution.

The problem is from the officers themselves, they allow to open Han Noi Han Nhai, apparently, they are restaurants, but there is nothing, no food, no drinks. Behind that there is prostitution, you see, everywhere it begins. I worry, it should not be like that, it creates problem to the relationships between husband and wife, divorce, violence, because of the prostitutes, many prostitutes are hidden there (Phanna, Ban Savang).

In Phanna’s narrative Han Noi Han Gnai is not only an indicator of a social problem; the hidden prostitutes could lead to problem in family relationships because having casual partners could easily lead to fragility and brokenness of conjugal life. Phanna’s narrative also provides an interesting point of view of a villager regarding the appearance of the hidden prostitutes; she finds that it comes from the weakness of the district administration, the government institution. She describes that if it was strictly controlled by the district, this type of social problem would not exist. This point of view reveals that the appearance of hidden jobs was not perceived as an individual problem but as a social problem resulting from the weakness of the system of control, and by the same token it also reflects the strong collective thinking among the villagers.

4.7.2. Use of Amphetamine-Type Stimulants
The relation between tourism and the use of Amphetamine-Type Stimulants (ATS) is documented by Scheyvens (2002) in her study on the nature of backpacker tourism in Southeast Asia. Scheyvens points out that backpacker tourists brought more significant benefits to local communities compared to mass tourism. However, she also found that their adventurous and risky behavior caused some problems for host communities and could damage local culture; for instance their moving from coffee shop to coffee shop, consuming endless pancakes, pizzas, milkshakes, engaging in casual sexual liaisons, and consuming drugs (Scheyvens 2002:150). The risky behavior of backpacker tourists in Vang Vieng is not much different from other cases in the same region. The natural ATS, the ‘magic mushroom’, is the type of ATS particularly used among tourists. The magic mushroom sellers whom I interviewed during my fieldwork, said that the price of magic mushrooms varied from 100,000 kip to 120,000 kip (Around 10 to 12 US$) per kilo.

I: For how much do you sell this mushroom?
R: 100,000 to 120,000 kip per kilo.
I: Do you think it is a good price?
R: Yes, even if it is quite hard to collect one kilo, but we can sell it at a good price.
I: It is poisonous mushroom, isn’t it?
R: Yes I know, normally we never eat it, but Farang like it very much, they ask the restaurants to cook it for them (Informal interview with mushroom seller).

The information from the informal discussions with the sellers reveals that the high price of the mushroom combined with the demand from tourists became an important incentive for local people to look for mushrooms. Then they unintentionally became ATS suppliers for tourists. The risky behavior of the tourists, particularly the use of the magic mushrooms, might not be seen as a linear relationship to local social problem, but it might provide the negative feature for the international tourists.

The problem of the use of ATS did not only occur among tourists; local young people are also a vulnerable group. This is not unique to Vang Vieng, it happens in the whole country. UNODC (2008) found that 5.2% of students at secondary school, vocational school and university students in Vientiane Capital used methamphetamine. In Vang Vieng district there was no concrete evidence of methamphetamine, but in the interviews many respondents described the problem of ATS use among young people. One respondent talked about her friends whose children have problems with drug abuse:

> Many young people have drug abuse problems, as amphetamine, a lot of problems. Like ’B’s family, our friend, their children use amphetamine. He has a high position, he is responsible for controlling amphetamine, but he can not control his son; and like the son of ’C’, he uses amphetamine. He is an important person but his son has also problems. Many young people have that problem. One of our former friends, before we were friends, they were very poor and we helped each other. Later they engaged in drug trading, and became very rich, and they forgot all their friends. They never contact us.

I: The local government doesn’t know?
R: What can they do, there is a large network and it is hard to stop it. There are many cases among the young people. There is just this kind of thing (Interview with an anonymous).

In this narrative it is suggested that the use of amphetamine has become a serious problem among young people, and that it is hard to control. It describes the weakness of the control system and the difficulties that even a person with power and a high position in the administrative structure is incapable of preventing his children from ATS. A second problem described in the narrative, and perhaps more dangerous, is the clandestine and organized trading of methamphetamine in the communities. If it is true, it could facilitate young people’s access to it, and if the control system is weak, the use of ATS might expand to new groups of young people in the communities.
The appearance of hidden jobs of young girls and the exposure of tourists and young people to ATS reflect how tourism can be is highly related to social problems, if the government institutions have had a weak control system.

4.7.3. When Farang wear Sin\textsuperscript{54}, Lao women wear short skirts – a new cultural landscape of Vang Vieng

Changes in socio-cultural traditions as consequences of tourism have been pointed out by several tourist researchers (Brohman 1996, George and Reid 2005; Meethan 2003; NTAL 1998, 2006). The impact of tourism on local cultural traditions in Vang Vieng was described by many respondents. The most noticeable phenomenon was the lifestyle changes of young people, who imitated and adopted the Western lifestyle as expressed in the narratives of Kongmy and Khanty:

\begin{quote}
Young people do not respect the tradition, it is not serious yet, but it begins. Young women also change in the way of wearing; women wear pants, skirts, they imitate from tourists. Tourists wear bikinis walking along the roads, they don’t care, but we should protect our culture, right? But there are also some tourists who like Lao Sin, they wear Sin. It is the reverse, but it is also funny (Kongmy, head of Women Union).
\end{quote}

\begin{quote}
A long time ago, in our mother’s generation, we never saw women wear Song Kha Kop\textsuperscript{55} or a short blouse with small spaghettis. Young women change very much, they imitate from TV and from tourists, we can not resist it, because it happens everywhere throughout the country (...) But sometimes it is good, it combines Lao culture and the needs of the tourists. You see how most of the restaurants set up many pounds, where three or four people can sit together on traditional mattresses. When I saw it the first time I thought how can people do something so strange, but it is good for the business. In the beginning, there were only one or two pounds, then it increased rapidly. It really happened because of the adaptation to provide comfort to the tourists. And now most foreign tourists don’t want to sit around a table (Khanty, Ban Houaysaghaio).
\end{quote}

The narratives of Kongmy and Khanty mirror an interesting point regarding cultural change in Vang Vieng; how the relation between hosts and guests produce a new cultural landscape which is the product of the integration of two sides, or of the inter-imitation between guests and hosts. From what people narrated, they described four ‘symbols’ of culture visualized in Vang Vieng. Firstly, Western women backpackers who wear bikinis and walk along the road or along the river: this scene is viewed by local people as a symbol of Western culture. Secondly, there is the symbol produced through the cultural localization of tourists who want to be local and wear the Lao Sin, eat Lao

