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Living under the Rubber Boom:

Market Integration and Agrarian Transformations in the Lao Uplands

One Volume

Wasana La-orngplew

A Thesis Submitted for the degree of Doctor of Philosophy

Department of Geography

Durham University

2012

Abstract

Living under the Rubber Boom:

Market Integration and Agrarian Transformations in the Lao Uplands

This thesis investigates market integration and agrarian transformations in the uplands of the Lao PDR through the lens of the rubber 'boom'. The study addresses the processes and consequences of rubber expansion on upland spaces and populations. The thesis draws on fieldwork undertaken in four upland communities in Luang Namtha province in the north-western Lao PDR. The chosen study settlements are different in the levels of market and spatial integration as well as in the form that rubber investment takes. Through employing a mixed-method approach (household surveys and in-depth interviews), the study shows how various actors (market forces and market actors, the transnational and domestic states, state personnel, and uplanders themselves) and conditions (the histories of village settlement and agricultural land access, levels of market and geographical connections, and relations between uplanders and the state and state personnel) have influenced the ways in which rubber has expanded into these upland communities. The study, while recording some particularities of agrarian transformations among the four settlements, also highlights some commonalities. These similarities include: i) changes to the upland economy and land use from semi-subsistence to market-oriented production, ii) transformation of land rights and control from collective to private and quasi-private systems, and iii) increasing risks to the sustainability of upland livelihoods, especially for those who were formerly highly reliant on shifting agriculture. The findings of this study contribute to the existing literature and debates about agrarian transformations in Southeast Asia, the nature of global land grabs, the roles of different actors in shaping agrarian processes, and the evolving place of the state in a time of globalisation. Taken together, the thesis provides a better understanding on the processes of market integration in the frontiers of the 'reforming' Lao PDR.

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List of Acronyms

ACF	*Action Contre la Faim*
ADB	The Asian Development Bank
AoA	Agreement on Agriculture
CPI	Committee for Planning and Investment
CYN	Chinese currency unit (Chinese Yuan)
DAFO	District Agricultural and Forestry Office
EU	The European Union
FDI	Foreign Direct Investment
FUF	Friends of Upland Farmers Company
GATT	The General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GBP	Great Britain Pound
GMS	The Greater Mekong Sub-region
GNP	Gross National Product
GoL	The government of the Lao PDR
GTZ	A German Technical Cooperation
LAK	Lao Kip (Lao currency unit)
LPRP	The *Lao* People's Revolutionary Party
LUP/LA	Land Use Planning and Land Allocation Programme
MAF	Ministry of Agriculture and Forestry
NAFRI	National Agriculture and Forestry Research Institute
NEM	New Economic Mechanism
NLMA	National Land Management Authority
NTFPs	Non-Timber Forest Products
NUOL	National University of Laos
PAFO	Provincial Agricultural and Forestry Office
RLG	The Royal Lao Government
THB	Thai Baht (Thai currency unit)
UNWFP	United Nations World Food Programme (also called WFP)
WTO	The World Trade Organisation

List of Lao Terms

Baan	a village
Hai	an upland rice-field
Muang	a district

Declaration

I hereby declare that this thesis is my own work and effort and where other sources of information have been used, they have been acknowledged. No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other learning institutes.

Statement of Copyright

The copyright of this thesis rests with the author. No quotation from it should be published without the author's prior written consent and information derived from it should be acknowledged.

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Chapter One

Introduction

1.1 Introduction: the significance of the rubber boom for agrarian studies

> "The most dramatic change of the second half of this century, and the one which cuts us off forever from the world of the past, is *the death of the peasantry*[1]."
>
> Eric Hobsbawm (1994: 289)

The status of the peasantry has long been of interest to scholars in agrarian and rural studies. Scholars of many persuasions, from Marxist to populist and neo-liberal, have commented on the disappearance of the peasantry along with the process of capitalist development (Bernstein 2003: 4). Large parts of the world have become predominantly capitalist and urban in societal terms. The number of megacities with more than 10 million inhabitants increased from only two in 1970 (New York and Tokyo) to 21 in 2011 (United Nations 2012: 5-6). The number of urban residents has more than doubled from 1,352 million in 1970 to 3,632 million in 2011, with a projected figure of over 4,500 million in 2025 (United Nations 2012: 9). Rural populations, while their numbers are still high,

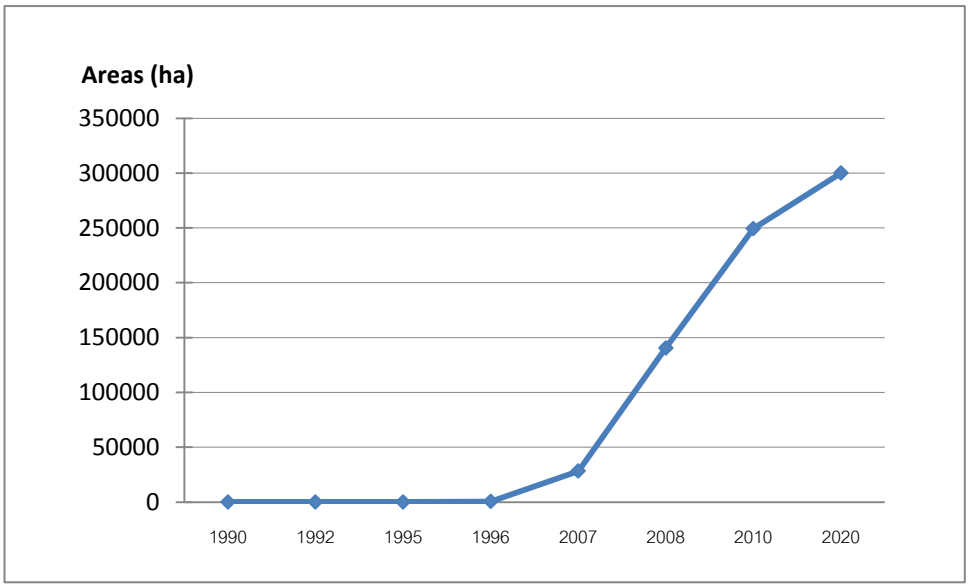
[1]Tracing back to the classical work of Adam Smith, David Ricardo, and Karl Marx, Bryceson (2000) notes that these theorists share similarities in their views of peasants as a non-capitalist agricultural producer class who usually use 'backward' or traditional technologies to produce only to meet the consumption needs of the family's members. These classic theorists conceptualise a peasant society as a closed, 'backward', non-capitalist, undifferentiated community in the countryside which is distinctive in its form from industrial society. This fixed view of the peasantry is increasingly being challenged (Kearney 1996; Bernstein 2000). In this research, I use peasantries as a broad term to denote those people whose livelihoods are founded on agriculture and have links to rural spaces. In order to catch up with the transformations taking place in the research sites, I use the production aim as one of the important criteria to classify agriculturalists into three categories: i) peasants whose aim of production is dominated mainly by subsistence purposes, ii) semi-peasants or small farmers who, while they still produce for their own consumption, are involved in producing for (and increasingly reliant on) the market, and iii) professional farmers who produce mainly for the market and whose production involves a high level of investment. I am aware that these categories are problematic and there is an overlap of the boundaries between them. I thus use the categories as a methodological tool for capturing change rather than as a political statement. By contrast to some classic theorists, I do not consider peasants as more 'backward' than semi-peasants (small farmers) or professional farmers.

particularly in the World Bank's categories of agriculture-based and transforming countries[2] (World Bank 2007a: 5), are in decline in many parts of the world. In East and Southeast Asia this dates from 1995, while for South and Central Asia decline is projected to occur from 2025, and in Sub-Saharan Africa from 2045 (IFAD 2010: figure 1). It is not just, however, that the proportion of the urban population is growing relative to the rural populace, but for rural inhabitants even when they are still involved in agriculture, farming is no longer their only occupation. From the late 1980s to the early 2000s, the share of non-agricultural income in total rural household income in many countries significantly increased. In some countries, such as China, Mexico and Indonesia, non-agricultural income has grown to exceed agricultural income (IFAD 2010: figure 6). Do these trends confirm the 'disappearing peasantries' thesis?

History shows that a large number of peasants and small farmers are still alive under the capitalist economy and, even though they may encounter hardship, are likely to continue to survive into the future (Brookfield and Parsons 2007). The 'surprising' survival of peasants and small farmers raises issues not about the 'failure' of the agrarian transition, but rather about the multiple trajectories of transition which may not follow the paths that have been previously predicted. Studies have shown different pathways of agrarian and rural transitions from rural urbanisation (Guldin 1997), de-agriculturalisation (Guldin 2001; Guang and Zheng 2005), and de-agrarianisation (Bryceson 1996; Bryceson and Jamal 1997; Rigg and Nattapoolwat 2001), to re-peasantization (Ploeg 2009) or re-agrarianisation (Vandergeest 2012). This research aims to make a contribution to the advancement of understanding of these multiple trajectories of agrarian transformation by looking at agrarian change in the Lao PDR - a country which we still know little about. Due to the recent, rapid increase in the area planted to rubber in the country (see Figure 1.1), the research uses the rubber 'boom' as the empirical lens to capture a picture of transition. Researching the Lao rubber boom also provides insights into a number of other overlapping areas of debate, namely global land grabs, actors in agrarian processes, and the role of the state in the context of marketization and globalisation (or regionalisation).

[2] The World Bank's *World Development Report 2008: Agriculture for Development* (World Bank 2007a) classifies countries into three categories based on the role of agriculture in economic growth and poverty reduction: i) agriculture-based countries, which use agriculture as the basis for economic growth; ii) transforming countries, where agriculture is no longer a major source of growth, and where there are rising rural-urban income disparities and poverty remains high in rural areas; and iii) urbanised countries, where agriculture makes only a very small contribution to economic growth (less than five per cent).

Figure 1.1 Rubber planted areas in the Lao PDR, 1990-2020.



Sources: Manivong and Cramb (2008: 115), Hicks et al (2009), and NAFRI et al (2009)

Note: Data for 2010 and 2020 are projections based on government planning documents

1.1.1 Agrarian transformations in Southeast Asia

A key debate within agrarian studies is how to understand the transformations of rural spaces. In Southeast Asia, several studies point to quite profound changes in rural landscapes, livelihoods and social relations stimulated by state interventions in rural areas (Hart 1988; Hirsch 1989; Vandergeest and Peluso 1995; White 1999), market integration (Li 2002a; Rigg 2005a; Agergaard et al. 2009), rural industrialisation and rural-urban interaction (Rigg 1998; 2001; 2003; Thompson 2004), and transnational processes (McKay 2003; McKay and Brady 2005). These studies provide obvious links between the transformations taking place in rural areas and the wider context.

One of the shared insights of agrarian research in Southeast Asia today is the diversification of the household economy and the increasing significance of non-farm activities for rural household livelihoods (Rigg 2001; 2003; Potter and Badcock 2004; Thompson 2004), sometimes viewed as a processes of 'de-agrarainisation' (Rigg 2001; 2003; Rigg and Nattapoolwat 2001), in which the role of agriculture as a major source of household livelihoods has declined. Rural households may survive but only on the basis of economic

activities beyond agriculture and even beyond rural spaces[3]. While the bulk of scholarship on Southeast Asia's agrarian transformations has been conducted in non-socialist areas where the processes of spatial and economic integration have long taken place, thus providing a coherent picture of agrarian situations, studies in previously communist countries (Vietnam and the Lao PDR) by non-communist researchers have only generally been possible since the 1990s when the countries were first integrated into global capitalism. Thus there is a need for more work on these former socialist countries. Data from such latecomer countries provide additional insights into agrarian transformations, the lived experiences and livelihoods of people on the margins where a socialist state is involved (Forsyth and Michaud 2010: 3-4). Researching rubber expansion in the Lao PDR adds to our understanding of rural transformations in Southeast Asia by providing an alternative insight, one that is located at the margins of Asia's miracle where market integration is nascent, where new forms and structures of social and economic relations are emerging, and where livelihoods are in flux.

1.1.2 Understanding global land grabs

> "More than 200 million hectares of land in poor nations was sold by governments in land-grabbing deals with industry and investors between 2000 and 2010."
>
> (Gilbert 2011)

> "We give land because we cannot produce on that land. Because of lack of capital and technology, that's why. They open a big opportunity for employment and of course generation of taxes and other financial gain."
>
> (Ethiopia's Agriculture Minister cited in Rugman 2012)

Recent rising demand for land in the global South has encouraged both scholars and policy researchers to investigate the emergence of a new wave of land deals. Deininger and his colleagues (Deininger et al. 2011: 51), drawing on data from press reports, estimate that around 56 million hectares of land globally were acquired by foreign investors in a period of less than a year. Land in African countries accounted for around two-thirds of the global demand. This level of demand is extremely high in comparison to previous land use

[3] Thus rural spaces and urban spaces are now much more closely connected than previously.

expansion. In Africa, "demand in 2009 alone was equivalent to more than 20 years of previous land expansion" (Deininger 2011: 218). A considerable amount of literature has explored the processes, causes and impacts of this rush for land control. The demand for farmland to secure food and biofuel supplies for investing countries is pointed to as a main driver for large-scale land acquisitions in the South (Cotula et al. 2008; Cotula et al. 2009; FIAN 2010; Mann and Smaller 2010; Hall 2011). The media often characterise this land rush in the global South as a result of increasing pressures on farmland in the North (Chen 2011; McVeigh 2011). Though actors from the North are still key in spurring the rush for land in the South, several studies (GRAIN 2008; Friis and Reenberg 2010; Mann and Smaller 2010; Cotula 2011b) show that some non-Western countries, namely the oil-rich Gulf countries, and highly-populated countries, have also emerged as important actors in this process. Empirical studies have identified some common characteristics of such land grabs. For instance, transferred land is usually land which was previously under an informal customary arrangement without legal recognition by the state's authorities (Spieldoch and Murphy 2009: 47; Deininger et al. 2011: 99-100). Some allocated land was defined as 'waste' land and was claimed on the basis that there was no pre-existing land user (Cotula et al. 2009: 62). These findings have led to policy recommendations to protect smallholders from losing their land by securing people's land rights.

As African countries are the major targets of land acquisitions, most literature on land grabs is drawn from the African experience. While many non–African countries are also experiencing a rush for land, their land grab situations have received less attention (Visser and Spoor 2011). Focusing only on the African experience may be problematic, as Borras and Franco (2011: 14) remark:

> "This leads to both strengths and weaknesses in analysis of the issue. Among the strengths is the ability to demonstrate that large-scale land investments tend to result in negative outcomes for domestic populations, even in land-abundant countries such as those in Africa. Yet focusing solely on Africa risks missing important specificities and dynamics of land-grabbing in other regions."

This research, then, wishes to draw attention to the experiences of land grabs and deals in the Lao PDR, a country which is one of the targets in the rush for farmland investment (GRAIN 2008: 4). Researching the rubber boom offers an alternative view of global land

grabs, which may resonate with land grabs in other regions, or may reveal distinct elements that deliver alternative 'lessons'.

1.1.3 Researching actors in agrarian processes[4]

Rob Cramb (Cramb 2009) observes how oil palm, mostly cultivated in the form of private estates, has become a dominant crop in Sarawak, a Malaysian state on the island of Borneo. He records the role of the state and private companies in Sarawak's recent upland transformation:

> "In most cases,..., provisional leases have been issued directly to private plantation companies… These purely private estates accounted for 359,000 ha or 62 per cent of total oil palm area… In theory, the provisional lease requires the lessee to identify any customary claims and negotiate acceptable arrangements with the claimants before the lease can be confirmed. In practice, capital has been raised and land clearing commenced on the assumption that the provisional lease gave the company clear title to all the land falling within the perimeter of the lease area. Hence longhouse communities who claimed customary rights to part or all of the land allocated for a private oil palm estate often know nothing of the granting of a provisional lease until bulldozers arrived to clear the area for planting. When they protested they were mostly ignored, given notice to leave the area or, in the worst cases, subjected to violence." (Cramb 2009: 24)

The expansion of oil palm plantations in Sarawak provides a picture of how a new boom crop, oil palm, has expanded into the frontiers. Cramb points to the role of external forces and actors - the state and oil palm companies - in transforming the frontier landscape. He shows how relations between market actors and people in the frontiers have developed to the detriment of the latter. Longhouse communities have become the victims of market expansion: their land has been taken by the oil palm companies.

The story of oil palm expansion in Sarawak reflects one of the key questions in the literature on agrarian studies - who and/or what are the agents of changes? Literature influenced by

[4] Actors used in this thesis include both human actors (such as small farmers, investors, and state officials) and non-human actors (such as market forces and the state).

the political economy approach tends to consider agrarian transformations at the 'local' level as the outcome of external and powerful actors, in particular the state, the market, and global forces. Some literature (Nevins and Peluso 2008) records the application of violence in the marketization of the frontiers. Small farmers, who are now more connected to the market, are likely to be seen as the victims of external forces, leading to their displacement from the means of subsistence and production (Araghi 2009), or their semi-proletarianisation (Akram-Lodhi 2007b; Akram-Lodhi and Kay 2010). This perspective on transformations in the frontiers conveys the sense that people in the frontiers have to 'resist' the market and transformations imposed from 'outside'. This, however, is not the only frontier story that can be told.

