



***Assessment of Impact on Rural Economic Development and Rural Livelihoods of Economic Corridor Development in the Greater Mekong Sub-Region (GMS): Drawing Conclusions for a potential future German Technical Cooperation Assistance: A case study of Bokeo and Louang Namtha Provinces in Lao PDR***

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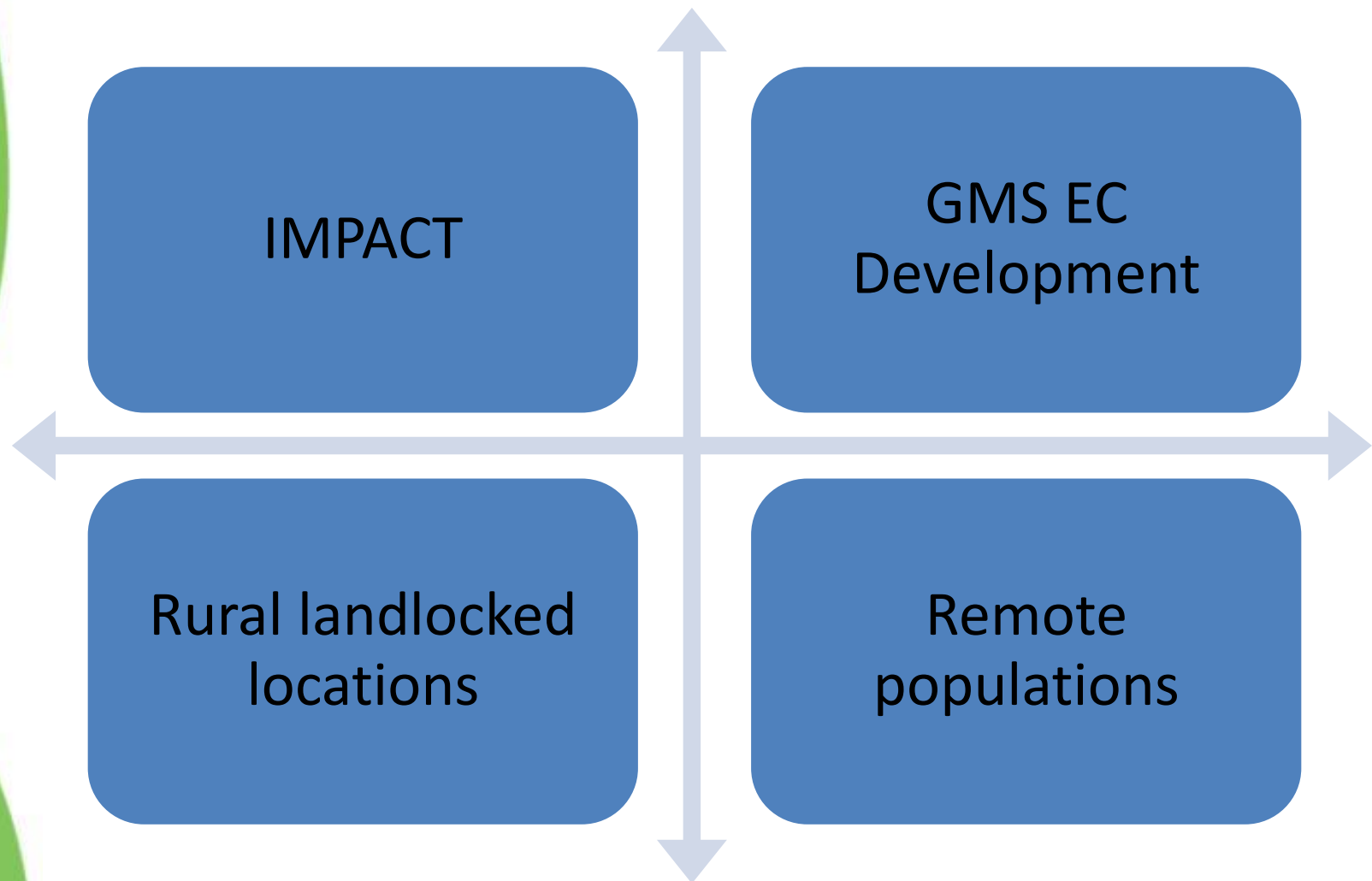