\footnote{Sin is Lao skirts made of silk or cotton; it is an important cultural identification in Laos. In government offices and schools, women should wear Sin, and pants or short skirt are not allowed.}

\footnote{Song Kha Kop is a type of trousers.
food on the side of the road; this fascinating picture represents the new culture conceived from imitations by the guests. The third symbol is formed by the commoditification of culture to respond to the needs of tourists, for instance the creation of ‘typical’ restaurants and young Lao women’s imitations of the behavior of tourists, for instance to wear a short skirt and short blouse in public space such as in the market: the hosts imitate the guests. And the fourth symbol is the ‘enduring’ traditional lifestyle preserved by local people. The mix of these features sketches the new cultural landscape of the center of Vang Vieng, an example of ‘hybridity of culture’ as explained by Meethan (2003). New cultural features are created by the transient tourism in combination with local expressions. The commoditization of culture has also impacted on artisanal production, for instance in terms of moving from producing and weaving fine silks which are highly preferred by Lao women, towards producing more hard cotton textile products according to the desires of the tourists.

4.8. Changing gender relations

As argued in chapter two and three the division of gender relations in Laos can not easily be divided into a public sphere and a domestic sphere; therefore I examine changing gender relations in three aspects or spheres: the economic sphere, the household sphere, and politics and community work. Three points will be discussed regarding changing gender relations in Vang Vieng. The first is the manifestation of a new gender ideology conceived from the increase of the role of women in the economic field; the involvement of women in income generation. The second point concerns the participation of women in the sphere of politics and community work, and the last point focuses on the role of women in housework or gender in housework.

4.8.1. Mothers of the market, manifestation of a new gender ideology

Phouthong, a current mobile trader, broke herself out from being a woman ideologically stuck in a traditional gender role which says that women should stay at home, be a good caregiver and be responsible for cooking, cleaning, cultivating rice and raising domestic animals. Her case spots a new ideology conceived through the process of change when women became largely exposed to new economic activities, paid work and other activities where women could earn cash incomes:

"Before we were good women, good mothers, good daughters, we stayed at home, cultivated Na and Souan, weaved, raised domestic animals, did all housework and cleaned the house. Now we have changed a lot, we are not the mothers of the house but the mothers of the market. We have no time to stay at home; otherwise we would be out of date (...) Most of us have our lives attached to the market. We sell that and..."
In my village, nearly all women come to the market to do small trading. They earn money. No one cultivates only Na or Souan, they do other activities as well, they sell their products, and they buy here and sell there. Some women work in restaurants or in guesthouses, I think no one stays at home to work only as a housewife (Phouthong, Ban Houaysaghao).

The story told by Phouthong does not only reflect the change in her life from being a caregiver to become a main income generator, but it also expresses the changes of women’s roles and gender relations in the society where she lives. Riessman (2005), Williams (1984) and Lawler (2002) points out how people related their stories to others around them; when people narrate their story, they tell the self and others and the society around them. When Phouthong narrates her life story about how she decided to free herself from the closed space as a good mother to become a mother of the market, she uses the term ‘we’ to refer to others around her. Phouthong’s life story reflects changes in women’s lives and gender relations in Vang Vieng, as result of their exposure to cash income economic activities. A significant point is how Phouthong’s life story manifests a new ideology perceptibly different from the traditional gender ideology which expects women to be a good mother, good wife, good daughter, and measured by being at home responsible for all housework and reproductive work. The term mothers of the market labeled by Phouthong epitomizes a new gender ideology which may help to unlock women from their traditional roles, defined by social beliefs and social constructions (Ngaosyvathn 1994), which I also experienced from my childhood when women were expected to be at home, to be soft and to depend socially and economically on their husbands.

### 4.8.2. Women in the economic field

One of the important transformations in Vang Vieng was the appearance of informal economic activities, particular street vendors and small traders in the market. These economic activities were mostly occupied by women. Being a participant observer in Vang Vieng market for more than one month, I was captivated by the animate scenes of women’s engagement in income generation at the market, which looks like a ‘world of women’. Almost all sellers and buyers are women. One morning in March 2006, I counted the number of sellers and buyers from 6 a.m to 10 a.m and there were around 600 people of whom only around 20 were men. This scene conforms again the appropriateness of the term mothers of the market labeled by Phouthong as a new gender ideology. One might say that the change of perception among women themselves was followed by a large involvement of women in paid work and cash income economic activities. They left the role of receiver to become producers and income earners.

Women’s role in the economy was also reflected in the increase in of women entrepreneurs. The small survey on restaurants and guesthouses
from my fieldwork showed that 62% of the restaurants with more than two workers were registered as owned by women. Keo, a woman who holds an important position in the local government organization, notices the new roles of women in the economy of Vang Vieng.

Now it is not only men who earn money. Before women were only waiting for money from their husbands. Women now have an important role in income generation, from agricultural production, from livestock, from working in services in the restaurants and guesthouses. Women entrepreneurs, women owners of the guesthouses and women owners of restaurants have increased; they are strong, the women (Keo, Ban Viengkeo).

Working in the restaurants and guesthouses was another option for women. Many women work as accountants, housemaids, cooks, or hold the position as manager. Table 22 reveals that more women than men work in guesthouses in Vang Vieng. Nonetheless, a gendered division of work was visible, women’s work corresponds mostly to housework, for instance cooks or housemaids, or what McKenzie (2007) calls a housewifization of labor.

Table 22: Female and male workers in guesthouses by type of work.

<table>
<thead>
<tr>
<th>No.</th>
<th>Type of work</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manager</td>
<td>22</td>
<td>33</td>
<td>55</td>
</tr>
<tr>
<td>2</td>
<td>Cook</td>
<td>17</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Driver</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Housemaid</td>
<td>76</td>
<td>2</td>
<td>78</td>
</tr>
<tr>
<td>5</td>
<td>Receptionist</td>
<td>16</td>
<td>18</td>
<td>34</td>
</tr>
<tr>
<td>6</td>
<td>Security guard</td>
<td>0</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>7</td>
<td>Gardener</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Waiter/waitress</td>
<td>14</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>9</td>
<td>Assistant</td>
<td>7</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Accountant/cashier</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>11</td>
<td>Electrician/mechanist</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>12</td>
<td>Translator</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>13</td>
<td>Ticket seller</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>14</td>
<td>No fixed responsibility</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>15</td>
<td>Guide</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>161</td>
<td>109</td>
<td>270</td>
</tr>
</tbody>
</table>

Source: Fieldwork 2006
4.8.3. Women in the arena of politics and community work
GRID (2005) concludes that gender inequality in political participation is a fundamental issue of the country, from the national to the local scale. Nonetheless, in Vang Vieng district there were some good signs concerning the involvement of women in the political arena, as told in the stories of Kongmy and Keo.