From the early 1990s to 2000, the Central Highlands of Vietnam were transformed as coffee plantations, operated mostly by smallholders, rapidly expanded. Stan Tan (2000) observes how this frontier landscape was changed not by outsiders, but by small farmers:

> "… the precipitate peasants manifested both determination and initiative to the 'self-enrol' into the coffee network when they carved out the plots of land from existing forests and laid claims to the land, outside State auspices. They then sourced their own seeds, found their own ways of cultivating the coffee trees, and 'walked' their way into the coffee marketing networks of the traders. Knowledge of cultivation and commodity value are extended more through inter-personal networks reflected in the phrase '*nguoi di sau hoc hoi nguoi di truoc*' (ask and observe those who came earlier), and individual innovation of cultivation techniques '*moi nguoi moi cach*' (each has his own way); more, that is, than via some meticulous State plan." (Tan 2000: 60)

The story of the coffee boom in Vietnam shows that transformations in the frontiers are not solely induced from outside. Smallholders in the Central Highlands played a significant role in transforming the frontier landscape and connecting the frontier space to the global market. While the experience of Sarawak's uplands shows victimhood and, possibly, the resistance of people in the frontiers to market expansion, the story of the coffee boom in Vietnam's Central Highlands highlights how far the market and capitalism are 'welcomed' by populations in the frontiers. The binary opposition of small farmers, either as victims or agents of changes, is now considered problematic due to the fact that it overlooks the complexities of agrarian processes in the frontiers, and relations between the frontiers and

the wider context. A study which "does not rely on an assumed relation between an 'inside' and 'outside'" (Tan and Walker 2008: 123) indeed could provide rich data to build a better understanding of the processes of change taking place at the frontier. Researching the rubber boom in the uplands of the Lao PDR provides just such an opportunity.

1.1.4 Researching the state in the agrarian processes

The collapse of the USSR and former socialist countries has led to significant changes across the former socialist world. The state is now, arguably, no longer the dominant actor in controlling or determining a country's socio-economic development, even in putative one-party states such as the Lao PDR, China and Vietnam. Andrew Walker (1996) notes that there is a tendency to distinguish between the 'power of the state' and the 'power of the market'. In the context of the collapse of socialism in Eastern Europe and economic liberalisation in the transition countries, it is assumed that the power of the state has declined giving way to the rise of market power. Apart from the transition in the former socialist countries, the roles and status of the state are challenged by globalisation and neo-liberalism. The world is now intensely connected and economic activities in almost every corner of the world are linked to global capitalism.

There is debate among scholars about the role and status of the state in an increasingly interconnected world. This ranges from *"*the end of the nation-state*"* (Ohmae 1995), or "the erosion of the state*"* (Strange 1997), to "the myth of the powerless state" (Weiss 1997; 1998). These two extreme positions are quite problematic; the state is neither disappearing nor being unaffected by global processes. The state, though it may play a less crucial role in the global era than it did previously, is nonetheless still a vital actor in economic processes (Raynolds 1994; McMichael 1997; Gainsborough 2007). Jones and Jones (2004: 410), while recognising that the state is inevitably affected by globalisation, propose that "geographers need to focus on the ways in which the nation state *continues* to act, albeit in a modified manner, within the era of globalisation" (italics in original). Empirical research on the role of the state in economic processes and development, particularly in a transition country such as the Lao PDR, can provide a better understanding of the status of the state enabling us better to address the question: "to what extent is the nation state being transformed, to what extent is it declining — or even perhaps still growing?" (Mann 1997 cited in Jones and Jones 2004: 421).

While the Lao PDR is moving towards economic liberalisation, its market system is still 'imperfect' and the economy is considered as 'frontier capitalism' (Laungaramsri 2012). It remains, moreover, a one party state governed by the Lao People's Revolutionary Party (LPRP). The Lao PDR provides an insight into how relations between global and regional forces, and transition, may take different forms from those evident in other countries. Questions addressed include whether the state is still the key actor in agrarian processes and rural transformations or if it has lost its previously dominant status to various non-state actors, and how relations between the state and non-state actors have evolved in the context of spatial and economic integration.

1.2 Research aims and objectives

This research aims to understand rubber expansion in the uplands of the Lao PDR in the context of on-going regional (spatial) and market (economic) integration, against a backdrop of (apparent) political continuity. The research aims to use the rubber boom as a lens to reflect and link a number of overlapping strands of literature, namely agrarian transformations in Southeast Asia, global land grabs, actors in agrarian processes, and the state in the context of increasingly global market transactions. In doing so, the research sets out a series of research objectives and questions, at two levels: empirical and conceptual.

1.2.1 At an empirical level:

1. To understand the processes of rubber expansion into the frontiers

1.1 Who and/or what are the key actors in the recent rapid expansion of rubber in the Lao uplands?

1.2 How have these actors shaped and re-shaped agrarian relations in the uplands?

2. ***To understand the impacts of current rapid expansion of rubber on upland spaces and peoples***

2.1 To what extent has rubber expansion shaped and re-shaped the upland landscape?

2.2 To what extent, and how, has rubber expansion affected the lives and livelihoods of uplanders?

1.2.2 At a conceptual level:

1. To contribute to the (re)conceptualisation of agrarian transformations in Southeast Asia:

1.1 Can notions of agrarian transformations in Southeast Asia, namely the paths of transition and de-agrarianisation, which have been derived from research in the non-socialist countries be applied to the experience of agrarian change in the Lao uplands?

1.2 Do the experiences of agrarian transformation in the Lao PDR offer us an alternative insight into the notion of 'actors' in agrarian processes? How do the empirical data from the Lao uplands contribute to the understanding of relations between small farmers, the market, and the state(s) as well as to the notion of agency in agrarian processes[5]?

2. To contribute to the (re)conceptualisation of global land grabs:

2.1 To what extent can the notion of 'global land grabs', mostly derived from the African experience, be applied to the current situation in the transitional Lao PDR?

2.2 How do agrarian transitions in the Lao uplands provide us with an alternative insight into global land grabs and land deals?

3. To contribute to the (re)conceptualisation of the state in the globalisation process

3.1 To what extent is the state-market dualism applicable to the current situation in the Lao PDR, and how does the experience of the Lao PDR contribute to furthering this debate?

[5] In this research, agency is termed as individual capacity to "construct their own life course through the choices and actions they take within the opportunities and constraints of history and social circumstances" (Elder and Johnson 2002: 61). People's agency is not about individuals' *free* decision making or action without any influence of society. Rather, agency is developed and exercised within socially constructed opportunities. The agency of smallholders in this research thus is considered as 'constrained agency' (Coe and Jordhus-Lier 2011).

1.3 Sites and research methods

The thesis provides a comparative study of four upland communities in Luang Namtha province[6] – a province in the north-western region of the Lao PDR (Map 1.1) which has the highest planted area of rubber in the country (see section 3.3 for details on the justification for and practicalities of choosing the research sites). The four communities have different degrees of market integration and have been dominated by different patterns of rubber investment (see Table 1.1) which provide an interesting comparison on how levels of integration influence the ways that peasants and small farmers have responded to the rubber boom. Different dominant patterns of rubber plantations in the four villages also provide valuable data to reflect on the capacity of each individual village and different groups of households to deal with the rubber boom.

The study is based on fieldwork which was carried out in the Lao PDR between September 2009 and September 2010. As the thesis aims to understand changes at a local level, it relies mainly on primary data collected at the village level. Primary data were also collected through interviews with local officials, investors, NGOs, and scholars. These primary data were complemented by secondary data collected from government organisations, NGOs and reports from newspapers (the fieldwork is discussed in detail in Chapter 3).

It is important to note that while social and cultural change was one of the issues that this research intended to investigate, socio-cultural dimensions were presented lightly in the thesis. The research draws heavily on economic and production perspectives. This was due to two main reasons. Firstly, it was clear that at the time the fieldwork was carried out, economic and production aspects were a central concern of both villagers and state officials. People were interested to talk more about livelihoods and issues related to the upland economy than they were about various social aspects of rubber expansion. As I will discuss in Chapter 3, the response of the research subjects partly shaped the direction that the research took. Secondly, the research was conducted at an early stage in people's engagement with rubber. While transformations are definitely a continuous and continuing process, the 'outcome' of rubber engagement on the lives of people in terms of income

[6] I use Luang Namtha to refer to the whole province while Luangnamtha is the town and provincial capital. Namtha is used when I refer to Namtha district of which Luangnamtha is the main town.

generation could not be observed because it was too early in the rubber cycle. While it was possible to observe and even forecast the economic and production aspects of the rubber boom on people, various socio-cultural implications of the boom (such as social differentiation, impacts on social cohesion and social norms, and so forth) that will result from the boom could not be observed. Under these conditions, the socio-cultural implications of transformation were less present and obvious than the economic dimensions, and the thesis reflects this fact.

Map 1.1 Luang Namtha province, the Lao PDR

Table 1.1 Degrees of integration and dominant forms of rubber involvement in the study villages, 2009

	Don Tha village (Nalae district)	**Houay Luang Mai (Sing district)**	**Kaem Khong (Long district)**	**Pha Lad (Long district)**
Distance to the nearest Lao-Chinese border (kilometres)	120	5	103	65
Travel time from the village to the nearest Chinese border	2.5 hours	5 minutes	2.5 hours	1.5 hours
Dominant pattern of rubber investment	1). 2+3 contract farming system with a Chinese rubber company[7]	1).Smallholder investment	1). Large-scale concession plantations of a Chinese rubber company 2). Informal deal between local investors and villagers (local investors provide seedlings in exchange for land from villagers)	1). 1+4 contract farming with a Chinese rubber company[8] 2).Smallholder investment
Degrees of market engagement	Low	High	Low	Average

Source: Fieldwork, 2009-2010

[7] 2+3 contract farming is a system where villagers contribute land and labour inputs while an investor is responsible for the capital, knowledge and technology, and marketing. Don Tha's villagers get 65 per cent of the profits for their contribution of land and labour. Their contract lasts 45 years.

[8] 1+4 contract system is a system where villagers provide only land while an investor is responsible for capital, knowledge and technology, marketing, and labour. Pha Lad's villagers get 30 per cent of the trees when the rubber is three year-old, as recompense for their contribution of land.

1.4 Structure of the thesis

The thesis is organised into nine chapters, including this one. Following this chapter, **Chapter 2** reviews the literature on agrarian transformations (highlighting the debates over the paths of agrarian transition, rural transformation and de-agrarianisation, and agrarian transformations in the frontiers), global land grabs, the relations between small farmers and the market, and the state in agrarian processes. This provides the conceptual background that will frame the empirical material. This literature is returned to in Chapter 8, when the empirical data is interrogated against the comparative literature and vice versa.

Chapter 3 provides a summary of the methodology employed to generate the data necessary to address the research aims and questions. The chapter provides the justification of the selection of the research sites and subjects. It discusses the range of methods employed, namely household surveys, interviews, and observation, and identifies any limitations. The principles, practicalities, ethics as well as the positionality of a Thai female researcher undertaking research in the uplands of the Lao PDR are also explored in this chapter.

Chapter 4 gives an overview of the Lao PDR and discusses the status and development of the communist Lao PDR as an aid-reliant country since independence in 1975. The chapter explores the attempt and failure of the socialist Lao PDR to transform itself to socialism and, later, the necessity to integrate the country into the global and regional economies and to embrace economic reform. The role of agriculture is also discussed in relation to the country's wider economic development.

The study sites are introduced in **Chapter 5**, beginning with the broader context of Luang Namtha province before providing a summary of the four upland study communities and providing an overview of spatial and economic relations between the study sites and the broader context.

Chapter 6 focuses on how rubber has expanded into the upland study communities. It provides empirical data and analyses two broad paths of rubber expansion into the uplands: a path from 'above' and a path from 'below'. Using rubber expansion as a means to reflect on wider processes, this chapter illuminates how various actors at different scales have been involved in the processes of change taking places in the frontiers of the Lao PDR.

Changes in upland areas brought about by the rubber boom are traced in **Chapter 7**. The chapter discusses the transformation of the upland economy and land use from a semi-subsistence to a market-oriented system. The chapter also highlights the transformation of land rights and access from a collective system to diverse forms of land rights and control associated with differences in the ways that rubber has arrived in each village and power relations between villagers and external actors have subsequently evolved. The chapter considers the emergence of two new rural classes: a rural entrepreneurial class and a semi-proletariat class. The chapter also explores how the livelihoods of the uplanders have been affected by the rubber boom. It thus gives an overview of the decline of some former livelihood activities and the emergence of new livelihood activities brought about by the rubber boom.

Chapter 8 links the empirical data recounted in Chapter 6 and Chapter 7 back to the existing literature to consider the extent to which these data either support or challenge debates on agrarian transformations, global land grabs, actors in agrarian processes, relations between small farmers and the market, and the state and market in globalisation.

The final chapter, **Chapter 9**, returns to the research objectives listed in Chapter 1. It provides a summary of the research findings and highlights the research's contribution to the advancement of the understanding of agrarian transformations, global land grabs, actors in agrarian processes, and the state in a globalisation context. This chapter also discusses the policy contributions of the research regarding agricultural development and poverty alleviation in the uplands of the Lao PDR. The chapter also discusses some limitations of the research and makes recommendations for further studies.

Chapter Two

Literature Review: Agrarian Transformations, Peasants, Market, and the State in an Era of Globalisation

2.1 Introduction

This chapter reviews literature related to agrarian transformations and small farmers, focusing on the actors, processes and impacts of agrarian processes. The intention is that this chapter will provide the conceptual backdrop to the thesis and the empirical chapters that follow. The literature reviewed is brought to bear in three different, but interlinked, ways. Firstly, it is used to frame the approach taken in the study. Literature on peasants, small farmers and the market is used to consider the agency of uplanders while literature on the state and agrarian processes is applied to reflect on upland transformations from a structural perspective. Secondly, the literature provides wider intellectual scaffolding for the study. Literature on the state and agrarian processes, and on agrarian transformations serves this purpose. Lastly, literature is also introduced to test how far concepts developed in one context can be applied in another, in this case to the experiences of the Lao PDR. In Chapter 8, the findings from the research are used to re-evaluate debates over the paths of agrarian transition, processes of agrarian expansion in the frontiers and de-agrarianisation, global land grabs, relations between small farmers and the market, actors in agrarian processes and the role and status of the state in economic globalisation. Table 2.1 summarises how the literature is applied to the stated aims and objectives of the study.

Table 2.1 Links between the literature and research objectives

Research objectives	Relevant literature
Research objectives: *1. To understand the processes of rubber expansion into the frontiers:* 1.1 Who and/ or what are the key actors in the recent rapid expansion of rubber in the Lao uplands? 1.2 How have these actors shaped and re-shaped agrarian relations in the uplands?	Sets of literature relevant to this objective are: ***1. State and the agrarian processes***: this set of literature is relevant for understanding the role of the state in the processes of upland transformations in the Lao PDR. How have the Lao and Chinese states shaped upland transformations? The data from the research will be used to reflect on the status of the state in the context of globalisation and 'post-reforms'. ***2. Agrarian transformations:*** literature on *Agrarian transformations in the frontiers* provides a broad understanding of the processes that shape and re-shape the Lao frontiers (e.g. agrarian expansion and intensification). This set of literature provides empirical resources for comparison to the transformation taking place in the research settlements. ***3. Peasants, small farmers and the market***: the debates on relations between peasants, small farmers and the market will help to evaluate the role of uplanders as agents of the transformations. It raises the question whether the transformations taking place at the local level (uplands) are solely determined by powerful agents (state and the market) at the macro level. ***4. Global land grabs:*** as current rubber expansion involves in new forms of land transfers, the debate on the actors and forms of land controls in global land grabs is relevant. The research investigates if there are some similarities or distinctions between land grabbing in the Lao uplands and those discussed in the literature.

Table 2.1 Links between the literature and research objectives *(continued)*

Research objectives	Relevant literature
2. To understand the impacts of the current rapid expansion of rubber on upland spaces and peoples 2.1 To what extent has rubber expansion shaped and re-shaped the upland landscape? 2.2 To what extent, and how, has rubber expansion affected the lives and livelihoods of uplanders?	The literature relevant to this objective includes: ***1***. ***Agrarian transformations****:* this literature is brought into the study to evaluate how far the debates and concepts on agrarian studies (paths of agrarian transition, de-agrarianisation, and agrarian transformations in the frontiers) can be applicable to the situations of the Lao uplands. ***2***. ***Global land grabs:*** this literature is applied to consider the transformations of directions and pattern of land use and land relations. ***3***. ***Peasants, small farmers and the market****:* this literature frames the idea about relations between the uplanders and the market, how the market benefits or/and increases pressures on uplanders. The data from the research will provide evidence to evaluate whether the view that sees peasants and small farmers as the victim of the market and capitalism is still convincing.