# GREATER MEKONG SUBREGION



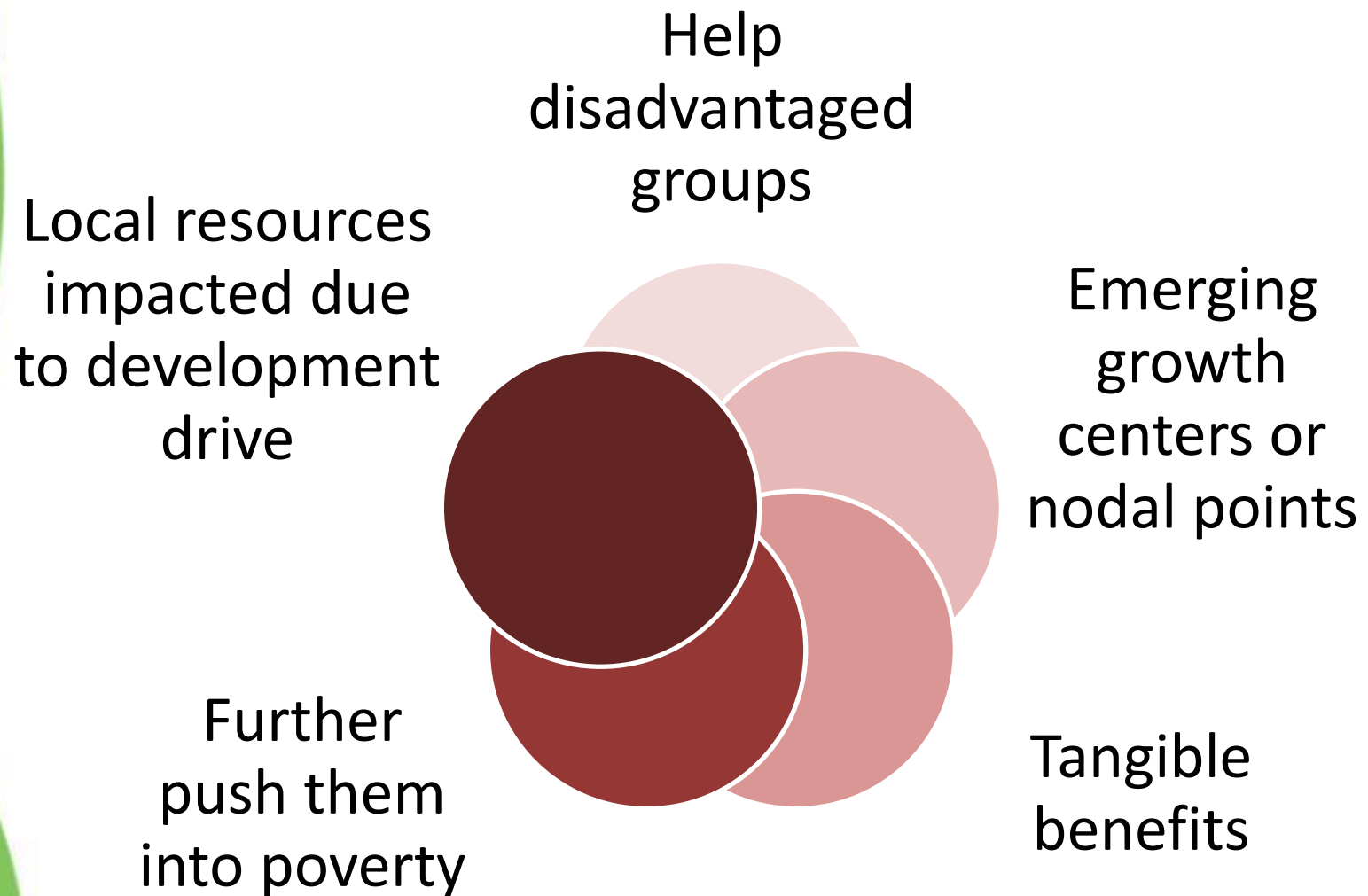


# EC Dev. Problem Statement - 1





# EC Dev. Problem Statement -2





# Objectives of the Study

a. Identify possible adverse effects

b. Conclude on existing challenges

**Impact of ONE  
GMS Corridor**

c. Give recommendations to counter deficits

d. Use existing potential for interventions for GIZ





# Research Questions-1

How do the remote rural populations living along GMS corridor view the existing transport corridor?