Women now do not refuse to participate in meetings as before. Before they always let the husband represent the family to attend the meeting (Kongmy, head of Women Union).

Women have the opportunity to participate at different levels of organization, at village level, and at district level. Now women have an important position in the village and in the district. One village of the district is headed by a woman. There are five female vice-heads of villages. Five women are in the party committees of the villages. At the district level, among five members of the party committee of the district, two are women (Keo, Ban Viengkeo).

The narratives of Kongmy and Keo express two major points related to gender in the political arena. Firstly, women are more involved in politics and hold some important positions in the government and party structures, which contrasts with the case of Vilabury. Secondly, the gender consciousness of women has changed as Kongmy described how women do not refuse to participate in meetings anymore. The stories express how women are more concerned about their responsibilities and rights to participate in political life and community work.

Respondents also presented different levels of women’s involvement in politics, and it varied according to their family’s economic status. For instance women who spent most of their time in the market did not have much time to participate in meetings and other community activities as described in Phouthong’s life story.

When I worked for the government I had some free time, now I always work in the market. My life is very much attached to the market. I do not have time to go outside with my husband. Nearly all community work belongs to my husband. And me I earn money for the family. I am responsible for 90%, my husband just takes me to the market in the morning, and picks me up from the market in the evening. I think that when women are active in the economy, they don’t have time to do other activities. Only those with high incomes, the rich people, around 10%, are able to do that. People like us we are always in the market to earn money (Phothong, Ban Houaysaghaao).

Phouthong’s life story provides another angle of women in political life as she mentions that only rich women can fully participate in politics and community work. Women who struggle for surviving like her has too limited time to be involved in politics. In this sense, it is to say that poverty is the
main burden for women to lift their status in society. It also reflects and confirms the interventions between gender and social class.

Another obstacle was the unchanged perception of men and of society, which made it difficult for women to demonstrate their capability in the society. The narrative of Keo replicates the importance of social beliefs in shaping and constructing gender inequality in politic sphere.

Women, you know, even if we have a high position in the government organization, if we are not strong we are not recognized or respected by men or by society, but if we are too strong and have good confidence, society looks at us as strange persons, as bad women who do not respect the tradition (Keo, Ban Viengkeo).

The stories told by Phouthong and Keo reflect how gender divisions vary accordingly to class and economic group, as the intersection of gender and class and gender relations are social constructions. Social constructions and social beliefs shape gender roles as pointed out by McDowell (1999) and Ridgeway (2004). Ridgeway (2004) points out that cultural beliefs are an important component of gender system, local social relational context is an important arena where social beliefs are play out.

4.8.4. Gender relations in the household sphere

Women may be largely involved in paid work and cash income economic activities in Vang Vieng but they still have primary responsibility for housework. Gendered divisions of housework are patterned according to the notion of ‘heavy work’ for men and ‘light work’ for women. Economic factors were important for changes of gender relations in household sphere; women with high incomes have more freedom and power in decision-making. Phanna is a good example of this group of women. When I asked her about how household work was divided between her and her husband, Phanna talked about it with happiness. She described that she was very happy with her current status as an owner of many types of businesses, where she was the main responsible for management. She expressed that she has more freedom, she can go out with her friends and she feels that she has equal power as her husband in terms of decision-making in the family.

Sometimes only we women meet. If we want to go out the men should stay home; it is so good, it never happened in my life before. We had no chance to drink, to meet only with women, it was always with children, and the housework [laughs happily]. I feel I have equal power in the family, between my husband, and I but sometimes I have more than him [laughs] (Phanna, Ban Savang).

However, gender relations in domestic work seem to change only slowly compared to gender in the economic sphere, or it might again correspond to what Sullivan (2004) terms a ‘slow dripping’ change, which is perhaps unnoticeable from year to year, but in the end could break the old structure.
4.9. Actors of development
In chapter three I identified four main parties as important actors involved in the development process in the communities around the gold-copper mine, of which the intermediary organization played the most important role in communicating between actors and in running development projects in the area. In the context of Vilabury, the role of the villagers was the least important in terms of power in the process of decision-making. In the context of Vang Vieng the composition of actors involved in the process of development was quite different from Vilabury; there were four main actors or agencies of development including (1) the local government, (2) the economic organizations, (3) the traditional friendship organizations, and (4) the villagers. Their roles, functions and characteristics were visibly different from the Vilabury case.

4.9.1. Local government
The local government is the main actor of development in the district. Its role functions through different divisions responsible for different social and economic sectors of the district. The tourist office is one of the divisions positioned in the structure of government organization. This office works directly with the tourist sector and other organizations involved in tourism, including private companies. In Vang Vieng district, the leading and supporting roles of the local government are visibly manifested. The local government is leader in the sense of setting the development policy and formulating strategies as well as transferring and implementing the national government policy on the local level. In terms of fighting poverty in the district, the most noticeable policy was the implementation of community businesses as pro-poor tourism in order to distribute benefits to the poor as illustrated through the narratives of the respondents under the title of pro-poor tourism. It is supporter in the sense of looking for sources of funding and for instance in encouraging local people to help each other to enable poor families to access financial capital.

4.9.2. Economic associations
Many economic organizations were established in Vang Vieng in order to respond to the prosperity of tourism, both collective and private organizations. The most important collective association that contributed directly to poverty reduction in the district was the tubing association. Private economic associations were for instance the restaurants and guesthouses association, the association of kayaking, the association of engine boards and the associations of traders. Even if these associations were not directly focused on poverty reduction or pro-poor tourism, they played a role in the development process as described by one of the members of the guesthouse and restaurant association:
I: What is the role of the association?
R: Yes, to provide some money, for instance to help some persons, to support the district’s meeting, things like that. There are committees who collect money, we are members, and we participate in meetings when there is something to discuss or to take some decisions. But often we talk about the contribution of money to the district’s activities for instance (Interview with Phanna, Ban Savang).

The narrative of Phanna reflects that the association plays supporting and leading roles in both economic and non-economic issues. The non-economic role depicted for participation in local political decision-making processes, while the economic role referred to provisioning budget to support the government’s activities in the district.