The chapter begins with a review of the literature on rural and agrarian transformations. In this section, a brief review of the path(s) of agrarian transition is provided (2.2.1). This is followed by an exploration of literature on agrarian transformations and processes of de-agrarianisation (2.2.2), together with a discussion of agrarian transformations in frontier zones (2.2.3). The discussion then turns to the literature on global land grabs focusing on the directions of land use changes and land property relations (section 2.3). The following section (2.4) explores the role of the state, as a key actor, in agrarian processes exploring state policies and practices related to agrarian development from the era of national developmentalism to the current era of globalisation literature. The final substantive section (2.5) reviews the literature on relations between peasants, small farmers and the market (and capitalism).

2.2 Agrarian transformations

2.2.1 The paths of agrarian transition

One of the key concerns in agrarian studies, which has been the subject of debate for more than a century, is the need to understand the process of agrarian transition - the structural transformation of agriculture and rural space through the penetration of the market and capitalism. The Marxist literature views agrarian transition as the transformations of a non-industrial to an industrial society. This transition, according to Marx, was associated with a process of primitive accumulation - a process in which agricultural producers were displaced from their means of production, especially land, thus creating a reservoir of free labour available for industrial capitalist development (Marx 1995: 365). From this point of view, proletarianisation was considered as a concurrent process with agrarian transition.

Agrarian transition may take different trajectories in each society. Marx wrote: "[t]he history of this expropriation assumes different aspects in different countries, and runs through its various phases in different orders of succession, and at different historical epochs" (Marx 1995 [1867]: 365). Karl Kautsky (Kautsky [1899] in Banaji 1980: 45) makes a case for the context-specific nature and direction of the development of agricultural and industrial capitalism. He raises the issue of the peculiarity of land – namely its difference in fertility - as a significant factor influencing agricultural production, price, and profit. This differs from the industrial sector as the fertility of land does not have a huge influence on industrial production. In the agricultural sector, while he sees the advantages of a large-scale farm over a small farm in terms of the utilization of machinery, accessing credit and markets, a small farm can benefit from its workers having a stronger motivation to work than landless wage labourers on a large farm (Banaji 1980: 69-70). Thus, Kautsky suggests that the extent and processes of capitalist relations have expanded into agriculture and the countryside in particular ways. From this he forged his famous 'agrarian question', writing: "[w]e should ask: *is capital and in what ways is capital, taking hold of agriculture, revolutionalizing it, smashing the old forms of production and of poverty and establishing the new forms which must succeed.*" (Banaji 1980: 46 emphasis in original). Kautsky (Banaji 1980: 89-90) argues that the expansion of capitalism into agriculture was driven by urban industrial capitalism which transformed rural people from 'peasants' to 'pure agriculturalists' (commodity producers). Both small and large farms were subordinated to industry. Small farmers needed to hire out their labour to earn cash and thus reinforced

their dependence on industry. Large scale commercial farms were also forced to seek extra sources of income from industry. Kautsky comes to a conclusion, that shares much with contemporary discussions of de-agrarianisation[9] (Bryceson 1996), namely that in a capitalist society, "pure agriculture is no longer a factor of well being" and "[f]or the peasantry there is no chance of recovering its golden age" (Banaji 1980: 90)[10].

Lenin, though accepting a generally 'natural' tendency that "capitalism requires the free, landless worker", critiques this proposition as "too stereotyped", as capitalism expands into the countryside in various forms (Lenin 1956[1899]: 179). He proposed two different paths of capitalist development in agriculture: a 'junker path' and a 'peasant path'. The 'junker' or 'landlord' path represents a slow transformation of feudal estates into large capitalist enterprises. Through the exploitative 'junker' path, which was identified by Lenin as 'capitalism from above' (Byres 1996: 5), feudal landlords became new capitalist entrepreneurs and maintained their elite position while peasants were expropriated and transformed into landless workers (De Janvry 1981: 107). The 'farmer path' or Lenin's 'capitalism from below', which was Lenin's preferred path for the development of agricultural capitalism for Russia (De Janvry 1981: 108; Byres 1996: 5), took place through the formation of a home market for large-scale industry which was created through social differentiation among middle peasants who were disintegrated into a rural bourgeoisie (or a well-to-do-peasantry) and a rural proletariat (allotment-holding wage-workers) (Lenin 1956 [1899]).

Lenin's models of capitalism from above and capitalism from below have been a reference point for studying the possible multiple trajectories of agrarian transitions. Terence Byres (1991) applies Lenin's models to the transitions taking place in Asia. Byres comments on the 'natural' models of capitalist development that tend to assume that capitalism in agriculture may take place only when the country experiences full agrarian transition; this perspective, in Byres's view, is "too stereotyped and narrow" (Byres 1991: 4). He has proposed six paths of agrarian capitalist transition building on the historical experience of

[9] De-agrarianisation will be discussed in section 2.2.2.

[10] While Kautsky sees that agriculture loses its privileged status as the major source of well-being in a 'mature' capitalist society through proletarianisation, a study of Rigg (2005a) shows that for many rural populations in some areas of the Lao PDR - a country which has not yet engaged intensively with capitalism - agriculture is no longer the main source of livelihood sustainability. But it does not occur under a process of proletarianisation, but rather through diversification and pluriactivity (De Haan and Zoomers 2003).

England, Prussia, the United States, France, Japan, and Taiwan/South Korea. Though agrarian transition in these countries was considered as following either an 'above' or a 'below' path, Byres points to the particular characters of the transition taking place in each place.

While Byres develops his ideas on the basis of Lenin's understanding of capitalism from above and capitalism from below, the multiple trajectories of agrarian transition detailed in his work challenge any perspective (including Lenin's) that seeks to define a general model for agrarian transition or capitalist development which is applicable to all poor countries. He argues that it is necessary to avoid assuming that "the few 'models' we have in mind exhaust the relevant possibilities" (Byres 1995: 569).

The connotation of the agrarian transition as industrialisation leads to the view that the agrarian transition is already complete in the global North (Bernstein 2004: 202; De Koninck 2004: 285). This process is, however, "still very much underway" in many countries in the global South (De Koninck 2004: 285). Furthermore, the trajectories of changes in these countries may not follow the paths observed in the global North. Drawing on the Southeast Asian experience, Rigg (2005b: 179) proposes a general typology of agrarian transitions predicting possibilities of agricultural and rural changes in the region in which he identifies six agrarian types ranging from subsistence to semi-subsistence, pluriactive (post-peasant), professional, pluriactive (post-productive, neo-peasant), and remnant smallholders (see Table 2.2). Subsistence is considered by Rigg as the agrarian type of the past as most rural households in the region have now moved to semi-subsistence (type 2) or pluriactive (type 3) living arrangements.

Table 2.2 Generalised typology of agrarian transitions in Southeast Asia

	Type	Agrarian Type	Characteristics
Past → Present → Future	1	Subsistence	Farming and village focused; some barter and sale of surplus.
	2	Semi-subsistence	Combination of subsistence with commercially oriented agriculture; livelihoods remain farming and village focused.
	3	Pluriactive (post-peasant)	Combination of subsistence and commercially oriented agriculture with various non-farm activities, both on-farm and off-farm. Migration and the delocalisation of work are increasingly significant.
	4	Professional	Professionalisation of farming and the emergence of agrarian entrepreneurs. Large scale, commercial enterprises utilising high levels of inputs, a tight integration into national and international markets, technology intensive. The size and level of production allows farmers to make a living from farming alone.
	5	Pluriactive (post-productive, neo-peasant)	Return or adaptation of pluriactivity as part-time farmers make a lifestyle choice and combine farming with other occupations, trading higher income for a better quality of life.
	6	Remnant smallholders	Rural households who remain tied to the land and to traditional production systems. Production is low, subsistence orientation still significant, and poverty high.

Source: Reproduced from Rigg (2005b: 179)

Rigg expresses his doubt as to how far the agrarian type 3 can persist believing that rapid transition to type 4 and type 5 will take place soon. He argues that rural households who are not successful in embracing new lifestyle choices but continue to have ties to the land will become type 6 remnant smallholders.

In searching for a deeper understanding of the process of agrarian transition, a group of researchers working on *The Challenges of the Agrarian Transition in Southeast Asia* (ChATSEA) project[11], defines transition as "the transformation of societies from primarily non-urban populations dependent upon agricultural production and organized through rural social structures, to predominantly urbanized, industrialized and market-based societies" (De Koninck 2004: 286). According to the ChATSEA research project, several processes are involved in the transition: agricultural intensification and territorial expansion; market integration; industrialisation and urbanisation; mobility of population; intensification of regulation; and environmental changes (De Koninck 2004: 286). Transition in different contexts will show different mixes of these transition processes. This affirms the diversity and complexity of the pathways of agrarian transition; there is not only a variety of agrarian paths among the countries which the transition has already been complete and the countries where are still experiencing transition but also different trajectories among the countries which the transition is not complete. The following section discusses one of the major processes of agrarian transformation: de-agrarianisation.

2.2.2 Rural transformations and de-agrarianisation

Scholars have attempted to interpret what has happened in rural areas and how the lives of rural dwellers have changed. It has been recognised that there has occurred a diversification of rural household livelihoods combining both on-farm and off-farm work. There is work from around the world highlighting the growing significance of non-farm income over farm-based income (Meagher 1999; Ponte 2001; Rigg and Nattapoolwat 2001; Bryceson 2002). Bryceson (1996: 99) explains the decline of agriculture in terms of a process of 'de-agrarianisation', which is a process of livelihood reorientation, occupational adjustment, and spatial relocation of rural people away from a strictly agricultural base. The De-Agrarianisation and Rural Employment (DARE) Research Programme of Afrika-

[11] This research project comprised a group of researchers who work on agrarian and rural studies in Southeast Asia. See http://catsea1.caac.umontreal.ca/ChATSEA/en/ChATSEA_Home.html.

Studiecentrum at Leiden University focused on attempting to understand rural transformations in African countries. Studies have pointed to the pressures and uncertainties that peasant households confront with the removal of agricultural subsidies under structural adjustment programmes (Madulu 1998; Chukwuezi 1999; Yunusa 1999; Bryceson 2002). There are also other factors pushing rural dwellers to drift away from agriculture, including those arising from population growth and land shortage (Madulu 1998; Yunusa 1999); the need for capital (Chukwuezi 1999; Meagher 1999); and the level of education of the youth (Yunusa 1999).

Although it was developed mainly on the basis of work in rural Africa, the concept of 'de-agrarianisation' has also been applied to the situation in rural areas of non-African societies. In the Southeast Asian region, perhaps Rigg (2001; 2003; 2006b; Rigg and Nattapoolwat 2001; Rigg et al. 2008) is the most obvious scholar who describes Southeast Asian rural transformations in terms of a process of 'de-agrarianisation'. Rigg points to a dramatic decline in the role of agriculture as a major source of income for the sustainability of household livelihoods. Basing his research in rural Thailand, he calls for 'the need to divorce what is best for agriculture from what is best for rural people' because agriculture is 'being squeezed' (Rigg and Nattapoolwat 2001: 956) and becoming only 'a side-line activity' for many villagers (Rigg 2003: 213). In his later work (Rigg 2006b), Rigg makes a clear statement that there is an increasing tendency towards a de-linking between the lives and livelihoods of people in the global South and land (Rigg 2006b: 181). Rigg rightly points that landless people and the poor are not always the same; landless people are not necessarily poor. Thus the redistribution of land, together with other mechanisms for agricultural improvement, may not be able to resolve rural poverty as those people who benefit may not be the poor. Policies which focus on agricultural issues may lead to the unintended consequence of widening inequality within rural spaces. Rigg thus calls for a thoughtful reconsideration of how best to resolve rural poverty.

A de-linking between the sustainability of rural livelihoods and farming is also documented in the case of Vietnam. Van de Walle and Cratty (2004) see the potential of rural non-farm activities to lift Vietnam's rural poor out of poverty. They find that while land access has a positive influence on welfare, it has negative impacts on the probability of off-farm activities among rural households. In "Land in Transition: Reform and Poverty in Rural Vietnam", Ravallion and Van de Walle (2008 cited in Akram-Lodhi 2010) discuss increasing

landlessness in rural Vietnam in relation to the reduction of rural poverty. They argue that an increase in landlessness is a sign of economic success in Vietnam; rural households which have moved out of poverty are those who have also moved from farm activities. They thus conclude that "rising landlessness has been a positive factor in poverty reduction in Vietnam as a whole" (Ravallion and Van de Walle 2008 cited in Akram-Lodhi 2010: 567). This argument is, however, critiqued by Akram-Lodhi (2010) who comments that Ravallion and Van de Walle misconstrue the links between landlessness and poverty in rural Vietnam, as well as in other developing countries. Akram-Lodhi (2010: 569) points to the heterogeneity of landless rural people: some rural landless may be the poor while some many not. For Akram-Lodhi (2007a: 167), increasing landlessness indicates the rising concentration of land. This raises the question of whether landlessness and the transition after reform opens the probability for rural diversification and the positive development of the rural labour market or whether reform leads to landlessness and makes diversification necessary as a survival tactic among the poor (Akram-Lodhi 2005: 108; Akram-Lodhi 2010: 575-576).

Tania Li (2009) also expresses her concern for this issue in her critique of the *World Development Report 2008: Agriculture for Development* (World Bank 2007a). She criticises the World Bank's perspective in suggesting that rural populations who are not successful in agriculture "should exit agriculture" (Li 2009). Li comments that the report is too optimistic when it argues that "increasing wages for agricultural workers offers the greatest potential to lift millions out of poverty" (World Bank 2007 cited in Li 2009: 631). But this road to move unsuccessful peasants away from poverty is not smooth. In some poor countries in the global South, the opportunities for wage work are still limited. Large numbers of dispossessed rural populations find themselves in the situations of "three nothings - no land, no work, no social security" (Walker 2008 cited in Li 2010: 72). The question asked by Rigg (2006b) about how best to lift rural people out of poverty is still relevant but it needs to incorporate consideration of those contexts where there are limited non-farm options.

Thus, moving away from the farm is not always the best way to support rural livelihoods. Meagher (1999) points to the significance of agriculture in generating non-farm opportunities and capital. Meagher also argues that the expansion of non-farm work while there is not enough support for the agricultural sector can lead to the intensification, instead of the alleviation, of rural poverty and income inequality. Researching rural villages

in China, Ploeg and Jinzhong (2010: 526) find that pauperisation is likely to happen when synergies between farm and non-farm activities fail. Similar situations are also found in Yaro's (2006) study on rural Ghana. Yaro argues that "[d]iversification [deagrarainisation] *per se* does not automatically lead to livelihood security" (Yaro 2006: 155 italics in the original). For many rural households, the sustainability of livelihoods is based on their potential to combine on-farm work with off-farm work rather than completely moving away from the farm; apart from diversifying their livelihood into non-farm activities, rural households also intensify their farm activities.

In addition to de-agrarianisation, scholars have also paid attention to the reverse (related) processes – re-agrarianisation. There is work pointing to a relationship between de-agrarianisation and what might be called "re-agrarianisation". Ploeg and Jinzhong (2010) observe the link between town and countryside, industry and agriculture in China. They find that rural migrants in China who spend extended periods of time in town still retain their connection with their villages and farms through various forms of arrangement. Farms are now intensified and 'simplified' rather than squeezed. Peluso (2011) observes that while forest villagers in Java now earn a great deal of income from urban, and distant industrial or rural sites, they do not move away permanently from their farm. Migrations of forest villagers are periodic, temporary and circular although some villagers may work outside the village several months per year. McKay (2003; 2005) reports a changing agricultural landscape from subsistence to commercial agriculture in frontier communities in the Philippines when women withdraw their knowledge and labour from their fields to take advantage of overseas work. A conversion from subsistence to commercial agriculture is supported by remittances sent from abroad. In this light, non-farm activities help to feed agriculture. What is important to remember is that this're-agrarianisation' is not equal to the "reversal of a linear process of de-agrarianisation" (Hirsch 2011: 186). This raises the important point concerning the linearity of agrarian transition, highlighting that the word 'transformation' might be more apposite.

2.2.3 Agrarian transformations in the frontiers

One current of agrarian transformations in many countries in the global South is agricultural expansion into frontier areas. Economist Edward Barbier (2005: 288-289) argues that economic growth in many countries in the global South, and especially in newly

opened economies, is significantly contributed to by resources in the frontiers. Market forces are seen as a significant condition stimulating the transformations taking place in the frontiers (Cramb et al. 2009; Fox et al. 2009). However, market expansion is not a single process. Rather, it is always associated with a process of spatial integration. Infrastructure development, especially the expansion of road networks, is a fundamental condition for market penetration in the frontiers. These dual processes of market and spatial integration have resulted in the increasing and intensifying integration of the frontiers into the national and global economies.