What changes (positive or negative) has the corridor made in the lives of the rural populations?

**GMS EC**

What suggestions are shared by local population towards any adverse effects they perceive on the existing challenges?

What do the local rural populations see as possible future interventions overcome adverse challenges?





# Research Questions-2

## GMS EC

Views of other stakeholders on EC development?

What are their concerns while undertaking impact assessment of the corridor on the rural population?

Stakeholders view on participation of rural population within the overall rural EC and rural livelihood?

How are they linking some of their ongoing projects in the area with the economic corridor?





# Working Hypothesis

*The poor rural populations are impacted by the emerging growth centers or nodal points along the North South Economic Corridor development in Bokeo and Louang Namtha provinces of Laos PDR.*

*They seek tangible benefits to improve their socio-economic situation hopefully leading them out of poverty to economic empowerment.*

*Yet, there is little evidence available on the impact, positive or negative, of the corridors on the lives of poor rural population and their ongoing rural economic development and rural livelihoods, this includes the coping mechanisms of the local populations and the government's response mechanisms.*





# Research Methodology-1

Two-step approach to maximize the outcomes of fieldwork for data collection:

## key informant interview for

- provincial officials at each provincial level and
- village head in the target village level

## individual informant interview for

- villagers in each target village





# Research Methodology-2

## *Key Informants Interview - Provincial Department Offices and Officers*

- Department of Agriculture and Forestry
- Department of Planning and Investment
- Rural Development Office
- Department of Natural Resources and Environment
- Labor and Employment Office
- Department of Tourism





# Research Methodology-3

## *Key Informants Interview – Target Village Heads*

- Village Heads
- Village Council

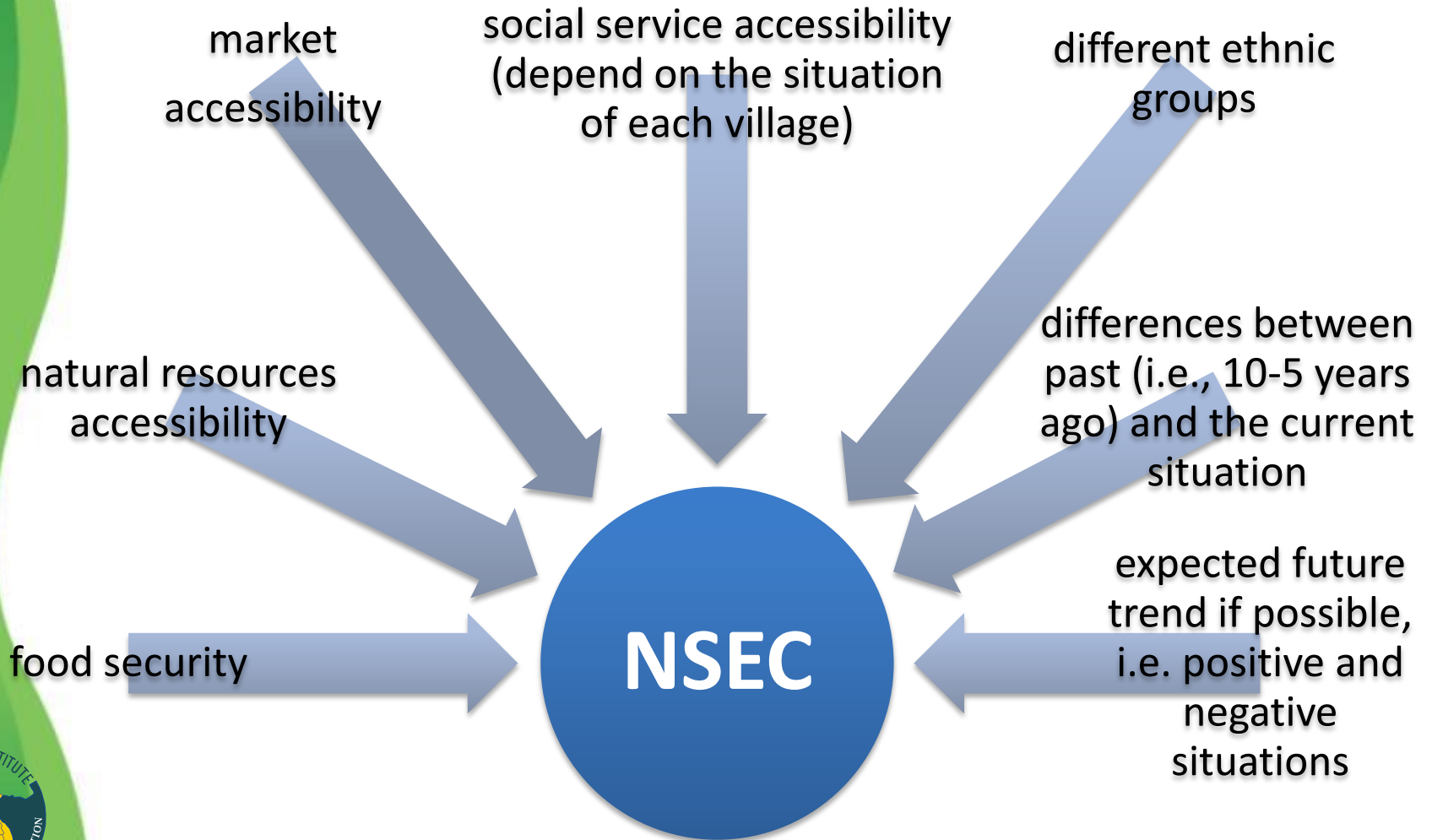
## *Key Informants Interview – Village Individuals*