4.9.3. Traditional friendship organizations

This type of organizations is an old heritage from local traditions, which has been practiced from generation to generation. Traditionally these associations were established based on age groups. People in the same cohort grouped together, which is called a group of Seo or Pheuane Seo. Generally, Seo means close friends who usually belong to the same cohort. Pheuane also means friends. Traditionally, the main meeting day of the group of Seo is the third day of the 7th month of the year in the Lao calendar. It is a special traditional holiday of the villagers and no one works on that day. Women and men in the same cohort, meet to organize a Baci, to promise to each other that they will be good friends, trust each other, and help each other when anyone faces a problem. The trustfulness and the honesty among members are important qualities of the groups.

(...) We have the friendship association; it is called Pheuane Mit or Pheuanae Seo. We help each other, we are formed as group, if a member has a problem for instance related to marriage, funeral, illness or face other problems, then we help each other. The group consists of 20, 30 persons. If a daughter of a member of the group will get married, then all members help to cook for the wedding party. We all stop working and help our friend; it does not happen every day, it is not the normal event, so all take part. But there is one special day per year, on the 3rd day of the 7th month of the Lao calendar, The Kham Ban. At that day no one works, we enjoy eating, talking, drinking, we leave our work; if you come here you will see that there are very few mothers of the market. Sometimes our children come here to sell the goods, but husbands and wives participate. On that day you can see how people enjoy (...) you will see how people interact. In our group we are 25 families, most are from the market, so 50 persons take part, we eat, sing and dance from morning until evening. Before it depended on age, but nowadays it depends more on voluntary participation, whether you trust me or not, and it seems that it depends also on

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56 The word Kham Ban has two meanings; Kham means prohibited, Ban means village. Traditionally at that day, it is prohibited to work, and usually, outsiders are not allowed to come to the village. The Holy men prepare offerings for the spirit of the village, which the villagers believe in as protector of the villagers from the evil.
occupation (...) The group promises not to forget each others, to help each other, it is like in the Chinese movie where people promise Saban\(^57\), to be friends. Now it is not based on age, but the promises are still the main thing of the group (Phouthong, Ban Houaysaghao).

The narrative of Phouthong describes how people in Vang Vieng still practice this type of tradition, and that honesty and trustfulness are still the main qualities of the associations, while at the same time the formations of the groups are modified over time according to socio-economic changes. New groups of Seo are not based on age or place of living or ‘village boundary’, but it is formed from new social relations; as Phouthong described how her group was formed according to relations in her work at the market and also according to economic status. The formation of groups of Seo from new social relations and according to economic status is mirrored more clearly in Phanna’s group.

We also have the friendship group, the Seo association. We call it Hack Pheng\(^58\) association, we trust each other Kin Souk Kin Dip\(^59\). We have 12 couples; it was formed six or seven years ago. When someone has a problem, for instance illness, we collect money to that family, we help each other. All are from Vang Vieng, but from different villages, from Ban Vang Vieng, Ban Savang and Ban Vieng Keo.

I: Why 12 families from different villages?
R: Because even if we live close together in the same village or as neighbors we are not close friends, it depends on our relations, who has really the same feelings I would say. Even if we live in different villages we trust each other, love each other (...), we always meet each other. For instance, today we will have dinner in that house, another day we have dinner in another house. We have money, we have the businesses, and we phone each other. It is like we have a similar status. There are many groups, among young people also, but our group, particularly the women we are free and can regularly meet each others (Phanna, Ban Savang).

In the story told by Phanna, she named all of 12 families belonging to her group. I found that all her friends are celebrity families in the district, either as owners of the businesses or as high rank administrators of the district. Her group is based neither on place, nor on the age group, and even not on the occupational categories; it is rather formed from the social status defined by position in the society or social class.

A similar new type of group modified from traditional friendship organizations is Kongmy’s group called the association of leaders’ wives, where the members are wives of persons with important positions in government organizations.

\(^{57}\) Saban is a deep promise between close friends to be honest and never forget each other.

\(^{58}\) Loving association.

\(^{59}\) In general the term has the same meaning as Seo.
From the stories of Phouthong and Phanna regarding the characteristics of their group members, it was striking how social class differences have begun to be formed in this society. The formation of groups is little by little moving away from being age and location-based to being social class-based; however there were few stories about increased social differentiation or social stratification among the respondents.

I highlight this type of organizations as actor in the process of local transformation because it also plays an important role in development in the communities, for instance by helping the poorest families. Trustfulness and honesty are the required qualities of members, which become the backbone for forming community businesses. The organizations play a role in organizing community businesses and in enabling poor households to access bank loans. They also mirror the formation of new social classes or social stratification.

4.9.4. The villagers
The villagers in Vang Vieng actively struggled to adapt themselves to new socio-economic conditions under NEM, and they creatively participated and had a leading role in the local socio-economic transformation when the tourist industry started to expand in the district. The local government has the role of supporter and leader but recognizes the central role of the villagers.

*The villagers start to do many things by themselves, for instance the tubing service. After we saw the villagers do that, we supported them and looked for projects to help them. For instance there was the development project for women in rural areas, which focuses on the reduction of slash-and-burn agriculture. ADB provides the budget for Vientiane and Luangprabang provinces, and our district got funds from that project, which we used to create a village fund in which the villagers can take part. The fund has around 100 million kip (around 10,000 USD), 70% from ADB, and 30% from the villagers, it is very good (District governor).*

Phanna also perceives that the villagers play the role of leaders to creatively introduce a variety of tourist activities and to elevate their incomes by looking for efficient strategies to adapt to the demand of tourists.

*We do everything; the population is more active than the government officers. They follow us that is why I say that for instance the restaurants and guesthouses, in fact everything, began with the population. The villagers don’t know the government. Nobody gave us advice; we adjusted everything according to the tourists. We adapt every day (Phanna, Ban Savang).*

The narratives of the district governor and of Phanna describe the interaction between the local government and the villagers in the process of development. This interaction mirrors patterns of relations between the government and the villagers where the villagers are not followers but often
creators or leaders. This can be labeled a more ‘bottom-up’ development procedure which provides a strong contrast to the case of Vilabury.

4.10. Conclusions
As stated in the introductory chapter, the aim of this study is to examine socio-economic transformations and gender relations taken place in Laos after the implementation of NEM, with the focus given to the local scale and people’s everyday life. In chapter two, I elucidated how the Lao government has applied an open-door policy and adopted economic liberalization. Since then Laos has experienced important transformations in the arena of the economy. Among many indicators of change, the development of the tourist industry is recognized as one of the most important indicators of economic transformation in the transition from command to market. It was found that tourism has become a crucial economic sector, which contributes to the socio-economic change of the country in general.