The increasing global demand for particular crops has led to a remarkable increase in their planted area in the frontiers, such as cocoa (Li 2002a), oil palm (McCarthy and Cramb 2009), coffee (Tan 2000; Agergaard et al. 2009), and recently rubber (Fox 2009; Mann 2009; Sturgeon 2010). Agricultural expansion is thus another side of market and economic integration in the frontiers. This process has, of course, re-shaped the frontier space. The transformations of the frontiers' agricultural production system from semi-subsistence to market-led are well-recorded. Another process taking place in the frontiers is agricultural intensification. Increasing demand for agricultural commodities is a key driver for agricultural intensification in the frontiers (Cramb 2009; Hirsch 2009). Commercial crops require not only land for growing crops but also capital inputs - such as modern seeds, fertilisers, and machinery. However, this process may take place even though the production is mainly for household consumption; this occurs when people encounter limits to land access (Raintree and Warner 1986; Potter 2001).

While agricultural expansion and intensification are a response to global market demand, the ways that this process operates in specific places are not always the same. These transformations may result from large-scale investment by outside investors such as a replacement of swidden agriculture by oil palm estates in Malaysia's Sarawak (Cramb 2009; McCarthy and Cramb 2009), fast–growing tree plantations in Sarawak (Barney 2004), or Vietnamese rubber plantations in the Lao PDR (Baird 2010). Studies also show that peasants and small farmers take a significant part in this process (this will be reviewed in section 2.5).

Agricultural expansion and intensification is not always done by local populations; migrants also play a crucial role in this process. Derek Hall (2011b: 508) notes that millions of people migrated to the frontiers of Southeast Asia during the 1990s and 2000s to become involved

in commercial crops, mainly the boom crops. He characterises three patterns of migration. Studies carried out in Thailand (Pinthong 1991; Phongpaichit and Baker 2002) report that large areas of forest in Thailand's frontiers were cleared by new migrants from the central plain to expand commercial crops from the 1970s onwards. Ruf and colleagues (1996 cited in Li 2002a: 419-420) record the arrival of migrants in Central Sulawesi's forest frontiers. Would-be migrants who used their kin and networks to gain access to information even hired buses to tour the frontiers seeking land and cocoa plantations set up by in situ farmers. Gaveau and colleagues (Gaveau et al. 2009: 598) record "unplanned mass migration to the mountainous areas of southwest Sumatra" in response to the rising price of coffee. It is estimated that around 100,000 migrants, largely from Java, moved to this area of previously low population density. In Vietnam, coffee best reflects how fast a commercial crop and migrants have arrived and transformed the frontier spaces. Coffee planted areas increased over 6.5 times between 1993 and 2000 (D. Hall 2011b: 512). Around 200,000 migrants settled down in the Central Highlands, Vietnam's major coffee production area, in only five years of the coffee boom (Winkels 2004: 4).

Agricultural expansion has never been only an economic process; it is rather very much about political issues too. De Koninck and De Déry (1997: 2) view agricultural expansion into the frontier in Southeast Asia as part of the state's geopolitical strategy, allowing the state to control and consolidate both frontier spaces and the frontier's populations. White (1999: 237) documents the rehabilitation of large-scale plantations in a southern region of West Java in the 1980s; the promotion of commercial crops to peasants was strongly made in those areas that had experienced uprisings against the government. A similar phenomenon has also been found in Thailand where the clearing of new forestland for commercial crops in mountainous areas was largely driven by security concerns and a desire to prevent people from joining the communist movement (Uhlig 1988: 15). Road networks which were developed in remote areas performed a two-fold function: to facilitate the penetration of the market in the frontiers and also to maintain national security (Thomas et al 2008 cited in Fox et al. 2009).

Some scholars also point to the 'soft' control of the frontiers through agricultural expansion and intensification. Though 'soft' control may take different forms in each frontier, there is a common interest in 'civilising the margins' (Duncan 2004b). In the case of Southeast Asia's frontiers, namely the uplands, there is a widely perceived attitude among the state and

lowlanders about upland areas as spaces where levels of 'civilisation' and 'development' are still low. The agricultural practices of upland people, namely various forms of shifting cultivation, are usually used as one of the criteria to justify the labelling of such people and places as 'backward' or 'primitive' (see, for example, McElwee 2004; Duncan 2004a; Cramb et al. 2009). There is a need to bring 'civilisation' from the core to these 'backward' spaces. The uplands and their populations have been identified as a primary target for 'development', 'modernisation' and 'civilisation' either via the state or development projects (Duncan 2004a; Li 2007). Modern agricultural expansion into the frontiers is considered as one of the mechanisms to eliminate the 'backwardness' of the frontier. Hirsch (2009: 125) argues that agricultural expansion into the frontiers is associated with a process of "clearing of wilderness in response to global market demand" and "the state's civilising mission on the outer boundaries of modernity".

Overall, a number of studies provide a picture of the links between the frontier's transformations and the market and spatial integration, and the state's civilising mission. Literature highlights agricultural expansion and intensification as two key different processes, but very much linked, that shape and re-shape the frontiers. Transforming the frontier spaces to a market-oriented production space, as some studies argue, pushes the risks to the frontier's populations. (The issue of relations between the market and small farmers is explored in section 2.5).

2.3 Global land grabs for farmland investment[12]

In the introductory chapter, I provided a rough picture of the current situation concerning global land grabs. This section seeks to explore further debates and studies on global land grabs, focusing on land use transformation and property relations.

Discussions on current global land grabs mainly focus on the rising demand for land for food and biofuel crops. These are seen as the major drivers for large-scale land acquisitions in the global South (Cotula et al. 2009: 52 - 55; Spieldoch and Murphy 2009: 41; Anseeuw et al. 2012). Borras and Franco (2012: 38) note that there is a dominant view in the literature

[12] Land grabbers may have different purposes in seeking control over land, for instance, development of protected areas, development of special economic zones, agricultural investment, and so on (see Zoomers 2010). The literature reviewed in this section is, however, limited to land grabbing for farmland investment.

on global land grabbing which emphasises the conversion of forestland and land previously used for domestic (subsistence) consumption into land dedicated to the production of export-oriented food crops and biofuels (see Table 2.3). Moreover, this process is seen to lie in the hands of foreign investors, especially from the global North, the Gulf regions and new emerging economies such as China. While noting that this dominant view resonates with experience in many places, Borras and Franco also warn against the simplification of land acquisitions (Borras and Franco 2011; Borras and Franco 2012: 39). In order to capture the complexity of land grabs, they propose a broad, four-fold typology of land use transformations. First, there is a land use change within the food regime. In this formulation, land remains within the ambit of food production, but the purpose of production has changed. Second is land use change involving a shift from food to biofuel production. A third type of land use change involves the conversion of land from to non-food uses to food production[13]. The last type of change concerns a change from non-food uses to biofuel production (Borras and Franco 2012: 39-45 and see Table 2.3 for a summary of the typology).

Table 2.3 The character, direction, and orientation of land use change

Ideal Type	From	To
A	**Food Production**	**Food Production**
A1	Food for consumption	Food for domestic exchange
A2	Food for consumption, domestic exchange	Food for export
A3	Food for export, monocropping and industrial farming	Food for consumption and domestic exchange, small-scale polyculture
B	**Food Production**	**Biofuel**
B1	Food for consumption, domestic exchange	Biofuel for export
B2a	Food for consumption, domestic exchange	Biofuel for local use and domestic exchange, but corporate-controlled
B2b	Food for consumption, domestic exchange	Biofuel for local use and domestic exchange, but non-corporate-controlled

[13] The term 'non-food' is used broadly to describe land not primarily used for food production. This term includes forest land and other non-food lands (such as grasslands) (Borras and Franco 2012: 43).

Table 2.3 The character, direction, and orientation of land use change *(continued)*

Ideal Type	From	To
C	**Non-food Production**	**Food Production**
C1	Forest lands	Food for consumption, domestic exchange
C2	Forest lands	Food for export
C3	'Marginal', 'idle' lands	Food for consumption, domestic exchange
C4	'Marginal', 'idle' lands	Food for export
D	**Forest and marginal/ Idle lands**	**Biofuel Production**
D1	Forest lands	Biofuel for local use and domestic exchange
D2	Forest lands	Biofuel for export
D3	'Marginal', 'idle' lands	Biofuel for local use and domestic exchange
D4	'Marginal', 'idle' lands	Biofuel for export

Sources: Reproduced from Borras and Franco (2012: 39)

Note: The shaded rows represent those types of land use transformations that are the object of the anti-land grabbing movement and political campaigns; they all represent changes from local/domestic use to production for export.

The direction of land use change brought about by such land grabs is not, however, limited to food and biofuel production. Cotula (2012: 17) notes a conversion of land used for non-food and non-biofuel production. Some land is used for agricultural commodities required for industries such as rubber in the Lao PDR or cotton in Ethiopia. Large areas of land have also been grabbed in the global South to establish wood tree plantations.

The process of global land grabbing has led to a linked concern for its effects on property relations. Studies have showed that the target for land deals is usually land which is ostensibly defined as 'idle', 'marginal', 'waste' land, or forest, implying that there is no pre-existing occupant (Cotula et al. 2009: 62). Franco (2009 cited in Borras and Franco 2012: 49) points to vague statements about massive areas of land being defined as 'non-private'/'public'. The label 'non-private' provides a means by which the state can claim ownership. For instance, around 70 per cent of Indonesia's land is defined as forest estate (even when it is not covered by trees), and therefore owned by the state (Deininger et al. 2011: 99). Such land is far from empty, but home and the main sources of livelihoods for a

large proportion of Indonesia's population (Peluso 1992). Claiming that land is the state's property allows the state to award land to land seekers, with little or even no regard to pre-existing land users. Literature on global land grabs records that land in the frontiers where formal property rights are not well established is attractive to investors. The World Bank's report on large-scale land acquisitions for agricultural investment records that "lower recognition of land rights increases a country's attractiveness for land acquisition" (Deininger et al. 2011: 55) as it allows investors to gain control over land and resources at little cost (Li 2011: 284). The literature suggests that in order to prevent pre-existing land users being pushed off their land, existing land rights (including customary and common property) need to be legally and formally recognised (Von Braun and Meinzen-Dick 2009: 3; Deininger et al. 2011: 98-103).

Land grabs are not, however, taking place only in the peripheral areas where land tenure is not formalised. Such action and processes can also be found even in areas where property rights are well-established (D. Hall 2011a: 851). Barney (2004) reports, for example, land grabs taking place in eastern Thailand where the target land is under private property. Borras and Franco (2011: 27) write of land grabs in the Philippines where: "land investors and land speculators actually prefer land deals that have clear property documents, in order to ensure the investor's security". Land dispossession may occur even in areas where clear property rights have been established and well-recognised (Borras and Franco 2010a). This raises an issue of whether formalisation of land ownership can prevent land loss. Formal property rights or giving land title alone cannot guarantee land security (Jansen and Roquas 1998; Borras and Franco 2010a; De Schutter 2011). This leads to the question concerning the win-win character of land grabs, such as that proposed by Deininger and colleagues (2011), and the view that this is a pro-poor policy. Issues around the direction of land-use changes, evolving property relations and the possibility that land deals might be part of a pro-poor policy will be returned to in Chapter 8, drawing on the lesson of the fieldwork in the Lao uplands undertaken as part of this study.

2.4 The state and agrarian processes

The state, whether it is under a democratic or socialist system, has long played a significant role in agrarian processes. This section follows Araghi (1995; 2009) in differentiating the state's role in the post war period into two broad phases: a phase during which a national

framework prevailed and a later globalisation phase. Table 2.4 provides a summary of the role of the state in agrarian processes.

2.4.1 The state's role in a national framework

The three decades after the end of WWII were considered the heyday of state-led development. Development was generally framed under a national framework aiming to enhance the national economy. Araghi (1995: 345) terms this the era of "nationalist developmentalism". In this era, the state was the crucial actor in directing national economic development, including both agricultural and non-agricultural sectors.

The role of the state in economic activities was most obvious in the case of countries under communist systems. One of the most significant policies adopted by communist countries was land reform. Bernstein and Byres (2001: footnote 57) note that following the victory of the communist movement in the Soviet Union, China and Vietnam, the new communist governments in each launched programmes aimed at the redistribution of land as a first phase in their economic policies. Land redistribution was later replaced by massive campaigns of collectivisation or communalisation of farms which involved coercion and, often, violence against large landowners and counter-revolutionaries in the countryside[14]. Collectivisation of farms was considered the only possible solution for resolving agricultural difficulties in communist countries (Fallenbuchl 1967: 1). Each communist state had different capabilities or capacities to deliver on its policies. In the Soviet and Chinese cases, collectivisation quickly led to the establishment of large-scale collective farms or communes. In the case of the Lao PDR, the communist state largely failed in its efforts to introduce collective farms. The communist government was not able to control or direct agrarian processes as it wished (Evans 1990). Many socialist states experienced the resistance of peasants and the consequent decline of agricultural production on the newly-created collective farms.

[14] The establishment of collective farms led to the death of millions of peasants in the Soviet Union (Leonard 2011: 69). In China, it has been estimated that during the collectivisation campaign between 1,000,000 and 1,500,000 people were executed (Moise 1983: 142).

Table 2.4 Summary of agrarian processes in relation to the role of the state and globalisation

	Capitalist state	**Socialist state**
"State-led developmentalism" (Post war to the mid-1970s)	* Land reform (private property) * Import-substitution industrialisation - Price control - Procurement programme - Taxation - Subsidies * Green revolution	* Land reform (collectivisation of land and farms) * A centralised command and control system in agriculture
Globalisation (Mid 1970s onwards)	* State-subsidised farm * State as protectors (e.g. taxation)	* Collective farms * A centralised command and control system in agriculture
	GATT and WTO	***Reform in socialist countries - mid-1980s***
		* Withdrawal of the state as director of agrarian process. - De-collectivisation of farm (and land) - Market-oriented agriculture
		Agreement (1990s)
	* State as a facilitator for processes of liberalisation of agriculture (subsidies and other forms of protection progressively lifted)	* State as a facilitator for processes of liberalisation of agriculture (subsidies and other forms of protection progressively lifted)

The state in non-socialist countries also played a crucial role in economic activities. One influential scholar whose work points to the significant role of the state in the achievement of agrarian development and industrialisation is Cristóbal Kay (2002) who investigates why the outcome of agrarian reforms, industrialisation, and economic development reflected through a lens of economic growth in East Asia (South Korea and Taiwan) was greater than in Latin American countries. He argues that one of the important conditions for the outperformance of East Asian countries' development over Latin American countries relates to the respective state capacities. The state was strong in South Korea and Taiwan but not in Latin America where the state rarely gained domestic support causing difficulties for Latin American states in delivering policies of agrarian reform.

During the heyday of state-led development, one significant purpose of agrarian development was to achieve self-sufficiency in food, to provide cheap food to feed the growing number of industrial workers. This was seen as the road to 'modernity' (Kay 2009: 105-106). Many newly independent countries gave preference to the industrial sector over the agricultural sector and import-substitution industrialisation (ISI) was the economic model embraced by many countries in the South. When attention was paid to the agricultural sector, it was about how agriculture could contribute to national industrialisation by, for example, providing cheap labour to fuel the industrialisation process. This model of development was notably criticised by Michael Lipton (1977) in his 'urban bias' model of development.[15] To achieve the aim of self-sufficiency in food, the state intervened in agrarian processes in various ways. Though there were differences in the patterns and forms of the state's intervention in each country, some consistencies can be identified. These include: various forms of land reform, the promotion of the green revolution, subsidies and market interventions. The state acted as a key agent of the green revolution. In some countries (such as in India and the Philippines), the state was involved in the expansion of the green revolution by supporting agricultural research as well as providing incentives (e.g. subsidies, credit, infrastructural development and more) to

[15] Michael Lipton (Lipton 1977) critiques agricultural development policies (in the form of 'price twists') in the South which, in his view, were shaped to benefit urban populations and industries at the expense of agriculture, the countryside and rural people. He argued that such policies preferentially benefitted the urban and industrial sectors, while they left rural people in poverty. Kay (2009: footnote 13) notes that Lipton's 'urban bias' thesis stimulates a further consideration of rural – urban relations (e.g. in ***Journal of Development Studies***, Vol. 20 No. 3 published in 1984 and Vol. 29 No 4 published in 1993). Lipton's thesis has, however, been thoroughly critiqued not least with regard to his division between rural and urban space (Moore 1984).

convince people to join the green revolution project (Djurfeldt and Jirström 2005). In other countries, like South Korea, peasants were forced by state officials to accept the green revolution project (Kay 2002: 1080).

Another significant intervention of the state in agrarian processes can be seen in pricing. Rice was the agricultural product that best reflected the role of the state in the agricultural market, at least in Asia. David and Huang (1996: 463) note that no government in Asia, the world's main rice producing region, left rice prices under the market mechanism without the state's intervention. Some countries launched procurement programmes for certain agricultural products (such as rice and sugar). Farmers were required to deliver a set quota to be sold at a fixed price, usually lower than the market price, to support the state's procurement programme (Kay 2002: 1082; Honma and Hayami 2006: 13). In addition to price controls, the state also intervened in agrarian processes through taxation which has been seen as a mechanism reflective of an 'urban bias' favouring industrialisation. Imposing heavy taxes on agricultural exports was used to lower domestic prices of food to ensure that the country would have sufficient cheap food to support national industrialisation. In Taiwan, agricultural exports were taxed at a higher rate than industrial exports (Wade 1990: 76) reflecting which sector was given the higher priority.