- Group Interviews
- Household Interviews





# Research Methodology-4





# Research Methodology-5

## Agro-ecosystem

Derived from  
Human Ecology  
Concept

understand interactions between  
human social systems and agro-  
ecosystems

**Rural  
livelihood**

**Rural  
Economy**

**Identify target  
village  
livelihood  
system**

**general  
overview of  
agro-  
ecosystems**

**major impacts of NSEC on  
the rural livelihood system  
based on the village  
livelihood systems analysis**





# Target Groups

## 2 Provinces

- Bokeo: Houay Xai District
- LNT: Vieng Phoukha & Namtha Districts

## Rural Populations

- Living nearby NSEC/R3A
- Living 0-5-15 kms inside from NSEC/R3A

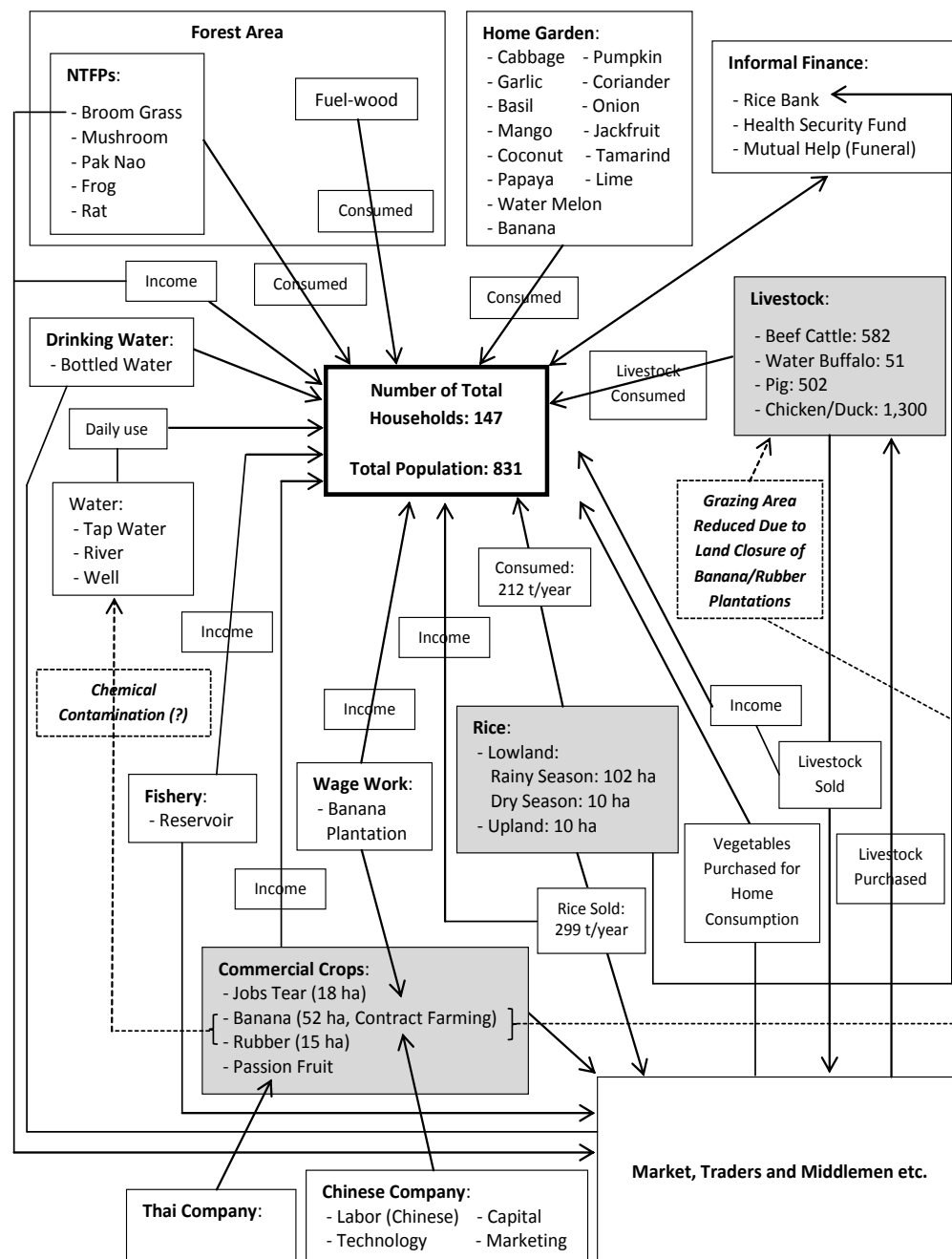


# Map stretch: Houay Xai to Boten, Laos





- **Village Livelihood System of Baan Phu Van Tai, Houay Xai, Bokeo**
- **31 km (19 kms along R3A and further 12 kms along unpaved road) from Houay Xai City**





# Hypothetical Framework of the Impact of NSEC on Rural Livelihood-1

Area	Residential Area	Lowland	River	Upland	Forest	Villages, Towns or China/Thailand
Water Sources	<b>Drinking Water:</b> Tap Water, Well, Bottled Water <b>Daily Use:</b> Tap Water, Well, Pond, River Water	Rain Water, Irrigation (in some villages)	River	Rain Water, Stream, Spring Water (Often used for tap water source)	Rain Water, Stream, Spring Water (Often used for tap water source)	Local drinking water companies deliver bottled water to villages