In this chapter transformation on the local level was examined through the case of a small district which has seen a rapid development of a tourist industry. The location of Vang Vieng as a space connecting two important places, Vientiane Capital and Luangprabang, and its richness and miraculous beauty of natural resources contribute to its position as an attractive tourist site. The results indicate that the liberalization of the economy has had an intense impact on this district. There has been a profound socio-spatial transformation in this small town. The development of infrastructure, the growth of income per capita, the appearance of informal economic activities and the expansion of local family businesses are major features of this transformation. The benefits from tourism have partly been distributed to the poor through tourism community businesses and a pro-poor tourism approach of the local government. Pro-poor tourism was perceived as a good model for using tourism as a mechanism to distribute benefits to the poor. It was also found that economic liberalization, which prioritized privatization, contradicts the poverty focus policy, as elucidated in the case of the changed property pattern in the management of the bridge. This phenomenon revealed how the expansion of private businesses had a negative impact on the income of poor people, and by the same token how a policy focusing on the poor distributed benefits to the poorest families in the communities began to be threatened or might be ended. This contradiction challenges the goal of achieving poverty eradication in the district by the year 2015. Nonetheless, as long as the poverty focus was considered the benefits from tourism could partly be distributed to local communities. The extent to which the local government manages to proportionate between poverty reduction strategies and the adoption of economic liberalization remains to be seen.
The transformation of local livelihoods and the changes from non-cash economic activities to cash-income activities were important aspects of the adaptation of local people to the new economic system. Family businesses have visibly flourished and more than 90% of the businesses in central Vang Vieng are owned by local people and run as family businesses. There has been a dramatic expansion of guesthouses and restaurants along the road in the center of the town. The appearance of informal economic activities such as street vendors and small traders was another important change of livelihoods. Many families decided to drop agricultural production and some people left government employment to adopt these new economic activities, after realizing how big income differences there were between old and new livelihoods.

Parallel to the growth in the economic field, the interview persons described new social problems, for instance the problems of the exposure of young girls to ‘hidden jobs’ and the problem of drug abuse. Other recurrent topics in the interviews were the socio-cultural impacts and influences from tourism. The interaction between hosts and guests creates a new cultural landscape, a hybridity of cultures from the two sides.

Gender relations have changed in accordance with the growing involvement of women in cash income economic activities. Women expressed how they transformed themselves from being caregivers, to becoming income earners, and this process of change conceived a new gender ideology of the ‘mothers of the market’. This metaphor mirrors the new role of women, in opposition to the traditional gender ideology, which expected women to be a good mother, a good daughter and a good caregiver responsible for all housework. On one hand it was found that the economic status of the family was important for the change of gender relations; women whose family had a high income expressed more freedom and could participate in politics and community work more than other women. Women who struggled for survival described how they had a limited chance to be involved in community work due to lack of time. While the role of women in the economic sphere changed considerably, the role of women in the household sphere has only slowly changed; women still carry the main responsibility for housework. The division of housework was based on the notion of ‘heavy’ work for men and ‘light’ work for women.

Four main actors were highlighted as involved in the process of change in Vang Vieng; the local government, the economic organizations, the traditional friendship organizations and the villagers. All have important but distinct roles in the process of socio-economic transformation.

In the beginning of this chapter I discussed how research has found that the development of tourism may be accompanied by social inequality and, new forms of poverty. In the interviews in Vang Vieng there were not many stories about increasing inequalities or a new social stratification of villagers.
The villagers were often involved actively in the process of tourism development. The application of the pro-poor tourism approach contributed to moderate the inequality in the society. Nonetheless, in the long run these problems might increase. The characteristics of the Seo associations began to shift from being based on age group and place, to be based on economic status and social class. Furthermore, if larger private companies continue to catch the business in the area and if there are no efficient policies of distribution of benefits, there might be a risk of new poverty in Vang Vieng.
V. Conclusion and discussion

The overall aim of this study was to examine socio-economic transformation and gender relations in Laos in the recent period of influences from the neo-liberal development paradigm. The period began in the mid-1980s when the New Economic Mechanism was launched by the government. Against a background of general socio-economic transformation in Laos the main focus of the study has been on the local scale, with emphasis on how people in their everyday lives have engaged with and handled the changes. The application of economic liberalization shaped new ‘pentagons of capital’ for people in local communities, and various livelihoods strategies were adopted under the new circumstances. The study has also focused on gender relations and actors of change in socio-spatial transformations.

To analyze economic change and gender relations in the period of transition from command to market-based economy at the local scale, two different contexts of globalization or different forms of global-local connections were chosen as case studies. The first context is the case of direct investment of a foreign company in the mining sector, the largest gold-copper mining of the country located in Vilabury district, Savannakhet province in the south-central part of Laos. Five villages located close to the mine and directly affected by the operation were chosen as research site in this context. The second site is related to the context of international tourism development in the small and beautiful town of Vang Vieng. This site is situated halfway between Vientiane Capital and the world heritage town of Luangprabang. The purpose with selecting two case studies was to examine how changes take place in different places of the same country under the same political direction and development policy. I have been inspired by Rigg (2005) and Massey (1994) in their insistence on that every phenomenon is place-based and that different places are constituted by different socio-spatial relations.

The focus of the study is on the grass-root level but the transformation of the economy and gender relations were also looked at with focus on the national level. Not only the period of adaptation of economic liberalization was considered, but also the previous period was traced in order to see the continuity and the main reasons for the abandonment of economic centralization and the launching of the new economic mechanism in the mid-1980s.

Through these examinations, it was found that the adoption of economic liberalization in Laos since the mid-1980s has deeply affected the socio-economic situation in Laos. One prominent change was the promulgation of
a new legislative framework which favored international cooperation and private investments of both local and foreign companies. As a result, there was a considerable increase in FDI, particularly in the mining sector. The increase of FDI in the mining and energy sectors and the expansion of tourism led to a new structure of the economy and a different composition of national revenue. From the beginning of the 2000s, the mineral and tourism sector became main contributors to the national revenue over other sectors. From the beginning of this decade, revenues from tourism have occupied first or second rank in terms of contributing to national revenue. This is witness of how the economy and the national revenue have been restructured after the application of economic liberalization. It could be said that in macro-level economic terms, Laos is in a period of change from an agrarian economic base to a non-farm economic base.