Overall, during the three decades after the end of WWII, the state, both socialist and non-socialist, was a key actor in national development processes. Agrarian development programmes were framed under a national framework in which the state played a significant role. Though there is no doubt about the important role of the state, there is a question about how far the state could manipulate and shape national agrarian processes. Did the state have full autonomy in directing agrarian processes? Was the state always able successfully to deliver its policies? Looking at the role of the state in both socialist and non-socialist countries, one may see that the state had different capabilities in implementing its policies. Different forms of political regimes and perspectives, differing non-domestic forces, and differing geo-political contexts influenced the potential of states to implement policies of agrarian development. 'Strong' states seemed to be more successful than 'weak' states in directing agrarian processes. Thus, though the state was a crucial agent in post-war development, it could not fully control the whole process of economic development. The power and autonomy of the state came to be increasingly challenged under the context of globalisation and, more latterly with reform in the former socialist countries.

2.4.2 The state's role in a globalisation framework

The power and autonomy of the state have been questioned in the contexts of the collapse and then reform in former socialist countries and, more widely, given the effects of 'globalisation'. In the 1980s, the economies of the former socialist countries were transformed from centrally-planned economies to, increasingly, market-oriented economies[16]. The World Bank's *World Development Report 1996* had the subtitle 'from plan to market' (World Bank 1996) and set out the case for a rolling back of the state to allow markets to work 'properly'. Thus, privatisation of state enterprises and the establishment of private property were regarded as priorities in both market and socialist economies. Another message arising from the Bank's report was the necessity of integrating former socialist countries into the global economy, believing that this would lead to improving standards of living for people in these countries.

The role of the state in agrarian processes came to be increasingly downgraded in the globalisation era. The General Agreement on Tariffs and Trade's (GATT) Uruguay Round in 1986 (GATT became the World Trade Organization or WTO in 1995), is considered a turning point in the internationalisation of global trade. The state, which once was considered a crucial actor for the development of the agricultural sector and the national economy, came increasingly to be seen as an impediment, distorting markets. The WTO's Agreement on Agriculture (AoA), resulting from negotiations at the GATT Uruguay Round, aimed "… to establish a fair and market-oriented agricultural trading system…" and "… to provide for substantial progressive reductions in agricultural support and protection in the areas of domestic support, export subsidies and market access" (WTO 2003: 3). Under this agreement, all member countries were required to reduce, though not eliminate, the subsidies they provided to their domestic and export sectors. They are also required to increase market access by reducing non-tariff import barriers resulting in the internationalisation of agriculture.

There is a question of how to understand the status of the state in the context of globalisation and the internationalisation of agriculture. McMichael (McMichael 1992;

[16] It should be noted that changes in the former socialist countries occurred in two distinctive directions: i) the relatively absolute displacement of communist power (e.g. in the former Soviet Union and Eastern Europe); and ii) economic reforms while the party still maintained its control over the political sphere (e.g. in China, Vietnam, the Lao PDR, and Cuba).

McMichael and Myhre 1990) argues that what we see is the emergence of global regulation which subordinates national regulation to supra-national forces and institutions, thus "bypass[ing] the national regulatory structures" (McMichael and Myhre 1990: 60). He considers that the state has been restructured to serve global investors and to enhance global market forces (McMichael 1997: 646). Agricultural structures have thus been shifted from a national framework directed by the state to an international framework in which international agribusiness firms and supra-national organisations become dominant actors in directing global agrarian processes (McMichael 1992: 355-359; Kearney 1996: 127-130; Watts and Goodman 1997; Bernstein 2000:36-38).

Though recognising strong forces of globalisation, many scholars warn against the view that global processes equate to the demise of the state. Weiss (1997) views the notions of the powerless state in the globalisation era as a 'myth'. Drawing on her work on the restructuring of agro-exports in the Dominican Republic, Raynolds (1994) challenges the view that current agrarian processes are solely directed by the market. She points to the role of the Dominican state, in conjunction with transnational financial institutions and bilateral donors, in promoting non-traditional agricultural commodities in the context of the decline in revenue from its traditional agricultural commodities. Farmers are encouraged to get involved in non-traditional agricultural production through the implementation of laws giving tax benefits, state-subsidised credit, and cheap rental of the state's land for non-traditional agricultural commodities for export. Drawing on the Dominican agrarian experiences, Raynolds criticises the 'new internationalisation of agriculture' school[17], suggesting that its proponents tend to overlook the critical role of the state in the restructuring of national agriculture in the South. Raynolds argues that agricultural restructuring in the South cannot be viewed as solely determined by powerful global forces; there is a need to consider the local contexts and the role of the state in the restructuring process too. The continuing role of the state in the globalisation era can be seen clearly in transitional countries. The Chinese state still maintains its power in directing agrarian processes at both domestic and international levels (Rutherford et al. 2008: 144; Akram-Lodhi and Kay 2010: 278).

[17] The work of the new internationalisation of agriculture school is based on the Mexican agrarian experience. One of the main arguments of this school is that internationalisation of agriculture in the South is concurrent with the demise of the peripheral state in agrarian processes (see Raynolds et al. 1993: 1104 for a summary of the school's main argument)

Overall, the state, both socialist and non-socialist, was the most significant actor in directing agrarian processes. The state launched a range of policies to achieve national agrarian and economic development including land reform programmes, the promotion of the green revolution, agricultural taxation and subsidies. Each state had different levels of capability to deliver its agrarian development programmes. The power and autonomy of the state in directing the national economy and national agrarian processes have, however, been increasingly challenged in the context of globalisation and reforms in former socialist countries. Though the market is increasingly important in the current globalisation era, it has never fully displaced the state in economic processes. The state still plays an important role in agrarian processes but as a facilitator rather than in a deterministic manner. In the context of global capitalism, the state today plays a crucial role not only in its own agrarian processes but also in the agrarian processes in other countries; the role of the Chinese state is a case in point, as we will see later in the discussion. What is important to note is that the shift of the state's power and role in agrarian processes before and in an era of globalisation is a shift in degree rather than kind. We thus need to situate the state in particular contexts, which this study is attempting to achieve, rather simply generalise by claiming that the power of the state these days is completely superseded by market forces.

2.5 Peasants, small farmers and the market

Under the context of globalisation and the collapse of the socialist economy in the former socialist countries, mainstream development organisations (such as the World Bank) define the market as the 'medicine' to heal the problems caused by 'interventionism' in both 'developing' and post-socialist countries (Spoor 1997b: 1). The WDR 2000/2001 proposed that increasing market opportunities was necessary as a strategy to lift people out of poverty (World Bank 2001: 6-7). But the question is how far the market can bring a better life to people.

Work on transitions in post-socialist countries points to the problems of the 'market panacea' (Spoor 1997a). Though there is evidence that peasant household income has increased and rural poverty has declined in many former socialist countries, the persistence of rural poverty is noticeable (Spoor 1997a; Spoor 2009). In Bulgaria, Meurs and Begg (1998) observe that reforms have resulted in an unexpected decline in agricultural productivity. After the reforms, prices of agricultural inputs, which had been heavily

subsidised, increased while prices of agricultural products were held down for the benefit of consumers. Moreover, Bulgarian peasants were not able to compete with imported agricultural products, which were often supplied under a subsidy programme of the exporting countries' government. The reforms thus resulted in squeezing the products and profitability of Bulgarian peasants.

Zbierski-Salameh (1999) records how reforms have affected Polish peasants who find that it becomes more difficult for them to earn profits from their farms. Peasants have encountered a situation where they have to pay for costs of inputs higher than what they earn from selling their outputs. This is due to the withdrawal of the state's support for agricultural inputs causing peasants' restricted access to credit and other productive resources to an even greater degree than during the late socialist period. The impact of reforms has led to the movement of peasants, who once were proponents for socialist reform, against the reformist policy. Instead of taking their produce to the market, peasants have involuted their agricultural production and have adopted a 'closed-cycle production system' - a system which is close to a subsistence system.

In Vietnam, while an impressive outcome of reform can be observed, differentiation has increased (Tuan 1997; Akram-Lodhi 2005; Akram-Lodhi 2007a; S.Scott 2009). There has been a growth in the number of landless peasants facilitated by the liberalisation of land markets, combined with inequality in access to other assets and means of production, allowing land to be transferred from poor peasants who in some areas have become landless. Steffanie Scott (2009) looks at the impact of marketization on peasants in Vietnam through the lens of land policy and land marketization. Her findings are in line with those discussed by Akram-Lodhi (Akram-Lodhi 2005; Akram-Lodhi 2007a). Increasing differences in land holdings between poor and non-poor peasants are observed. Such differentiation is deeper in the central highlands and South-East regions where the number of landless households is on the rise. For example, nearly 40 per cent of the poorest households in the Mekong delta (in the Southern region) are landless (S. Scott 2009: 188). In this light, Steffanie Scott concludes that while the economic transformations generated by the reforms have opened up more opportunities and benefits for some groups, they have also left others more vulnerable.

In the current contexts of globalisation and neo-liberalisation, the impact of global markets and global capitalism (especially, global agribusiness) on peasants and small farmers is at

the centre of concerns in the agrarian studies literature. Some studies argue that peasants are more vulnerable when they are integrated into global markets. For example, Akram-Lodhi and Kay (2010: 279) conclude that there is a growth in poverty and inequality, and semi-proletarianisation in developing countries throughout the world due to global restructuring of agricultural production and trade facilitated by neoliberal globalisation. Araghi (2009) considers the impacts on peasants under what he calls 'postcolonial neoliberal globalism' through processes of global enclosure of food regimes, which creates a global division of labour at the expense of peasants in the South who have limited ability to compete in the global market. Large numbers of peasants have been partially displaced from their means of subsistence and means of production. The current global enclosure has thus intensified processes of de-peasantisation and de-agrarianisation. Kay's (2000) study of agrarian transformations in Latin America points to the impacts of neo-liberalism on the Latin American peasantry. He points to agrarian restructuring in many Latin American countries which has stimulated the rapid growth of non-traditional agricultural exports leading to disparities between capitalist farmers, who can access the resources and technologies required for new kinds of agricultural exports, and peasant farmers, who cannot. The majority of Latin American peasants, as argued by Kay (2000: 132), are in a state of "permanent semi-proletarianization"

Another dominant agrarian form under globalisation is the rise of contract farming. Scholars have quite different views on how contract farming affects the life of peasants. Watts (1992) views contract farming as a means of integration and subordination of peasants into global capital circuits. It shapes new forms of investors' controlling production processes and household labour processes. Watts argues that peasants are turned from 'independent' peasant producers to semi-proletarians who work under the direction of the contractor; a peasant under contract farming is "little more than a propertied labourer, a hired hand on his or her own land" (Watts 1992: 91). Shiva (2004) expresses her worries about the issue of food security when peasants have lost their power to control agrarian processes and agricultural production to global agribusiness firms who, with their rising power to control agricultural chains, may sell food at prices that peasants are unable to afford. By contrast, Walker (2009) views contract farming as mechanism by which small farmers access agricultural inputs and avoid from the risks of being trapped in a cycle of debt.

There is a tendency to interpret the hardship that peasants encounter as being the result of the penetration of the market. This perspective appears in work under the political economy approach, which tends to see peasants and small farmers as passive victims of policies and practices determined by macro actors and structures, namely the market, globalisation, and the state. But the view that sees peasants as a passive victim of powerful external forces is also found in non-Marxist literature, such as neo-populist work which tends to view peasant society as a harmonious system with little differentiation among peasant households (Patnaik 1979). The 'peaceful', 'harmonious', 'undifferentiated' characteristics of the peasantries are seen as having been unsettled by external forces, especially capitalism and the state (Brass 1997: 206; Walker 2001: 149-150).

Drawing on the experiences of the Thai uplands, Walker (2001; 2004) comments critically on the construction of upland images attached to a subsistence economy and the presumed harmony of upland communities, which are then shaken by the twin forces of the state and the market. These images of upland communities in northern Thailand are constructed by NGOs and some scholars, with the good intention to help protect the rights of uplanders who live in forest areas. The campaign thus presents the livelihoods of upland communities, and *Karen* ethnic communities in particular, as forest-dependent while downplaying their long historical engagement with commercial crops. This perspective is termed by Walker (2004) an 'arborealised' perspective of upland agriculture which may create new problems of legitimacy as uplanders seek to become agriculturalists. Walker notes that there is a disjunction between the images constructed by such campaigns and the reality of upland villages. The claim that upland communities produce only to meet their subsistence needs, and do not (and do not wish to) become involved in the market is presented by Walker as an agrarian 'myth'.

Rigg (2006a), while fully recognising the tendency towards social differentiation when rural communities are integrated into the market, warns against a pessimistic view seeing market integration as a single destructive process. He stresses that the pessimistic view "fails ... to tell the full story" of market integration because it exaggerates the productivity of the 'traditional system' and ignores the opportunities provided by the market (Rigg 2006a: 131). Drawing on his research in rural areas of the Lao PDR, Rigg argues that market integration has brought both negative and positive effects to rural populations. While market integration may lead to a growing vulnerability of rural livelihoods for some, it does

provide opportunities for others. In this light, the response of peasants and small farmers to the market and capitalism is not limited to resistance.

In Indonesia, capitalism is often seen as a destructive force making people poorer and more marginalised; in light of this, anti-capitalism is a major main theme of Indonesia's agrarian movement – a movement which is a struggle over issues of land rights, natural resources, and trade policy (Tuong 2009: 182). While the Indonesian agrarian movement expresses its position as hostile to capitalism, the resistance of peasants in West Kalimantan as recorded by Potter (2009) does not fit neatly into such an anti-capitalism framework. Potter reports the resistance of peasants to the invasion of oil palm estates which transform them from independent peasants to labourers or peasants who can hold only a small piece of land. Peasants resist the arrival of oil palm companies employing both covert and overt means, depending on the political context. However, peasants' resistance to the oil palm estates does not mean that peasants resist capitalism or the market *per se*. Potter notes that the market is not unknown to peasants (thus echoing Walker's argument about northern Thailand) as they have been involved in growing cash crops such as rubber for the market for many generations. Moreover, they are also attracted by new cash crops such as pepper or cocoa (Potter 2009: 105).

Barney (2004), who has observed resistance of peasants to plantations in Malaysia and Thailand, makes a similar point. He records the resistance of peasants in various areas of Thailand to the eucalyptus companies, with their close relations to some politicians, who attempt to access land classified as reserved forest but which has long been used by a considerable number of peasants. The attempts to evict and intimidate peasants have led to peasant protest. But Barney observes that in cases where companies employ 'friendly' strategies such as purchasing land from villagers or establishing contract relations with villagers, villagers' responses are different. While some villagers may complain about the plantation projects, others have engaged in pulp production for the companies. Some companies are very successful in convincing villagers to grow eucalyptus for them; Barney notes that some companies obtain 100 per cent of their pulp products through contract farming relations with villagers. In the case of the displacement of longhouse communities from state-backed plantation (pulp paper plantation) in Sarawak, Malaysia, Barney records that force is often used to access land belonging to longhouse communities. This has not infrequently led to overt resistance from peasants such as roadblocks. Barney observes that the companies' success in accessing land, and therefore displacing longhouse communities

from their land, is related to local views on new opportunities emerging from plantation estates (especially labour markets for young people) and new developments offered by the companies through the resettlement programmes, such as health and education services. Thus, while there are some households who strongly oppose such projects, the companies can persuade other households to 'agree' to be displaced. Drawing on this work in Malaysia and Thailand, Barney calls for the need to problematize relations between peasants (small farmers), the market, and resistance.

Andrew Walker (2009) also raises a similar point about the local agency of peasants in Thailand in their engagement in commercial crop production. Drawing on his research in a lowland community in northern Thailand, Walker argues that while peasants (through their everyday practices) resist the companies who promote contract farming in the village, their resistance cannot be read as their resistance to the market *per se*. Walker argues that peasants do not seriously express a desire to return to traditional living as do James Scott's (1985) peasants in Malaysia. What peasants in Walker's study village are doing is to 'experiment': trying new crops, new techniques, or establishing contract relations with new companies (Walker 2009: 76).

There is also some work pointing to peasants as active agents in initiating market relations at local scales. This point is raised by Tan (2000) in the case of the transformation of Vietnam's frontiers. Tan argues that highlanders in the central highlands of Vietnam not only participate in growing coffee for the world market but they are initiators, bringing this new commercial crop into the frontier areas of Vietnam (Tan 2000). The villagers' role in the expansion of coffee gardens covering large areas in Central Highlands raises significant issues about the agency of so-called 'marginal' people in a process of economic development in the frontiers. It also highlights the necessity not to assume that the transformations which take place at the local level are the automatic outcomes of powerful macro forces.