# Hypothetical Framework of the Impact of NSEC on Rural Livelihood-2

Area	Residential Area	Low - land	River	Upland	Forest	Villages, Towns or China/Thai land
<b>Food Sources</b>	<b>Home Garden:</b> Onion, Cabbage, Basil, Chinese Cabbage, Flowering Cabbage, Chili, Pumpkin, Galangal, Eggplant, Garlic, Lettuce, Shallot, Cucumber, Coriander, Long Bean, Tamarind, Mango, Papaya, Lime, Jackfruit, Banana, Coconut, Pomelo, etc. <b>Livestock:</b> Chicken's, Duck's, Pig's, Goat's	Rice	Fish	Rice, Maize	Mushroom, Wild Vegetables, Bamboo Shoot, Rattan Shoot etc. Rat, Birds, Squirrel, Frog, Snake, Deer, Wild Pig etc.	Various kinds of vegetables and fruits, fish, animal meats are purchased in markets Chinese traders sell fish in villages





# Hypothetical Framework of the Impact of NSEC on Rural Livelihood-3

Area	Residential Area	Low-land	River	Upland	Forest	Villages, Towns or China/Thailand
<b>Income Sources</b>	<b>Crops:</b> Cabbage etc. <b>Livestock:</b> Beef Cattle, Water Buffalo's, Goat's, Pig's <b>Others:</b> Business, Wage Work	Rice, Water Melon, Mak Nam Man, Mak Daeng, Sugarcane		Rubber, Banana, Maize, Cardamom, Job's Tear	Broom Grass, Cardamom, Bitter Bamboo Shoot, Nam Tiang, Kii Sii	-Wage work in plantation at neighbor or other village/town -Business at urban area