Regarding gender relations it was found that the Lao government recognized the role of women in the process of development and formulated women’s empowerment as one of eight strategic targets to escape from poverty in 2020. A policy focus on promoting gender equality was emphasized and the constitution reflects a strengthening of gender equality in the political, economic and socio-cultural domains. Many articles guarantee women’s rights and equality between women and men, and between husband and wife in terms of family assets.

Despite of having a clear policy on women’s empowerment and promoting gender equality, gender inequality still widely exists, particularly in the sphere of politics. Very few women hold positions related to decision-making processes. Even though the number of women in parliament has increased and women currently occupy 25% of seats, GRID points out that it does not means that women have a significant role in decision-making procedures. The important decision-making process is concentrated in the party structures where very few women take part; there is for instance only one woman among eleven members of the politburo.

Having Lao Women Union in the government structure indicates the awareness of the government about women’s status and women's empowerment. Lao Women Union is recognized as the key machinery for women’s empowerment and strengthening of gender equality in all spheres, from national to village levels. This institution works directly for women’s rights and for women empowerment issues. However, these policies and strategies have not been very explicit in the fields of politics or leadership. This matter is mirrored in the Lao Women Union slogan of three goods and two duties, recently changed into three goods, as the profile of an ideal woman. Explicitly, the slogan shapes women to be a good caregiver and good family supporter rather than being a good leader. The meaning of the slogan has no distinct focus on encouraging women in the field of politics. To the
contrary, the slogan seems to follow a traditional gender ideology, which positions women as subordinated to men.

When moving towards more empirically based studies to look at the transformations at the local scale in two cases, it was found that the application of economic liberalization had deeply localized impacts in economic, social and cultural terms. The materials of this study revealed profound socio-spatial transformations as outcome of the liberalization of the economy. To remind us once again how transformations took place in these places, I bring here two short pieces of narratives of persons in Sepone and Vang Vieng.

It really changed; and it changes all the time (...) now it is much modernized (...) I can see beautiful things, listen to music, there are many kinds of entertainments. We can find everything, we can see whatever we want to see, we can eat whatever we want to eat, such as snacks, drinks, everything. We can do small trading; we can easily go everywhere (...) Before, if we wanted to go to other villages, we walked. Sometimes we walked the whole day. Now it is very convenient, we go by car. The road is very good, there are many kinds of goods sold everywhere and everybody can do trading (Vongthong, Vilabury).

I never thought that Vang Vieng would be a tourist town like this, because at that time, if we talk about roads and communications, it was not convenient at all. It is to say Nam Bo Lai, Fai Bo Savang; Thang Ko Bo Dee60, for example to go to Vientiane city took around two or three nights. So if we compare to now, Vang Vieng has changed very much, Vang Vieng has become an industrial district, a famous tourist town. There is beautiful nature; it is a very beautiful place for tourists. And if we look at the population who works in the agricultural sector, who works as farmers, they also have good life conditions, they have a strong house. People have jobs, it is really good (Khanty, Vang Vieng).

Two people narrated their life experiences during the period of transition from command to market, in two different places in two different parts of the country. One is living in the context of foreign direct investment (FDI) in gold-copper mining, one of the biggest FDI that has ever taken place in Laos. The other person’s life has been attached to a context where an international tourist industry has developed and recently become the main economy sector of the district. The stories told by these two people do not reflect all phenomena taking place in their home towns, but they tell us something about how people give meaning to changes in their everyday lives. The two cases reflect difference and similarities in transformations during the period of launching of economic liberalization.

The most tangible aspect stressed by villagers was the development of infrastructure, transportation, facilities and conveniences, which local

60 The metaphor describes underdevelopment. This metaphor is widely used in Lao and the direct meaning is no water flow, the light doesn’t shine, and roads are not in good conditions.
people labeled Nam Lai Fai Savang (water flow, shining light). In economic terms, the two cases experienced increases in income per capita in their districts. These indicators revealed good changes in the two cases which were recognized and the most acceptable by the villagers. Beside changes in the economic field, there were transformations in terms of livelihoods, gender relations and other social phenomena, which I will discuss in the following.

Changes of livelihoods were pertinent components of socio-spatial change. In Vilabury, there were transformations from livelihoods based on agricultural production and natural resources to livelihoods based on paid work and informal cash income activities. New livelihoods were adopted under stress and under influences from new opportunities. The major stress factor was the direct and indirect loss of land and natural resources, which forced people away from their previous livelihoods. New opportunities were the high income jobs created by the new actor; the mining company. These two circumstances shaped new livelihoods strategies. In the meantime, it was found that a system of dependency was produced in the process of adoption of new livelihoods. The villagers perceived and felt increased uncertainty since all new sources of income, despite its diversity, were not stable and depended totally on the new actor; they could not define the livelihood strategies by themselves but were directed by the company. My fieldwork information and empirical materials revealed that most villagers who worked for the mines as unskilled and casual workers had a high risk to be out of job.

Along with the uncertainty of livelihoods through the function of dependency, the social stratification and social exclusion were also conceived in these communities as product of changes of the shapes of capital from loss of land property and unequal access to new job opportunities. People who directly or indirectly had lost land and/or had no chance to be admitted to work for the mine experienced how they little by little became socially excluded. The compensation issue was also found to be problematic in relation to the operation of the mine. The problem of compensation endured over time and remained an unsolved issue in which people had a high risk of losing property rights in a situation of unequal negotiation power between actors.

The phenomena cited above produced a chain of events leading to forms of new poverty in Vilabury district. Rigg (2005) and Downing (2002) explain new poverty as measured not in terms of absolute income levels but rather in terms of social insecurity and/or exclusion from economic and political decision processes. One severe negative impact from the operation of the mine in Vilabury was the dropout of students at an early stage of education. Different data revealed that there was a high rate of student dropout from primary school, which is compulsory for all children in Laos. I perceive this as having a long term negative impact on poverty reduction in the country,
which also will further aggravate the lack of qualified resource persons in the future, which a long enduring problem of Lao PDR as pointed out by former Prime Minister Kaysone Phomvihane in his selective dissertation in 1987.

Regarding gender relations, significant changes were found in the field of the economy. Many women became main income earners of their families, and this as the case of both Lao Theung and Phu Thai women. Projects which prioritized women were applied in all ethnic communities and the involvement of women increased. Nevertheless, gender inequality still existed in the household sphere, in particular within patrilocal ethnic groups. Despite having the important role of income generation for the family, women still took responsible for all housework. Women in the ethnic minority group were found to have lesser power in decision-making and in control over family finances. The materials revealed that divisions of labor in the household sphere were deeply rooted in traditional gender beliefs that all housework belong to women.

