
Mekong Development Program (MDP) Department
Mekong Institute (MI)
November 2014
Capacity Development for Regional Cooperation and Integration

Greater Mekong Subregion

Map showing the regions and corridors within the Greater Mekong Subregion, including areas such as Yunnan Province, Laos, Vietnam, Cambodia, and Thailand. Key locations and boundaries are marked on the map.
EC Dev. Problem Statement - 1

- IMPACT
- GMS EC Development
- Rural landlocked locations
- Remote populations
Help disadvantaged groups

Local resources impacted due to development drive

Emerging growth centers or nodal points

Further push them into poverty

Tangible benefits
Objectives of the Study

- a. Identify possible adverse effects
- b. Conclude on existing challenges
- c. Give recommendations to counter deficits
- d. Use existing potential for interventions for GIZ

Impact of ONE GMS Corridor
<table>
<thead>
<tr>
<th>Research Questions-1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How do the remote rural populations living along GMS corridor view the existing transport corridor?</strong></td>
</tr>
<tr>
<td><strong>What changes (positive or negative) has the corridor made in the lives of the rural populations?</strong></td>
</tr>
<tr>
<td><strong>What suggestions are shared by local population towards any adverse effects they perceive on the existing challenges?</strong></td>
</tr>
<tr>
<td><strong>What do the local rural populations see as possible future interventions overcome adverse challenges?</strong></td>
</tr>
</tbody>
</table>

**GMS EC**
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.
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

- NSEC
  - Food security
  - Natural resources accessibility
  - Market accessibility
  - Social service accessibility (depend on the situation of each village)
  - Different ethnic groups
  - Differences between past (i.e., 10-5 years ago) and the current situation
  - Expected future trend if possible, i.e., positive and negative situations
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

<table>
<thead>
<tr>
<th>Area</th>
<th>Residential Area</th>
<th>Lowland</th>
<th>River</th>
<th>Upland</th>
<th>Forest</th>
<th>Villages, Towns or China/Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sources</td>
<td>Drinking Water: Tap Water, Well, Bottled Water</td>
<td>Rain Water, Irrigation (in some villages)</td>
<td>River</td>
<td>Rain Water, Stream, Spring Water (Often used for tap water source)</td>
<td>Rain Water, Stream, Spring Water (Often used for tap water source)</td>
<td>Local drinking water companies deliver bottled water to villages</td>
</tr>
<tr>
<td></td>
<td>Daily Use: Tap Water, Well, Pond, River Water</td>
<td></td>
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</tbody>
</table>
## Hypothetical Framework of the Impact of NSEC on Rural Livelihood - 2

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<tr>
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<tbody>
<tr>
<td><strong>Food Sources</strong></td>
<td><strong>Home Garden:</strong> 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.</td>
<td>Rice</td>
<td>Fish</td>
<td>Rice, Maize</td>
<td>Mushroom, Wild Vegetables, Bamboo Shoot, Rattan Shoot etc. Rat, Birds, Squirrel, Frog, Snake, Deer, Wild Pig etc.</td>
<td>Various kinds of vegetables and fruits, fish, animal meats are purchased in markets Chinese traders sell fish in villages</td>
</tr>
<tr>
<td></td>
<td><strong>Livestock:</strong> Chicken’s, Duck’s, Pig’s, Goat’s</td>
<td></td>
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<tr>
<td><strong>Income Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Crops:</strong> Cabbage etc.</td>
<td></td>
<td>Rice, Water Melon, Mak Nam Man, Mak Daeng, Sugarcane</td>
<td></td>
<td>Rubber, Banana, Maize, Cardamom, Job’s Tear</td>
<td>Broom Grass, Cardamom, Bitter Bamboo Shoot, Nam Tiang, Kii Sii</td>
<td>-Wage work in plantation at neighbor or other village/town -Business at urban area</td>
</tr>
<tr>
<td><strong>Livestock:</strong> Beef Cattle, Water Buffalo’s, Goat’s, Pig’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Others:</strong> Business, Wage Work</td>
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Hypothetical Framework of the Impact of NSEC on Rural Livelihood-4

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<tbody>
<tr>
<td>Others</td>
<td>Pasture for Livestock</td>
<td>Pasture for livestock (dry season)</td>
<td>Pasture for Livestock, Source of Fuel-wood</td>
<td>Source of Fuel-wood</td>
<td>-Technology transferred from China (rubber) -Materials transferred from Thailand (fingerling)</td>
<td></td>
</tr>
</tbody>
</table>
Hypothetical Framework of the Impact of NSEC on Rural Livelihood-5

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<tr>
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<tbody>
<tr>
<td><strong>Changes Past 10 Years</strong></td>
<td>- Access to education facilities improved</td>
<td>- Chinese companies introduced new crops under the contract farming</td>
<td>- Chemicals are used in rubber/banana plantations</td>
<td>- Chemical fertilizer is often used in upland rice cultivation</td>
<td>- Number of wild animals and NTFPs drastically reduced nearby the village</td>
<td>- Number of (Chinese) companies contracted with farmers drastically increased</td>
</tr>
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<tbody>
<tr>
<td><strong>Changes Past 10 Years</strong></td>
<td>- Some villagers have to buy bottled drinking water because of contamination of their drinking water sources</td>
<td>- Grazing area shrunk due to watermelon cultivation during dry season</td>
<td>- Chemicals used in rubber/banana plantations contaminated water sources</td>
<td>- Grazing area shrunk as rubber/banana plantations expanded</td>
<td>- Villagers have to go deeper forest to hunt wild animals and collect NTFPs and fuel-wood</td>
<td>- Number of Chinese traders visiting villages increased</td>
</tr>
<tr>
<td></td>
<td>- Govt’s relocation policy increased village population</td>
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</table>
Tentative Stakeholders Connection in Lao PDR

ADB

GMS Summit
Ministerial Meeting

International/GMS Policy Formulation

Office of the Prime Minister (OPM)

National Secretariat of GMS (NS-GMS)

Lao PDR Central Government GMS Working Group Coordinated by NS-GMS

Ad Hoc Meetings by Focal Points

Ministry of Industry and Commerce
Ministry of Planning and Investment
Lao National Tourism Authority
Ministry of Agriculture and Forestry
Ministry of Public Work and Transport

Trade Facilitation Focal Point
Investment Sector Focal Point
Tourism Sector Focal Point, OPM
Agriculture Sector Focal Point
Transportation & Telecommunication Sector Focal Point, Dept. of Transport

Environment Sector Focal Point, OPM
Energy Sector Focal Point
Land Management Focal Point
Human Resource Development Sector, Joint Working Group

Science Technology Environment Agency
Ministry of Energy and Mining
Ministry of Natural Resources & Environment
Ministry of Health
Ministry of Education
Ministry of Labour

Provincial Governors Office

Provincial Government Departments in Bokeo & Louang Namtha

Provincial Dept. of Planning and Investments (PDPI)
Provincial Agriculture and Forestry Office (PAFO)
Provincial Rural Development Office (PRDO)

Dept. of Natural Resources and Environment (DoNRE)
Labour and Employment Office (LEO)
Provincial Tourism Authority (PTA)

Information Transmitted to Line Departments by Provincial Dept. of Planning and Investments (PDPI)

Administrative Interactions & Commercial Engagements

MNEs
SMEs
Community Leaders
Border Communities
Individuals

Requires national and provincial level strengthening real time data sharing, project planning and management

Tentative Team Based Work
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


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
Thank you

MDP-PM
sanjay@mekonginstitute.org
sanjay.gathia@gmail.com