# Hypothetical Framework of the Impact of NSEC on Rural Livelihood-4

Area	Residential Area	Low-land	River	Upland	Forest	Villages, Towns or China/Thailand
<b>Others</b>	Pasture for Livestock	Pasture for livestock (dry season)		Pasture for Livestock, Source of Fuel-wood	Source of Fuel-wood	-Technology transferred from China (rubber) -Materials transferred from Thailand (fingerling)



# Hypothetical Framework of the Impact of NSEC on Rural Livelihood-5

Area	Residential Area	Low-land	River	Upland	Forest	Villages, Towns or China/ Thailand
<b>Changes Past 10 Years</b>	<ul style="list-style-type: none"> <li>- Access to education facilities improved</li> <li>- Access to health facilities improved</li> <li>- Access to market improved</li> </ul>	<ul style="list-style-type: none"> <li>-Chinese companies introduced new crops under the contract farming</li> </ul>	<ul style="list-style-type: none"> <li>-Chemicals are used in rubber/banana plantations</li> <li>-Chemical fertilizer is often used in upland rice cultivation</li> <li>-Number of natural fish reduced</li> </ul>		<ul style="list-style-type: none"> <li>-Number of wild animals and NTFPs drastically reduced nearby the village</li> </ul>	<ul style="list-style-type: none"> <li>-Number of (Chinese) companies contracted with farmers drastically increased</li> </ul>