From the findings in the case of Vilabury, one might say that the economic transformation in relation to FDI in the mining sector could not bring local people out of poverty, but rather led to forms of new poverty with inequality and stratification of social groups in the local community, where most of them lack skills and have low levels of education. The case of Sepone reflects how economic growth-focused activities proved successful in terms of reducing levels of absolute poverty, while there were growing evidence of increasing new forms of poverty such as more marked differences between the rich and the poor, or more significantly between the rich and the relatively poor. While poverty head count may decrease, not only inequalities but also the severity of poverty tended to increase, as explained in other cases by Talwar (2004) and Rigg (2005).

In Vang Vieng district a similar change took place regarding development of infrastructure, which the villagers perceived as important and good aspects of spatial development. The interview persons described how a clear-cut moment of change was initiated when Farang arrived as tourists to the district. The transformation of Vang Vieng could be likened to a sleeping beauty waking up from her long sleep. In Vang Vieng, the most significant change was the expansion of the services sectors, precisely the increase of guesthouses and restaurants, which became the new livelihoods adopted by local people. Nearly all hotels, guesthouses and restaurants are owned by local people. The small family business was the most pervasive and prominent new form of economic activity occurring in Vang Vieng as a result of the development of tourism. Informal economic activities or informal jobs related to the tourist sector were other livelihood strategies that appeared in this small town; for instance street vendors, market based small sellers and mobile traders. These livelihoods were prominent in the socio-economic transformation in Vang Vieng.
It was also found that the application of pro-poor tourism through community businesses and the policy focus of poverty reduction could distribute benefits from tourism to the poor and increase their incomes. However, it was also found that the expansion of privatization of tourism activities to external companies had a negative impact on pro-poor tourism. From this it might say that as long as the local government prioritized the poverty focus, the benefits from tourism could be distributed through local people and to the poor as well. These phenomena also mirrored the contradictions between privatization and poverty reduction strategies. One might say that the balancing and handling of these contradictions pose important challenges to the local government.

The case of Vang Vieng demonstrated not only economic changes and changes in livelihoods related to the expansion of tourism; but there were also important socio-cultural changes as well. The most cited changes were the appearance of hidden jobs; the hidden sex workers, and the problem of use of ATS among tourists and local young people. These incidents were perceived by villagers’ not as individual problems but as social problems which should be the concern of the government organizations.

Meethan (2003) points out how development of tourism may create new cultural forms, or what she calls ‘hybridity of culture’. This type of cultural change was also found in Vang Vieng. Constructions of culture through relationships between host communities and guests or tourists produced a new landscape of culture. One might say that the hybridity of culture was conceived through combinations of commoditization, localization, counter-localization and the preservation of local cultural expressions. Four symbols of culture were visualized in the narratives from Vang Vieng. Firstly, Western women backpackers who wear bikinis and walk along the road or along the river: this scene is viewed by local people as a symbol of Western culture. Secondly, there is the symbol produced through the cultural localization of tourists who wear Lao Sin and eat Lao food on the side of the road; this fascinating picture represents the new culture conceived from imitations by the guests. The third symbol is formed by the commoditification of culture to respond to the needs of tourists, for instance the creation of ‘typical’ restaurants and young Lao women’s imitations of the behavior of tourists, for instance to wear a short skirt and short blouse in public space such as in the market: the hosts imitate the guests. And the fourth symbol is the ‘enduring’ traditional lifestyle preserved by local people. The mix of these features sketches the new cultural landscape of the center of Vang Vieng, as a hybridity of culture as explained by Meethan (2003).

Massey (1994) has emphasized how the spread of capitalist relations of production is usually accompanied by other social phenomena including new relations between men and women, social classes and ethnicity. Similarly, Walby (1997) explained that changes in the economy as a whole cannot be
understood outside of an understanding of the transformation in the structure of gender relations. In the cases of Vang Vieng and Sepone changes of gender relations were found as socially constructed phenomena accompanying restructuring or transformation of the economy. Women in Vang Vieng, as far as tourism has been developed, largely engaged in the economic sphere of the economy, pertinently in family businesses and informal economic activities. The market was found to be labeled as a world of women. The word ‘mothers of the market’ emerged to describe their new life in the economy, in which they spent most of their time and their daily routine in the market instead of being home doing housework. Therefore, the expression mothers of the market in a way manifested a new gender ideology which shed light on a new role of women in society. The appearance of this expression proved the deep involvement of women in income generation.

Despite considerable changes of gender relations in the economic sphere, where women became increasingly involved in cash income generation, gender changes in the household sphere seemed not to take place to the same extent. They seemed to proceed as a ‘slow dripping’ pattern, as Sullivan (2004) expressed it; not through upheavals and dramatic changes such as ‘juggernauts’ ‘volcanoes’ or a ‘runway society’; changes might take place from year to year and in the end still break an old structure.

Importantly, this study provides two different accounts of processes of transformation and engagement in the waves of change in the economic system launched by the Lao government since the 1980s. The integration of people in the flow of change in Sepone took place through a process of top-down development directed by a joint venture between the government and a foreign company, while in Vang Vieng another type of integration took place which initially was more driven and headed by local people themselves with interventions by government organizations and external private actors in a later stage. The case conceives an example of a bottom-up procedure. The two cases further showed how actors of change were differently intertwined and woven together in the development process.

The study leads to a reflection about two different but also related forms of change of the economic structure: one as more directed by villagers themselves indicating a more bottom-up process which seemed correlated with a stronger local confidence. The changes were not perceived as increasing inequalities but more as a step by step change with local involvement. In the Sepone case, the transformation of the economy mirrored a ‘variety within the sameness’ of livelihoods; where villagers were dependent on one strong actor and perceived uncertainty about their incomes and future. There was an uneven top-down type of development. The two cases of Vang Vieng and Sepone reflect how the policy of the New Economic Mechanism filtered down to grassroot levels and show once again how socio-economic changes are spatial phenomena.
In line with development and globalization theories, this study also revealed how outcomes could be compared to two faces of the same coin (Potter 2004, Mowforth and Munt 2003). The neo-liberal development paradigm does not bring only good fruits but also bitter tastes. One might say that the adoption of economic liberalization no doubt led to an increase in GDP, the most well-known measure of successful development, but new forms of poverty also appeared through the development process. The findings also reveal the contradiction between the liberalization of economy and the poverty focus strategy as reflected from the case of Vang Vieng. As long as the government holds a poverty reduction focus, the benefits from NEM could be distributed more evenly in the population. Rigg (2009) explained how Laos is related to dualisms: modern-traditional, lowland-upland, global-national for instance, and here I would add centralization-decentralization, and maybe also privatization-population centering. It is a great challenge for the Lao government to proportionate and balance between liberalization of the economy, which prioritize privatization; and policies which center on distribution of benefits to the population in order to be able to lift the country from the least developed category and to eradicate poverty in 2020, the most important target of the country. Lin (2009), in analyzing the process of development in Asian countries, including Vietnam and China, points out how government institutions are important for development and how states can use their power progressively to benefit populations. Lin argues that with good uses of power, governments in developing countries can gradually reform societies; and on the other hand, with incorrect uses of power, governments can contribute to unequal income distribution and other problems. Policies adopted by governments are therefore important and keys to successes or failures of a country’s development.
Summary in Lao language