Overall, the literature reflects how far – and how quickly – peasants are willing to take advantage of the opportunities that arise from market integration. While there is a peasant movement criticising the impacts of capitalist development or globalisation, it cannot be read-off from this that peasants protest against capitalism *per se*. It should, rather, be considered as resistance to the ways and forms of the operations of capitalism (Brass 2006). The ways that peasants from both lowlands and uplands respond to the market and capitalism raises the important question about the relations between peasants, small

farmers and the market. The influences of external forces on the transformations of peasant societies cannot be denied. However, a great deal of literature suggests that the agency of peasants should be taken seriously to understanding the complicated relations between peasants and the market.

2.6 Summary

This chapter has reviewed three sets of related literatures on agrarian transformations. First, the literature on path(s) of agrarian transition, especially in frontier zones, has been used as a starting point to consider the possible path(s) of agrarian transformation in the uplands of the Lao PDR taking place from both 'above' and 'below' paths, as we will see in Chapter 6. Second is literature on rural transformations and de-agrarianisation which was explored to understand current debates on the role of agriculture (and land) and non-agriculture in sustaining rural livelihoods. Data from the Lao uplands will be used to engage with this debate in Chapter 8, highlighting whether agriculture and land are still relevant to livelihoods and poverty. Third, a review of issues related to land use transformations and land grabs has set up an entrance and framework in understanding the complexities of land grabs and land right relations which will be presented in the two empirical chapters (Chapter 6 and Chapter 7) before returning to discuss more thoroughly in Chapter 8.

The chapter has discussed the role of the state in agrarian processes. A key question is how far globalisation and global processes affect the role and status of the state. Chapter 6 will provide empirical evidence allowing the research to engage with this debate. The final section has explored debates concerning relations between peasants, small farmers and the market. This provided an understanding not only of relations between uplanders and the state and the market but also an approach to understand upland transformations from the micro perspective. In order to gain a better understanding of current situations in the Lao uplands, different sets of literature are linked together. For example, applying the literature on the state and agrarian processes, and the literature on small farmers and the market provides a means to understand the transformations in the uplands as the outcome of connections and negotiations between macro and micro processes moving beyond the dichotomy of macro-micro (structure-agency) determination. This will be seen through the paths of rubber expansion from 'above' and 'below' which will be presented in Chapter 6.

Chapter Three

Research Methodology:

Principles and Practices of Doing Research in the Lao Uplands

3.1 Introduction

Doing research in the Social Sciences can be messy, frustrating, and complex (Parr 1998 cited in Dwyer and Limb 2001: 2; Valentine 2001: 43). My research is no exception as the discussion in this chapter will show. The chapter follows, in large part, a narrative approach to describe the way the research was undertaken. It begins by setting out the research framework (section 3.2) before moving to the challenges of obtaining research permission (section 3.3). This is followed by a discussion of how this influenced the selection of the research sites (section 3.4) and research methodologies (section 3.5). These sections elaborate how various elements of the research – its aims/objectives, broader justification, various academic concerns, and the research plans themselves – were compromised because of their embedding in a Lao setting. Section 3.6 describes how the data were analysed. The last section (section 3.7) addresses the important issue of positionality.

3.2 Research Framework

The research was framed by a combination of two key approaches: the everyday international political economy (IPE) and the sustainable rural livelihood approach. The research began by focusing on the actors in processes of current transformation by looking at the role and power of a range of actors from powerful ones such as the state, Chinese and domestic investors, and the less powerful, most obviously the uplanders themselves. These actors have different motivations and resources, and also benefit differently (Busch and Juska 1997). The research closely considered the asymmetries in the power relations between these actors. Some actors may have greater capability than others to negotiate and enforce things. Thus, the research recognises the significant role and power of the global market and the state in stimulating the expansion of rubber trees in the study communities. However, the research also paid cognisance to the point that is central to everyday IPE, namely that these dominant actors do not play an *exclusive* role (Hobson and Seabrooke 2007); rubber expansion is not the sole outcome of state and market machinations, but is partly a creation of those people who tend

to be considered powerless. Thus, agrarian situations in the four upland communities are not the outcome solely of structural determination. Transformations occurring in the study sites are (also) the outcome of negotiations between actors who have different capabilities and resources.

A second approach incorporated into the research was the sustainable rural livelihoods approach which is also based on an actor-oriented perspective (De Haan and Zoomers 2005). Employing this actor-perspective, the research considered how macro-level implementation leads to internalisation processes at the micro level (Long 2001). Thus the government's policies, regulations, and practices originating from the macro level were "mediated, incorporated, and often substantially transformed" as they entered local spaces and they also "mean quite different things to different interest groups or actors" (Long 2001: 45). The research adopted the sustainable rural livelihoods framework developed at the Institute of Development Studies (IDS) at the University of Sussex to capture how smallholders sustain their livelihoods under new opportunities and pressures emerging from state enclosure and market integration. The IDS's sustainable rural livelihoods framework takes five aspects as the key to building an understanding of livelihoods: a particular vulnerability context, livelihood resources, livelihood strategies, livelihood outcomes, and institutional processes. The sustainability of livelihoods can be achieved through accessing different types of livelihood resources which are combined with livelihood strategies (such as livelihood diversification, agricultural intensification or intensification, and migration) to deliver (or not) a sustainable livelihood (Scoones 1998). The research, however, used livelihood *activities* instead of livelihood *strategies* because not all human activities are intentional or strategic (De Haan and Zoomers 2005).

The livelihood activities of small farmers may involve several processes such as livelihood diversification, access to livelihood resources, and processes of inclusion and exclusion as access to livelihood resources of some farmers may compromise or inhibit the livelihood sustainability of others (Li 2002b). Furthermore, their livelihood activities may not be embedded in only one rural place, but rather in multiple places at different scales through the inter-local social networks of household members who are not rooted in only one place (De Haan and Zoomers 2003).Some livelihood activities may involve not only the mobilisation of their resources to cope with their vulnerabilities, but also the attempt to transform or re-shape the policies, regulations, and practices imposed from the macro level. However, the research

did not see small farmers as absolutely active agents who were always able to cope with their insecurity regardless of structural constraints. Rather, the research viewed the capacities of small farmers to mobilise their resources and achieve their livelihoods as being shaped by social relations, organisations, institutions, and power relations (De Haan and Zoomers 2005). That said, the agency of smallholders discussed in this research was considered as consisting of a range of capabilities with people "construct[ing] their own life course through the choices and actions they take within the opportunities and constraints of history and social circumstances" (Elder and Johnson 2002: 61).

My research aimed to understand and interpret agrarian transformations in the Lao PDR from a local, grounded standpoint. Thus, in addition to gathering secondary data, primary data at the village level were collected with the expectation that combining data from both sources would allow me to capture the complexity of rural and agrarian transformations. Table 3.1 identifies the sets of empirical data that I collected in order to address the research aims and objectives. These empirical data were used to address the research objectives (both empirical and conceptual levels) and to develop the argument made in Chapter 8.

Table 3.1 Relations between research aims and objectives and sets of empirical data

Research aims and objectives	Data used to address to research aims and objectives
At empirical level: **1. To understand the processes of rubber expansion into the frontiers** 1.1 Who and/or what are the key actors in the recent rapid expansion of rubber in the Lao uplands? 1.2 How have these actors shaped and reshaped agrarian relations in the uplands?	The research looked at the role of various actors involved in rubber expansion; **1 State**: 1.1 Lao state: Lao state and the officials at the district, provincial and national levels: - The policies and practices of the state imposed on the uplands: a. Directly relevant to rubber expansion: such as promotion of rubber to upland communities, granting permission to investors to set up plantations in the upland b. Indirectly associated with rubber expansion: such as stabilising shifting agriculture, controlling the use of land and forestland, and commercialisation of upland agriculture, and policies on upland populations 1.2 Transnational state (the Chinese state): - The Chinese government's policies and practices influencing the expansion of rubber in the Lao PDR **2. Market**: 2.1 Market forces: the influence of rubber prices on the boom 2.2 Market actors: a. Transnational market actors: practices of Chinese investors b. Domestic market actors: practices of domestic investors **3. Smallholders**: 3.1 Perception of smallholders of rubber 3.2 Reactions and practices of smallholders regarding rubber.

Table 3.1 Relations between research aims and objectives and sets of empirical data *(continued)*

Research aims and objectives	Data used to address to research aims and objectives
<u>At empirical level:</u> **2. To understand the impacts of current rubber expansion on the upland spaces and peoples** 2.1 To what extent has rubber expansion shaped and re-shaped the upland landscape? 2.2 To what extent, and how, has rubber expansion affected the lives and livelihoods of uplanders?	Data collected from the fieldwork included: 1. Changes in the economy of the uplands 2 Changes in land and forestland use 3 Changes in land use rights and access, land management systems and controls, and property relations 4. Livelihood opportunities emerging in the era of the rubber boom (wage labour) 5. Pressures emerging from the rubber expansion: limited availability of agricultural land, decline of upland rice productivity, pressures on former/established livelihood activities 6. Different capabilities of households in accessing agricultural land, and taking control over land and the conditions influencing their levels of capacity 7. Households' potential to diversify their livelihood activities, their agriculture, sources of income 8. Potential of households to cope with unexpected crises

Table 3.1 Relations between research aims and objectives and sets of empirical data *(continued)*

Research aims and objectives	Data used to address to research aims and objectives
At a conceptual level: **1. To contribute to the (re)conceptualisation of agrarian transformations in Southeast Asia**	**1. The notion of de-agrarianisation**: - People's occupations, livelihood activities (farm, off-farm and non-farm), income generation from each activity, the availability of off-farm and non-farm activities, and the ability of people to choose between farm, off-farm and non-farm activities **2. The notion of actors in agrarian processes:** - The policies and practices of the state - The practices of market actors and the role of market forces - The actions of smallholders **3.Relations between small farmers, the market, and the state(s):** **-** Policies and practices of the state imposed on the uplands and people and the reactions of uplanders to those policies and practices - Cooperation and conflicts (through policies and practices) between the state (and state officials) and the market regarding the operation of the market and the expansion of rubber in the Lao PDR and, particularly in the research sites - Market practices on the ground (via rubber): people's views on rubber; people's reactions to rubber (welcome, negotiate, manipulate and/or resistance) and forms of engagement (different forms of investment, and being wage labour) **4. The notion of smallholders' agency in agrarian processes:** **-** Ability of smallholders to define their goals, meanings and motivations of life and act upon them given their circumstances and structuring relations - Ability of smallholders to bargain, negotiate, manipulate, or resist current agrarian situations

Table 3.1 Relations between research aims and objectives and sets of empirical data *(continued)*

Research aims and objectives	Data used to address to research aims and objectives
At a conceptual level: **2. To contribute to the (re)conceptualisation of global land grabs**	Data collected from the fieldwork to reflect on understandings of global land grabs including: 1. Drivers of land grabs for rubber investment 2. Actors involved in land grabs (Chinese investors, domestic investors, smallholders, the Lao and Chinese state, and local officials) 3. Forms of land grabs (direct and indirect forms of land control) 4. Scale of land grabs (large scale and micro scale grabbing)
At a conceptual level: **3. To contribute to the (re) conceptualisation of the state in the globalisation process**	Data used to address this issue were based on relations between the state and the market: 1. Ability of the state to form policies and delivering on policies regarding rubber plantations 2. Ability of market actors (Chinese and domestic investors) to achieve market penetration in the uplands (through the expansion of rubber trees) 3. The role of state officials in rubber expansion (as mediator, facilitator, regulator, and controller)

3.3 Doing fieldwork in the Lao PDR

It has long been realised that doing fieldwork confronts a gap between "what should be done" and "what can be done" (Marshall and Rossman 1999: 9). At the same time, it can also be the most exciting – as well as challenging – part of the research process especially when fieldwork is carried out in an unfamiliar setting. My first challenge was how to obtain research permission from the Government of the Lao PDR (GoL), especially given that the issues were, and still are, matters of heated debate among officials, development workers, and investors, and are therefore seen to be part of a 'hot' and sensitive topic. As a student from Thailand – the Lao PDR's neighbour "which has its roots in centuries of interaction, contact, and conflict" (Rigg 2009: 708) – who did not have personal connections with any 'right' people in the Lao PDR, I was told by a Thai professor with experience of working with NGOs in the country that the "possibility of you getting research permission in Laos is only 1 per cent" (Jitti Mongkolnchaiarunya, personal email 11 October 2008).

In order to obtain research permission from the GoL, as a foreign researcher, I needed to get a letter of acceptance from a local institution which needed to agree to act as a host institution during the period of the field research. With the assistance of a professor from a university in Japan, I established connection with the Faculty of Agriculture at the National University of Laos (NUOL), and they agreed to act as my host institution. As noted in some fieldwork guides (Crang and Cook 1995; Leslie and Storey 2003), obtaining research permission and the necessary visa can be a time-consuming process; it took almost 10 months in my case.

While some foreign researchers have found it possible to conduct research without official authorisation (Gros 2010), taking this approach in the rural areas of the Lao PDR is not advisable (Daviau 2010), particularly for a Thai national (see section 3.6 for a discussion of the particular character of working in the Lao PDR as a Thai national). The presence of a stranger is immediately noticed by the local populations and officials, especially in areas which are not tourist places. Doing fieldwork without an official seal can thus pose difficulties not only for the researcher but also for their research subjects (see Gros 2010 for the case of China). I faced several situations that made me realise the importance and benefits of having official permission. On my second trip to Nalae district, for instance, there was an election for a new governor. I was informed by staff from the District Agricultural and Forestry Office (DAFO) that everyone was busy preparing for the election

and so no one could accompany me to the village. DAFO officials told me to wait for a few days and suggested that I might kill time by walking around the town. But only about half an hour after I had started exploring the town, I was approached by a high-school student who was a volunteer given the responsibility to maintain the 'order' of the district centre during the election. I was asked who I was, why I was in Nalae at the time of an important election, and many more questions. I was invited to go and see the police who asked me similar questions. Luckily I had research permission and could show them an official stamp from Vientiane explaining and sanctioning my visit to Nalae during such an important and sensitive time.

But an official stamp, even one from Vientiane, was not always sufficient to gain access to my research sites. When I first visited the village of Houay Luang Mai, I was accompanied by DAFO staff and we met with the village headman and various village committees to inform them of the research and to ensure that other villagers would know about my research project. The following day I went to the village on my own (as the official could not accompany me) to begin my survey. While I was talking to an elderly Akha lady, a group of young male Akha approached me and began to question me about my presence in the village. I told them about my research and informed them that I had met and gained permission from the village headman and committees the night before. These young men, however, politely invited me to wait for the headman, even after I had shown them my research permission document. I spent a few hours sitting and chatting about a range of apolitical issues with these young Akha men before the problem was resolved when a DAFO official came to the village and assured them that my research project had been officially approved. Obtaining research permission was not only necessary as a step in a process of 'bureaucratic administration'; it also opened a channel to access 'gatekeepers' (state officials) who made it possible for me to access my research sites and subjects.

Working in the Lao PDR, however, means that "government approval does not necessarily represent the end of the road regarding consent" (Leslie and Storey 2003: 82). I was also required to get permission from the local authority. More pertinent, I was put into the maze of the Lao bureaucratic system, which often made me feel uncomfortable by bringing my research under the eyes of the state's bureaucratic system (see Hansen 2006; Scott et al. 2006; Bonnin 2010). I was required to submit my research plans to the Ministry of Foreign Affairs. I was required to forward my plans and reports to my host institution every

month. I also had to inform the provincial and district authorities about my research plans before embarking on a fieldtrip. Finally, I was required to go back to the state's offices again when I left my research sites to provide a report about my research activities. Not only was there this multi-layered requirement to report and inform different parts of the state's apparatus about my work, but I was also told that I had to be accompanied by at least one state official throughout my field research: "it is a regulation of the government"[18] (Saythong Vilaywong, personal email, 4 September 2009), I was told. This is true of some other post-socialist countries (Scott et al. 2006; Bonnin 2010) where the state still has a well-honed system to control research activities. This inevitably impacts on the research process, and compromises the research in various ways. In the following section, I will discuss how this context – cultural, political and geographical – influenced the research: what I could do, and could not; and how, what and when I carried out my research activities.

3.4 Research sites: justification and practices

At the stage of research design, researchers should have a set of criteria for choosing their research sites and research subjects. This is determined largely by the research aim and objectives, with some consideration given to feasibility. However, when researchers start their fieldwork, things do not always go as planned. My own experiences reflect how far prior justifications, often crafted assuming the best, are forced to change when researchers enter the 'field', where feasibility becomes the key issue. During proposal preparation in Durham in 2008/2009, I was strongly inclined to conduct my research in both northern and southern regions of the country: studying villages in Luang Namtha province in the North and Champasak province in the South. However, as it turned out, my field research was conducted only in Luang Namtha due to feasibility issues. The first concerned physical access. The distance between Champasak and Luang Namtha is almost 1,400 kilometres, requiring almost 40 hours' bus travel from the North to the South. It quickly became clear

[18] Though this was a regulation, the implementation of this regulation varied; while state officials in Sing district, Luang Namtha province insisted that their official accompanied me during my research, officials in Long district allowed me to go to the study villages on my own, without being accompanied.

that I would spend too much time travelling between the two regions, instead of doing research.