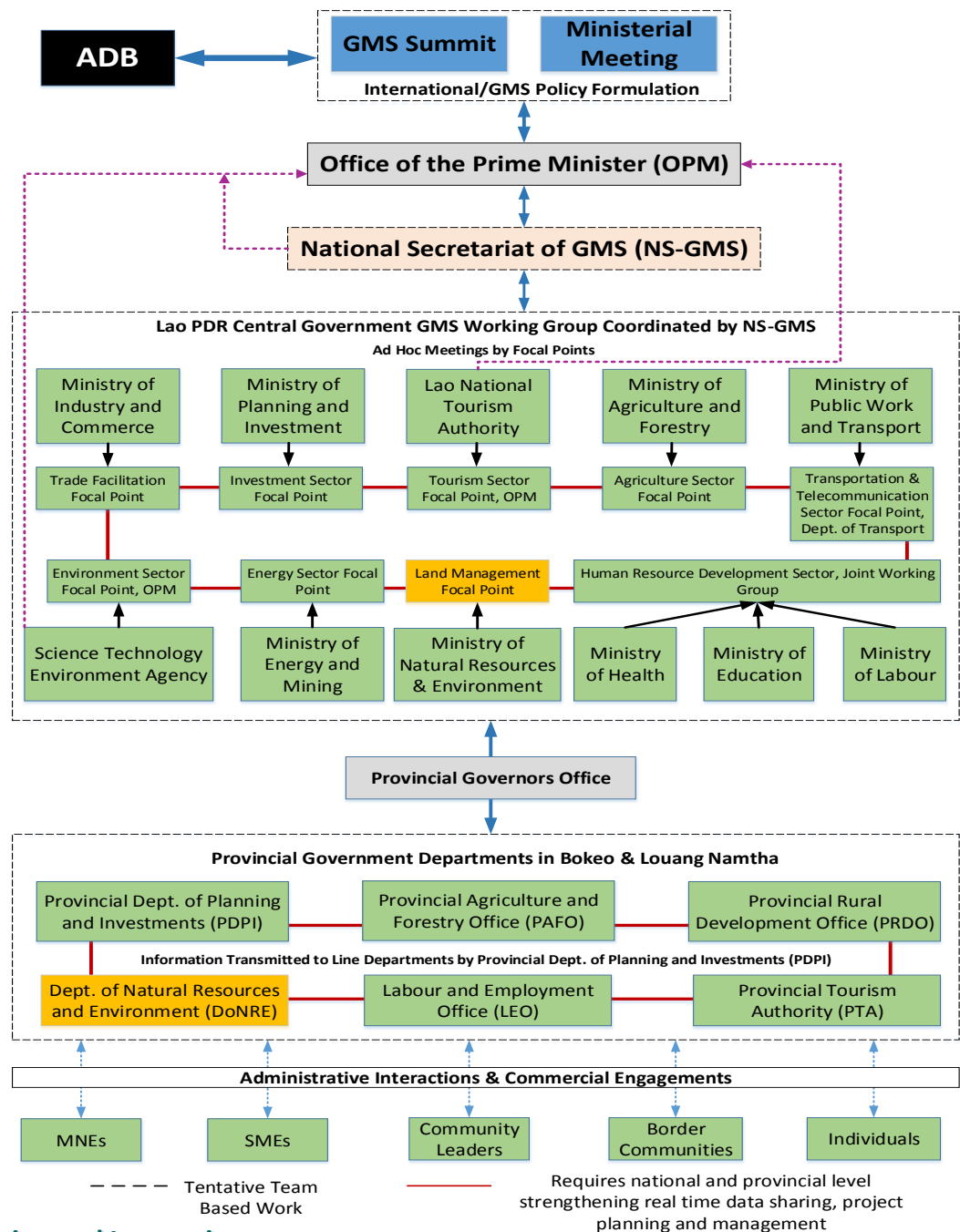


# Hypothetical Framework of the Impact of NSEC on Rural Livelihood-6

Area	Residential Area	Low-land	River	Upland	Forest	Villages, Towns or China/Thailand
<b>Changes Past 10 Years</b>	<ul style="list-style-type: none"> <li>- Some villagers have to buy bottled drinking water because of contamination of their drinking water sources</li> <li>- Govt's relocation policy increased village population</li> </ul>	<ul style="list-style-type: none"> <li>-Grazing area shrank due to water melon cultivation during dry season</li> </ul>	<ul style="list-style-type: none"> <li>-Chemicals used in rubber/banana plantations contaminated water sources</li> <li>-Grazing area shrank as rubber/banana plantations expanded</li> </ul>		<ul style="list-style-type: none"> <li>-Villagers have to go deeper forest to hunt wild animals and collect NTFPs and fuel-wood</li> </ul>	<ul style="list-style-type: none"> <li>-Number of Chinese traders visiting villages increased</li> </ul>