¿ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¡ ¿
• មិនត្រូវបានដាក់ឲ្យឲ្យសួរឬសូមដោះស្រាយ ឬឲ្យធ្វើការបំពេញដែលរបស់អ្នក?
ក្រុមបុរស។ អ្នកអោយប្រើប្រាស់បុគ្គលិកជូនគ្នាដោយ ដើម្បីជួយប្រការជាងមិនបាន ប្រការបរិសិទតិដោយមិនបាន ប្រការបាន់និមន្តមិនបាន ប្រការបុគ្គលិកខ្លះក្នុងអំឡុងការវាយតំលៃ ដើម្បី និង ការសិក្សានុកុមាពីរុងរឺ សម្រាប់បញ្ហារឺត្រូវបានប្រការជាងមិនបាន ប្រការបាន់និមន្តមិនបាន ប្រការបុគ្គលិកខ្លះក្នុងអំឡុងការវាយតំលៃ ដើម្បី និង ការសិក្សានុកុមាពីរឺ សម្រាប់បញ្ហារឺត្រូវបានប្រការជាងមិនបាន ប្រការបាន់និមន្តមិនបាន ប្រការបុគ្គលិកខ្លះក្នុងអំឡុងការវាយតំលៃ ដើម្បី និង ការសិក្សានុកុមាពីរឺ សម្រាប់បញ្ហារឺត្រូវបានប្រការជាងមិនបាន ប្រការបាន់និមន្តមិនបាន ប្រការបុគ្គលិកខ្លះក្នុងអំឡុងការវាយតំលៃ ដើម្បី និង ការសិក្សានុកុមាពីរឺ សម្រាប់បញ្ហារឺត្រូវបានប្រការជាងមិនបាន ប្រការបាន់និមន្តមិនបាន ប្រការបុគ្គលិកខ្លះក្នុងអំឡុងការវាឯ
ការប្រើប្រាស់មូលនិធីប្រកបដោយជាមួយការមូលនិធីប្រកបដោយ ការអនុវត្តន៍សំខាន់ តាមបណ្តាញអេឡិចត្រូ មានប្រយោជន៍និងប្រយោគនឹងការអនុវត្តន៍សំខាន់នោះ ដើម្បីប្រើប្រាស់មូលនិធីប្រកបដោយ ប្រកបដោយនៃការអនុវត្តន៍សំខាន់។ 

ការប្រើប្រាស់មូលនិធីប្រកបដោយ មួយយ៉ាងដែរ មានប្រយោជន៍និងប្រយោគនឹងការអនុវត្តន៍សំខាន់។ ដើម្បីប្រើប្រាស់មូលនិធីប្រកបដោយ មានប្រយោជន៍និងប្រយោគនឹងការអនុវត្តន៍សំខាន់។ 

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ការប្រើប្រាស់មូលនិធីប្រកបដោយ មួយយ៉ាងដែរ មានប្រយោជន៍និងប្រយោគនឹងការអនុវត្តន៍សំខាន់។ ដើម្បីប្រើប្រាស់មូលនិធីប្រកបដោយ មានប្រយោជន៍និងប្រយោគនឹងការអនុវត្តន៍សំខាន់។
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In the community relation (CR) team, the Community Relation Team (CR team) is frequently involved in various activities. They engage with the community regularly. The team may engage in various activities such as organizing community events, providing assistance to the community, and resolving community issues. They may also collaborate with other organizations and government agencies to address community concerns.

The Community Relation Team (CR team) may be involved in various activities such as:

1. Organizing community events: They may organize events to bring the community together and promote community spirit.

2. Providing assistance to the community: They may provide assistance to the community in various ways, such as providing financial aid, or providing support to individuals or organizations.

3. Resolving community issues: They may work with the community to resolve various issues, such as local disputes, or larger community problems.

4. Collaborating with other organizations and government agencies: They may collaborate with other organizations and government agencies to address community concerns.

The Community Relation Team (CR team) may also engage in other activities such as:

1. Providing public relations services: They may provide public relations services to organizations and individuals.

2. Providing community development services: They may provide community development services to organizations and individuals.

3. Providing community education services: They may provide community education services to organizations and individuals.

4. Providing community support services: They may provide community support services to organizations and individuals.

The Community Relation Team (CR team) may also engage in other activities such as:

1. Providing community engagement services: They may provide community engagement services to organizations and individuals.

2. Providing community consultation services: They may provide community consultation services to organizations and individuals.

3. Providing community planning services: They may provide community planning services to organizations and individuals.

4. Providing community advocacy services: They may provide community advocacy services to organizations and individuals.
ភពលិខីក្រុមលោកឈឺស្រីបីត្រកូលក្នុងឆ្នាំ 2020 ។ នេះជាសមាជិកដែលបានបញ្ចប់ការទទួលបានការប្រកួតប្រជែងក្នុងរយៈពេលរដ្ឋបាលពីរថយន្តណាស់។ ដើម្បីបំពេញបញ្ហារបស់ជីវិតរបស់ប្រជាជន ក្នុងអាយុ៦០ ។ មានប្រព័ន្ធនិងសេវាទូទៅរបស់ក្រុមពីរទំព័រដែលបានប្រការឆ្នាំ 2020 ។ វាំងទៀត ប្រព័ន្ធនិងសេវាទូទៅហ្វូនពីរនេះបានប្រការឆ្នាំ 2020 ។ មានប្រព័ន្ធនិងសេវាទូទៅរបស់ក្រុមពីរទំព័រដែលបានប្រការឆ្នាំ 2020 ។
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