The second consideration relates to the regulations that the GoL imposes on foreign researchers. Research projects have to be approved by the government, and permission also has to be sought from the local authority. A particular characteristic of rubber plantations in the South of the country is that they are dominated by large-scale concession plantations involving a loss of villagers' agricultural land to Vietnamese rubber companies. Talking to some NGOs and scholars who work on rubber expansion in the South, these companies have good connections with local state officials (research diary, 13 September 2009). This implies that my proposed work was not welcomed by these local officials, who were concerned that it might highlight villagers' concerns and become a radical critique of the activities of Vietnamese rubber companies and, therefore, local officials. Due to these two factors, I decided to head to Luang Namtha in the northern region where rubber plantations are operated mainly under smallholder investment and a contract farming system.

Before meeting up with people from the Luang Namtha Provincial Agricultural and Forestry Office (PAFO), I had established my own criteria for choosing my study villages. As my research aimed to understand how different levels of spatial and economic integration influence the way that people engage in the rubber boom, I had the intention of undertaking fieldwork in villages with different levels of market and spatial integration. This was, therefore, likely to involve a comparison between lowland and upland villages. My second criterion was about patterns of villagers' engagement with rubber plantations. These two main criteria were discussed with a deputy head of the Luang Namtha PAFO and PAFO's staff members who recommended that I undertake surveys in lowland villages in Namtha district which are intensively integrated into the market and where smallholder investment is the dominant form of rubber plantation. They also recommended that I visit Nalae district to identify survey villages which do not show a high level of market and spatial integration. Moreover, the local government's policy whereby rubber was considered as a new alternative to lift Nalae out of the list of 47 poorest districts of the country was another condition encouraging me to undertake research in Nalae district. The first survey trip was thus conducted in two districts, Namtha and Nalae. In Namtha district, following discussions with Namtha DAFO officials I was accompanied to two lowland

villages (Baan Thung and Baan Moon) and two upland villages (Baan Klang and Baan Hmong) (see Appendix 1 for a summary of the surveyed villages).

In the end, and after consideration, I decided not to conduct my research in any of these villages. My decision was based on a consideration of whether the villages suggested by Namtha DAFO's officials could generate data that would meet the aims of the research, as well as issues of feasibility. While both lowland villages were 'accessible', at least in terms of language, only fifty per cent of Baan Thung's households were involved in rubber plantations. In Baan Moon, while all households were involved in rubber plantations, many of them made their living from being state officials, trading rather than relying mainly on agriculture. The two upland villages were different, but again did not seem to suit my research. While the village of Baan Klang might have provided a picture of how concessions have transformed and re-shaped the lives of villagers who rely mainly on agriculture, there was already a Lao student collecting data for his Master's thesis in the village, and villagers did not seem to be pleased by the prospect of being researched by two researchers visiting them almost at the same time. Finally, in Baan Hmong, the villagers had a long history of engagement in rubber plantation and the village is often referred to as a 'model' for resolving poverty. As a result, the village has been visited by many researchers; I was told that two other students were conducting research in this village – not to mention others who had completed their work (such as Manivong et al. 2003; Alton et al. 2005; Manivong and Cramb 2008; Chanthavong et al. 2009).

In Nalae district, I met and held discussions with a deputy head of the Nalae DAFO and some of DAFO's staff members. In this instance, feasibility became a crucial concern. One village which best suited my research was accessible only by walking, which took about 3-4 hours. Due to the concern of local officials over my 'safety' and 'convenience' regarding staying overnight in the village, I had no choice but to travel back and forth between the district centre and my study village every day. Thus conducting research in this village was not practical as I would spend most of the time walking between the district centre and the village rather than undertaking the research. This village was not, therefore, on my survey list. DAFO officials took me and a lecturer from NUOL to one Khmu village, Baan Phu, located around 35 kilometres or one hour from the district centre. Since it is one of the district's poorest villages, studying the role of rubber would have been very interesting. However, this village was not chosen simply because it was, in practical terms, almost

inaccessible. Villagers also seemed to be very busy in their fields. Its setting was also a point at issue. As a small district, Nalae did not have any car or motorbike rental shop. Though there was a bus running through the village every day, the timetable would only have allowed me a few hours to collect data before taking the bus back at around four o'clock. I was also taken to a lowland village located close to the district centre. Every household was involved in rubber either under contract with the Xiang Jiao Rubber Company from China or through villagers' own investment, or both. Though I realised that this lowland village might not best suit my research it seemed to be an exceptional village for Nalae – a district where over 85 per cent of the population are uplanders. As mentioned earlier, the particular contexts of Nalae as one of the poorest districts in the country and the district's strategy to use rubber trees as a new alternative for resolving the challenge of poverty were of interest to me. I also collected some data from Baan Dai, another village of potential interest. However, at the time that I collected the data, Baan Dai could be accessed only by a long-tail boat, this raised safety concerns. About two weeks after I undertook my research in Baan Dai, I began to discuss another potential village with DAFO officials. This was the upland village of ***Baan Don Tha***, a Khmu village where I finally conducted my research. I visited this village with DAFO's internship-like staff[19] to hold discussions with the village's headman and committees and found that this village was one of the poorest in the district and most households had planted rubber trees under a contract system of relations with the Xiang Jiao Rubber Company. This village might not have suited my research as well as Baan Phu but, practically, it was accessible. The selection of my research site in Nalae district was, therefore, very much a compromise between the academic criteria that I had drawn up in Durham, and the important issue of feasibility.

While I chose Baan Don Tha to represent a village where levels of spatial and economic integration are less intense, I selected a village in Sing district as a case where levels of regional and market integration are significant. This district is close to China - the most important market for Luang Namtha's agricultural products. Selection of a study village in Sing, however, presented another kind of challenge. On my first trip to Sing district I went with a lecturer from NUOL, and we were accompanied by the Sing DAFO's senior official

[19] There are many people, especially young people who have recently graduated, who want to be recruited as state officials, so they work as volunteers with the government. Generally, they do not get paid by the government. They are often assigned to accompany development organisations or business companies to the villages where the projects are delivered; therefore they get remuneration from these organisations.

who was also a member of the party at the district level. We visited two Akha villages and one Yao village. Smallholding and contract farming patterns were found in the two Akha villages (Baan Na Kao and Baan Na Mai) where villagers were intensively involved in producing sugarcane for the Chinese market. The Yao village of Baan Yao was the first village in Sing district where people had planted rubber trees. Most households there had set up their own plantations, with an average plantation area per household of around eight hectares. While both the Akha villages suited my research needs and requirements, accessibility to both of them again became an issue. DAFO officials expressed their worries about my conducting research in two villages which are difficult to access, less comfortable, and even 'underdeveloped'. This caused me to turn to a Yao village which was easy to access and, at that time, still met my justifications for a research site. However, on my second trip to Sing, I had the chance to talk to local people in town, which kindled my interest in also conducting my research with Akha people, not only because they are a majority of the upland populations in Sing district but also because they are intensively involved in rubber. I convinced a DAFO official to take me to one Akha village (Baan Daen) located close to the Lao-Chinese border. The situation in this village was of great interest to me as villagers were intensively involved in cash crop and rubber production through cross-border (Chinese) connections. Villagers from this village had also experienced a loss of some of their forestland to the Police Office, which was then said to have passed the land to a Chinese rubber company. However, this village was located about 22 kilometres north of Sing town, taking almost an hour for the DAFO official and me to access by motorbike, climbing up the hills. Though this village was most attractive to me, I realised that I could not carry out my research here on my own, given the government's regulations and restrictions on my travel and access.

It should be noted that official perspectives on rubber plantations in Sing district also determined where my research was carried out. While Luang Namtha's provincial government generally promoted rubber plantations as a new alternative to alleviate poverty, there were variations among state officials at the district level. Some of Nalae's DAFO officials, while they promoted contract farming rubber plantations to villagers, expressed their worries about how far rubber could resolve people's poverty and environmental issues. Sing's DAFO official who accompanied me strongly believed that rubber was the best way to lift people, and especially uplanders, out of poverty as well as to resolve the 'problem' of shifting cultivation in the uplands. His view on rubber raised

concerns on my part over the potential impact on my research subjects if I conducted my research in a village where, due to their loss of land to the Police Office, people might heavily criticise state officials. With this in mind, I took the decision to undertake my research in a village where smallholder investment was the dominant form, taking the view that this would protect my informants from any possible impacts emerging while they were being interviewed by me in front of the officials. A trekking trip was used as the strategy to explore the potential villages without being accompanied by state officials. After visiting a few upland villages which were geographically accessible, I convinced the DAFO official to take me to ***Baan Houay Luang Mai***, an Akha village where I finally carried out my research. People in this village were intensively integrated into the market, mainly through sugarcane production. Its geographical location close to the Chinese border meant that it was well connected to the Chinese market. This village was thus suitable as a comparison settlement to Don Tha village where levels of market integration were less intense. Rubber in this village had developed under the villagers' own investment, and there was no contract farming in the village. I felt, therefore, that any unintended consequence of its inhabitants being my research subjects would be minimal.

Thus, after much travel and consideration, I arrived at my study site selection, based on levels of spatial and economic integration (with Don Tha village being a case of less intense integration and Houay Luang Mai village of more intense) and different patterns of villagers' involvement in rubber trees (the 2+3 contract farming system in Don Tha village and a smallholder pattern in Houay Luang Mai village). However, concerned that I could not stay overnight in the villages and also worried about being accompanied by local officials which would inevitably affect the quality of the data I could obtain, I decided to extend my field research to two other villages expecting that, while I might not gain in-depth data, this would allow me to obtain a wider data set permitting comparison. I thus headed to Long district to undertake research in a village where rubber plantations had been set up as part of a concession programme and a village where the 1+4 contract farming system operated.

I was introduced by a Lao friend of mine to his colleague who worked for a non-government organisation (NGO) in Long district. This person became my gatekeeper who introduced me to local officials, traders, and an interpreter. He also recommended which villages I might consider to conduct my research in. When I arrived at the Long DAFO with an official seal from the Luang Namtha PAFO, this Lao friend, with his personal connections to local

officials, was able to convince DAFO officials to allow me to go to the villages with my interpreter but without any accompanying officials. Thus, the villagers were more relaxed when they talked about the impacts of the concessions and the 1+4 contract farming system, and often commented critically on the role of the state agencies and officials in the process. Moreover, being able to make a connection with local people who live, work with, and have personal connections to local state officials made it easier to choose research sites which met my criteria. A survey in Long district was carried out in two Akha villages where the 1+4 contract farming system was the dominant form of plantation; as both of these villages were quite similar, I selected ***Baan Pha Lad*** due to its geographical setting which made it the more accessible.

In Xiengkok borderland where the plantations largely operated under a concession system, there are only a few villages. I visited two villages; both were resettlement villages and parts of their agricultural land had been taken by the Jundai Rubber Company who claimed that it had gained permission to use the land from the army. I chose ***Baan Kaem Khong***, a village of Kui and Lahu peoples, to conduct my research, again due to the practical matter of accessibility. Details on the four study communities will be returned to in Chapter 5.

In sum, the selection of my research sites was very much a compromise between academic criteria and feasibility. This is a common experience that researchers face when they start their field research. Foreign researchers from the global North may encounter issues of feasibility when they arrive in the field in the global South, realising the impracticality of their selection criteria in the face of the conditions they face. While I shared this experience and had to change my research site from two different regions to only one region, as well as selecting villages that were 'second best' in terms of their academic suitability, doing research in the transition socialist Lao PDR also poses another set of limitations and challenges. As noted by some researchers (Scott et al. 2006; Thøgersen and Heimer 2006; Cornet 2010; Daviau 2010; Gros 2010) who work in other post-socialist countries, research activities, especially those conducted by foreign researchers, are subjected to state control and censorship in various ways. Thus, in my case, local state officials were taking part in the process of selection of research sites. Moreover, concerning the possible impacts of the research on research participants and the perspectives of the state agencies and officials in each area, this also directed me in terms of where my research should or should not take place. A researcher who works in the transition socialist settings not only faces these

tensions between academic, practical and political criteria, but such issues also extend to the methodologies used. These issues will be discussed in the following section.

3.5 Research methodologies: plans and reality

My research aimed to understand and interpret agrarian transformations in the Lao PDR from a local, grounded standpoint. Thus, in addition to gathering secondary data, I intended to draw my information from interviews and observations as I considered that these would be the best ways to collect the data needed to capture the complexity of rural and agrarian transformations. Foreign researchers from the global North may find methodological challenges when they are in the field in the global South (Howes et al. 2006), for instance, how best to communicate with research participants, how to access gatekeepers and research participants, how to work under time pressure, and so on. While I shared all these experiences, working in the Lao PDR also posed other profound challenges for my research methodologies.

As indicated above, some transition socialist states still keep a close watch on research, especially social science research undertaken by foreigners, in order to ensure that research and researchers do not destabilise the power of the state and undermine socialist ideology. Scientific research is more welcome than social science research as it is not likely to undermine the power and authority of the state and the party. Social science research, in contrast, is the subject of suspicion and control. The state authorities thus prefer research to employ quantitative methods, a questionnaire survey in particular, as these are understood to be 'apolitical' (Chuan and Poh 2000 cited in Scott et al. 2006: 31). Both state officials and people are familiar with the questionnaire; for some people, the questionnaire is used as a synonym for research. In the Lao PDR, while qualitative methods are used by some aid donors – such as Chamberlain's (2007) research undertaken on behalf of the Asian Development Bank (ADB) - many state authorities still perceive a questionnaire survey as being a fundamental element of research.

My research aimed to understand agrarian transformations from a local, grounded perspective. I sought to understand subjective views and understandings of people in terms of their social reality rather than through statistical description (Dwyer and Limb 2001:6). In order to achieve this, qualitative methodologies are required. However, the research policy and the research environment I encountered in the Lao PDR changed the research methods

I employed. As well as in-depth interviews, I intended to use observation as my key technique to gather non-verbal information, expecting that this technique would provide understanding of what was going on in the study villages. When it became clear that I could not stay in the village for long periods, observation became impossible; only popping in and out of research sites could not allow me to spend sufficient time to obtain the in-depth picture I was hoping to achieve. The qualitative data I collected, therefore, was based on in-depth interviews (with both villagers and 'elite' participants) which I discuss below in more detail in section 3.5.2. In addition to qualitative methods, I eventually did a survey to provide an overview of the study villages; the application of surveys will be discussed in section 3.5.1. Both sections elaborate on the complications of fieldwork and the necessity of a fieldworker to be flexible in applying such research techniques as questionnaire surveys and in-depth interviews for gathering data from a rural poor setting, and some challenges and limitations in researching 'elites'.

3.5.1 A questionnaire survey – how did it work in the Lao uplands?

It was not my intention to use questionnaires for my research. My initial decision related to the purposes of my research, which was to understand the everyday lives of people under on-going processes of agrarian transformations. I thus intended to employ only qualitative methods, presuming that these would allow me to capture the detailed, complex, sometimes contradictory and colourful features of peoples' lives. When I began my fieldwork, I struggled with the question of who should be chosen as my research subjects for in-depth interviews (see section 3.4.2 for a discussion of issues relating to processes and some problems in selecting research subjects). Using questionnaire surveys came to my mind as a possible tool at the early stage of my research, to help me get not only an overview of the villages but also a general idea of whom I should follow up with the in-depth interviews. I also considered that a questionnaire survey might be used as an entree to the village as villagers are more used to this form of research which is usually used by the government to gather information from villagers. Thus beginning the research with a questionnaire survey could make villagers more relaxed than starting the research with in-depth interviews. I thus used a questionnaire survey in one lowland village, Baan Dai, in

Nalae district[20]. My questionnaire consisted of three sections; it started with a set of questions relating to general details of the household (such as number of household members, income, and expenses), questions on farming, and followed by more details on relations between households and rubber plantations. Before I conducted the questionnaire survey, I discussed the questions on the questionnaire form with two officials from the Nalae DAFO and the village's committees to see if the questions were accessible and acceptable to the villagers. The range and nature of the questions were re-designed after I piloted it with the village's committees.

I carried out the questionnaire survey by myself but I was always accompanied by at least one intern staff member from the Nalae DAFO. I found several limitations in using questionnaire surveys; some limitations related to the villagers themselves but most of the limitations were mine. Villagers, who had already been informed by the village's headman and committees about my research, generously gave their time to answer my questions, rather more so than I had expected. When I walked into the village, villagers would invite me to go to their houses to do my questionnaire. There were several times when, while I was conducting a questionnaire with one villager, other villagers would be sitting or standing around waiting to be interviewed. I was often asked: "have you done this house already? Shall we move to my house?" It became difficult for me to continue talking with respondents when they felt that their neighbours were waiting to answer my questionnaire. This situation raised both issues of privacy and the response of informants. I often turned questions from a household or an individual level to a village level to allow other villagers to participate in the conversations as well as to avoid discomfort of my interviewee.