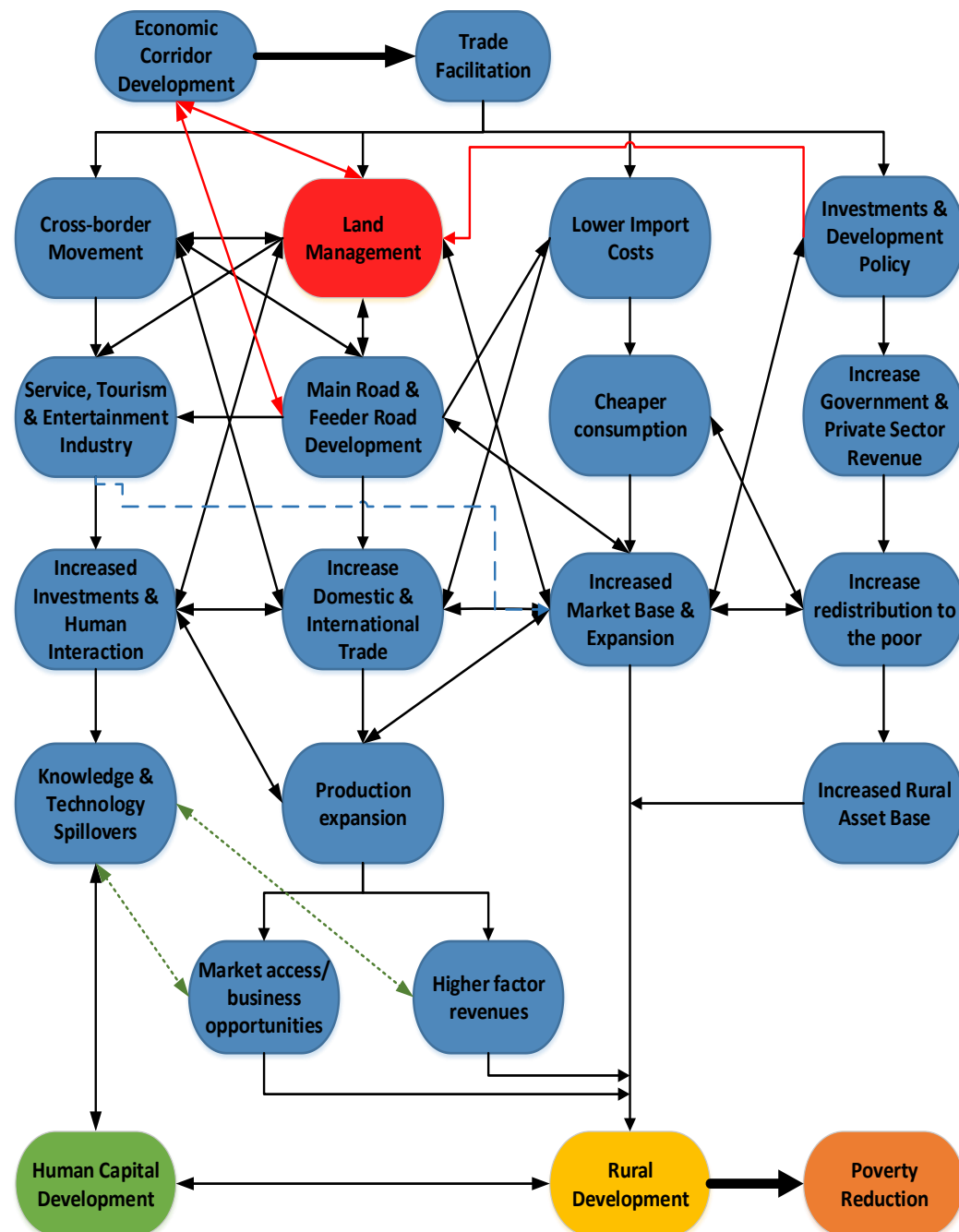


# Tentative Stakeholders Connection in Lao PDR





# Graphical representation of tentative impact of economic corridor on rural economic development and rural livelihood





# Conclusions-1

1

- Tremendous progress in hardware aspect of ECs.

2

- Lack of progress in software aspect, coordination failure, lack of proper involvement and engagement of all relevant stakeholders in policy formulation and its implementation.

3

- ECs still have limited impact on rural development and therefore room for growth & development





# Conclusions-2

4

- Increase of contract farming along NSEC

5

- Economic growth improves and in the case of Bokeo and Louang Namtha, the expanding agro-production base by interested investors from PR China





# ***Policy Recommendations for Positive Impacts (A)***

**1**

- Initiating Inter-Provincial and Inter-Departmental Dialogue and Cooperation Mechanism

**2**

- Improvement or Establishment of Feeder Roads Connecting NSEC to Interior Rural Communities

**3**

- Using Agro-Ecosystem Analytical Framework for Economic Corridor Development

**4**

- Capacity Building for Local Economic Development (LED), Public Sector Reform (PSR) and Project Management





# ***Policy Recommendations for Positive Impacts (B)***

**5**

- Microfinance System Development

**6**

- Comprehensive & Integrated Land Management Policy and Initiatives for Sustainable Development

**7**

- Mapping Lao PDR Labour Market Requirements, Technical and Vocational Education and Training (TVET) Skills Development

**8**

- Cross-Border Trade Agreements (CBTA) implementation





# ***Policy Recommendations for Positive Impacts (C)***

**9**

- Developing and Sustaining Laos National GMS Project Monitoring System

**10**

- Strengthening Good Agricultural and Collection Practices, Post-Harvest for improving Value Chain Management and Implementation of the practice of Certificate of Origin

**11**

- Tapping Solar Power for Clean Energy and & Household Income Saving Alternative





# ***Policy Recommendations on Negative Impacts***

1. Sustainable  
Preservation of the  
Sources of Water  
and Water Bodies

2. Bio-diversity  
Conservation to  
Secure Multiple  
Sources of Food  
Security at  
Community &  
Household Level





# MDP-PM

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# Thank you



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Capacity Development for Regional Cooperation and Integration