While villagers always gave their time, many did not expect that they might be visited again for in-depth interviews. When I informed villagers that I might visit them later for further conversations, some villagers replied that "I thought I had already done everything. Is it still not finished yet?" Some villagers even refused to be interviewed again: "I think I do not have any other things to tell you. I have told you everything" (research diary, 4 November 2009). Moreover, when I undertook the questionnaire surveys, I sometimes found myself constrained by the fixed format of the questionnaire template, while also worrying that I

[20] Due to the issue of feasibility, I later decided not to conduct my research in this village (see section 3.3 for a discussion on justification of my study villages).

might not be able to go back for further in-depth interviews. This raised doubts in my mind how far questionnaires were beneficial for my research. I was worried that I might gain only dry and voiceless statistical data rather than the insightful information I was hoping for. At the end of the third day of field research using the questionnaire survey, I decided to stop. I still conducted a survey to gain an overall picture of the study villages. But instead of arriving in the villages with questionnaire forms, I brought only a few pages containing lists of key questions to be asked in a semi-structured format. These became my guideline for gathering data from villagers. Instead of concentrating on filling in the questionnaire form page by page, I wrote down all my respondents' answers and response in my research diary. In this way, I did not have to stick rigidly to the questionnaires, and could flexibly switch between different sets of questions depending on the responses of individual villagers. In some cases, I gathered only general data on the households but there were several times when conservations were extended into other realms. Thus, in-depth interviews were sometimes undertaken at the same time as the general data were collected. In those cases where conversations were limited only to general data or were stopped, for example, by the unexpected arrival of guests (relatives from other villages, traders, and officials), these respondents were informed that they and their family's members might be visited again for further conversations. While finishing filling a questionnaire form tended to make respondents feel that the research had been completed, when I did not use a questionnaire form, it seemed understandable to villagers that my research had not been completed and they might be visited again. Generally, villagers seemed to 'welcome' me into their house again.

While I resolved the problems emerging when I conducted the questionnaire survey in Baan Dai, a new problem emerged when I collected background data without using the questionnaire form: some questions were not asked. Missing answers for some questions would not have happened if I had asked questions in an orderly manner, using a questionnaire. While being flexible in asking questions following respondents' answers allowed each conversation to evolve naturally, and villagers seemed relaxed to talk to me like this, it sometimes meant that some questions were `missed'. In order to cope with these missing answers, at the end of each day, I checked and listed the missing questions. Generally, these questions were asked when I visited villagers again for in-depth interviews. However, there were some households where I did not undertake in-depth interviews. In

these cases, the questions remained unanswered (see Appendix 2 for a summary of questions with missing answers).

Table 3.2 summarises the socio-economic condition of households in the study villages. While I intended to get a similar number of surveyed households from each economic stratum, this was possible only in Houay Luang Mai. When I started my survey in each village, I discussed the households' economic status with the village's headman and committees so that I might obtain a broad insight into conditions. The village's gatekeepers, however, tended to guide me towards households that they were familiar with raising the problem of possible bias. I therefore also interviewed some households which were not on these lists of 'recommended' households. When I went back to discuss the economic status of each household in the survey with the village's headman, it became obvious that the number of households falling into the 'poorest' category was above other categories. Time pressure did not allow the possibility of conducting a further survey. Moreover, the number of households in each category made it impossible to get the same number of surveyed households from each group. For instance, there were only a few households from Kaem Khong village that could be classified as less poor households. Limits in selecting samples and missing data raise a concern of the representativeness of the samples. That said, and notwithstanding both limitations, overall I got a general picture of the current situation and trends in the study villages.

Table 3.2 Summary of households surveyed and socio-economic status in the study villages, 2009

Villages	Poorest	Poor	Less poor	Total
Houay Luang Mai	9	8	8	25
Pha Lad	15	8	8	31
Don Tha	11	6	5	22
Kaem Khong	6	8	4	18

Source: Fieldwork, 2009-2010

3.5.2 In-depth interviews

I employed in-depth interviews as my main data collection technique as these allowed me to capture how villagers experience and make sense of their everyday lives and activities (Marshall and Rossman 1999: 110). In-depth interviewing also allowed me to understand how interviewees perceive, view, interpret, and react to particular issues and situations. I employed in-depth interviews with two main respondents: villagers and 'elites' (I discuss below the differences and limitations of employing this technique to both groups of informants.) As in-depth interviews are "a conversation with a purpose" (Kahn and Cannell 1957 cited in Marshall and Rossman 1999: 108), I attempted to make my interviews like conversations with my respondents rather than a kind of "question and answer". It was not only me who guided these conversations, but my respondents also framed and shaped our conversations. Though I had lists of questions that I intended to explore, I did not stick to my question lists. In many instances it was only a few questions at the early stage of the conversations that were framed by me; from then on, questions and conversations were generally shaped by the responses of my informants. There were several times when I learnt that it is always worth letting interviewees shape conversations because these revealed relevant and significant issues that would otherwise have been overlooked. But, as pointed out by O'Brien (2006: 29), the best way to discover the situation in the field is "to let our informants talk and [researchers] just listen". Letting informants speak always led me to gain data which I had not anticipated.

3.5.2.1 In-depth interviews with uplanders

In-depth interviews were the major method for gaining local, grounded perspectives from villagers. Table 3.3 provides a summary of my interviewees in each study village. I attempted to undertake in-depth interviews with villagers of different economic status (poorest, poor, and less poor), gender (female and male), and generations (young, middle-aged, and old-aged groups). As noted above, I discussed who I should interview with each village's headman and committees, as key gatekeepers at the village level, giving them my ideas on particular types of villagers I would like to interview. My criteria, however, were too numerous for these village gatekeepers, while some recommended villagers were too busy to be available for interview. I later adopted a snowball sampling technique by asking my interviewees to recommend further potential interviewees, as a means of breaking away from the gatekeepers' recommendations

Table 3.3 Summary of interviewees from the study villages

Village	Less Poor						Poor						Poorest						Total
	Female			Male			Female			Male			Female			Male			
	young	middle	old	young	middle	old	young	middle	old	young	middle	old	young	middle	old	young	middle	old	
Houay Luang Mai	1	2	1	2	2	3	2	1	0	1	3	1	1	4	1	1	2	2	**30**
Pha Lad	1	2	0	1	3	1	1	1	1	2	2	2	2	1	0	2	3	1	**26**
Kaem Khong	1	1	0	1	2	1	0	2	0	1	2	1	0	2	0	1	2	0	**17**
Don Tha	1	2	1	1	0	3	1	1	0	2	2	1	1	2	1	1	1	4	**25**
Total	**4**	**7**	**2**	**5**	**7**	**8**	**4**	**5**	**1**	**6**	**9**	**5**	**4**	**9**	**2**	**5**	**8**	**6**	**97**

Source: Fieldwork interviews, 2009-2010

(see 3.5.1). There were also some interviewees who were accessed by chance and who I just happened to run into. Though I had my preferred categories of interviewees, so that I could cast my interpretive net as widely as possible, some were hard to access; this applied to younger women and the elderly (see Table 3.3). The most accessible villagers were those of middle-age, both female and male, and these therefore form the majority of my interviewees.

I conducted in-depth interviews with villagers in my study villages in order to collect data at three levels: village, household and individual. Table 3.4 provides a summary of the data collected at each level using such in-depth interviews.

Table 3.4 Summary of data collected by in-depth interviews, 2009-2010

Levels	Data collected	interviewees
Village	- the village's history, settlement, migration - an overview of the villages' socio-economic development - an overview of the villages' agriculture, land and forest relations - the villages' engagement with the market - an overview of cash crops and rubber plantation in the study villages	- villages' headmen and committees - elderly villagers - other villagers - teachers
Household	- household history, migration, settlement - an overview of household economy - household relations to land and forest - households and market relations - households' involvement in rubber plantation	-villagers
Individual	- life history - personal experiences of market relations and state involvement - explanations and perspectives on situations they confronted/confront and responses to them - views about the future	-villagers

Source: Fieldwork interviews, 2009-2010

It is important to note that while in-depth interviews allowed me to get data from my study villages at individual, household, and village levels, the boundaries between these three levels were never clear. When I conducted the in-depth interviews, I usually began with questions on each respondent's personal life and history (such as childhood, migration, personal experience of the market, views about the future etc.) before extending into sets of questions at the household level (such as household agriculture, household land use, household crisis and so on) and conversations reflecting conditions in the village more widely (settlement, infrastructure development, market integration, rubber expansion into the village, and so on). When I did in-depth interviews with villagers, I found that individual stories and experiences reflected not only individual life and perspectives, but they also reflected on wider socio-economic situations, either at a village level or beyond. Thus the individual life of my interviewees can be linked to, for instance, political conflicts in the Lao PDR, migration and resettlement policies, policies on and implementation of opium eradication, disease, and so on. It is also important to note that there were always difficulties in identifying whether my interviewees' perspectives reflected individual views or household views. The lines between these three levels were never, therefore, altogether clear.

All in-depth interviews were conducted by myself. Realising that tape-recording might affect the ways in which informants responded to the research (Crang and Cook 1995: 29) and give the sensitiveness of my research topics, I did not use any kind of voice–recording when I conducted in-depth interviews. I was afraid that voice-recording would create a sense of insecurity among my upland interviewees who might not understand why their voices had to be recorded and whether this would have an impact on them. Thus the interviews were recorded in the form of note-taking. Before and during the interview, I always assured interviewees that they and their identities would remain anonymous. I also informed my informants that they could stop the conversation with me at any time in case they felt uncomfortable. However, none of my interviewees asked that the interview be stopped. This might be optimistically interpreted as indicating that my interviewees felt comfortable in allowing me to explore their lives, but it may also reflect power relations between me and my research subjects. My identity as a Thai student studying in the UK, often accompanied by a local state official, with an official letter from the state asking villagers to give their cooperation, might have caused the villagers to think they had no choice but to answer my questions.

Language barriers were another challenge. I did my research with four ethnic groups (Akha, Khmu, Kui and Lahu) in four upland communities. It was impossible for me to learn their languages. Thanks to the similarity between the Lao and Thai languages, this allowed me to conduct my research in Lao/northern Thai[21]. Most of my upland interviewees can communicate in Lao and they were able to understand my northern Thai. There were a few cases where villagers could not communicate in Lao/northern Thai, and in these instances an interpreter was needed. In the case of Don Tha village, two interviews (both interviewees were female) needed to be carried out through interpretation and in these cases a Lao local state official who accompanied me into the village acted as my interpreter. In the case of Houay Luang Mai, I employed one young male Akha in the village as my assistant and interpreter but most of the interviews were carried out using Lao/northern Thai, with the exception of a few elderly villagers. In Pha Lad, as some villagers had recently moved from distant uplands, it was always difficult to conduct the interviews in Lao/northern Thai. Around one-third of the interviews in this village were carried out through an interpreter who was also an Akha but from a village near the district centre. In Kaem Khong village, all interviews with Lahu villagers and most of the Kui villagers were carried out in Lao/northern Thai. As Kui villagers can communicate in Akha, one interview was conducted through my Akha translator. Bearing in mind that translation is not a neutral exercise (Smith 1996; Temple and Young 2004; Turner 2010), this need for interpretation injected further challenges into the research process including loss of meaning. Thus, during conversations with villagers, data was (re)checked regularly to minimise any misunderstanding or misinterpretation. Research notes were made in Thai, attempting to maintain the senses and meanings which might otherwise have been lost in direct translation from Lao into English.

3.5.2.2 In-depth interviews with the 'elite'

When we talk about 'elite' interviewing or researching, there is a question of what we mean by elite. How does researching or interviewing 'elites' differ from researching ordinary research subjects? (See Richards 1996: 199; Scheyvens et al. 2003: 183; and Smith

[21] North-eastern Thai is the closest Thai dialect to the Lao language. While I can fully understand it, I have very limited ability to speak this dialect. I can, however, manage to speak northern Thai which is closer to the Lao language than standard Thai. Thus I used my northern Thai to conduct my research.

2006: 646). For methodological purposes, I follow the general view that elites are those individuals who are "exercising the major share of authority, or control within society, organizations and institutions. Elite status stems from the control of human, capital, decision making and knowledge resources" (Desmond 2004: 264). Following the suggestion of Marshall and Rossman (1999: 113) that elite interviews allow a researcher to gain an overview of an organisation (in the case of my research, the organisations of the state and private companies), including its policies, practices and future plans, and its relationship to other organisations, I carried out elite interviews with state officials, traders, and investors.

The nature of 'elite' interviews poses different challenges from researching 'down' for a researcher (Cormode and Hughes 1999 cited in Scheyvens et al. 2003: 184; Desmond 2004: 262). Doing 'elite' interviews in the Lao PDR was no exception. The challenges I confronted came through two sets of overlapping issues: practicalities and positionality (Scheyvens et al. 2003: 184). As far as practicalities were concerned, the greatest challenge came not from deciding whom I should interview but gaining access to them. When I began my research in September 2009, I discussed the potential 'elites' that I should interview with *Ajarn* (a lecturer) Saythong in the Faculty of Agriculture at NUOL, my host institution in the Lao PDR. In order to gain access to state officials, an official letter from the president of NUOL to the head of the respective state agency was required. Letters were sent to six state agencies in Vientiane, the capital city of the Lao PDR. *Ajarn* Saythong and I were told that we needed to call back later to check whether we would be allowed to meet any officials from these agencies, and if so when we could meet them. However, when we called back, we were always informed that "your request is being considered, please could you ring back again tomorrow". However, *Ajarn* Saythong, with his direct experience in dealing with the Lao bureaucratic system, was adept at sorting out this problem and suggested that, although we had not yet got a confirmed time, we should present ourselves at the agencies in question and see if there was someone whom we could talk to. I initially hesitated to use this solution as I felt that it might disturb officials while they were busy at work. I finally decided, however, to follow his suggestion. In this way, I managed to interview officials from four state agencies. It should be noted that *Ajarn* Saythong's personal connections were also very significant in helping me gain access to these officials; he knew at least one person (his ex-students, his former undergraduate classmates, or friends) in the four organisations where I undertook elite interviews (see the list of elite interviewees in Appendix 3).

The situation in Luang Namtha was different. When *Ajarn* Saythong and I got to the Luang Namtha PAFO, the deputy head of PAFO, who had already received a copy of the letter from NUOL's president, was waiting to discuss my research project. He even invited one of the PAFO's officials who was able to provide me with a huge amount of data on rubber plantations in Luang Namtha to join the meeting. When I went to the district level, with a letter from PAFO in my hand, I was always impressed by senior officials at the DAFO who allowed me to interview them, even when I had not made an appointment in advance. DAFO officials also provided me with a letter to access other government agencies in each district. It is important to note that one significant reason why senior officials at local levels, especially at the district level, willingly agreed to be interviewed was the nature of the political and bureaucratic system in the Lao PDR – namely, its top-down structure. Thus local authorities always facilitated my research when they saw that my project had been approved by the central state in Vientiane. That said, I did find some difficulties in getting appointments to interview state officials when I became 'familiar' with local officials. I often found, to my frustration, that appointments were postponed or even cancelled at the last minute.

The status of the interviewer can make 'elite' interviewees feel important; for example, to be interviewed by a 'VIP interviewer', for instance, a professor from a university or a '*Farang'* (western) student, has a *cachet* in the Lao PDR. Being a young female student from Thailand, this did not apply in my case. Possibly as a result, I faced difficulties getting appointments to interview some high-ranking officials because they usually had a tight schedule. Serendipity sometimes played a part, however. For example, in the case of the head of the Luang Namtha PAFO whose schedule was too tight to put my name in his appointment diary, I had the opportunity to have conversations with him during breakfast in his favourite noodle shop. My conversations with him lasted from only 20 minutes to over an hour and the topics that we covered were various: his life experiences, his family, rubber plantations, the provincial government's policies on poverty alleviation, and so on. An ability to establish personal connections in the field was also an important channel to gain access to some elites. In Sing district, as a regular customer of one noodle shop run by the Sing district's deputy governor's wife, I had several opportunities to have conversations with this senior official over my meals. Moreover, when I had built a good relationship with this lady, I was introduced to and able to have conversations with her father who had been a governor of Sing district and was a member of the communist party at a provincial level.

Thus it was not only the letter from Vientiane but the ability to make personal connections in the field that played a significant (and challenging) part in opening-up channels of communication and thus gaining access to 'elite' informants[22].

In addition to interviewing state officials, I intended to interview traders and rubber investors. But, as noted by Richards (1996: 204), we are not able to interview all those we wish to. While I could manage to interview some traders which allowed me to gain some notion of their roles and relations, I had very limited opportunities to conduct in-depth interviews with rubber investors. Investors from China usually stayed in the Lao PDR only during the planting seasons. When they were in the Lao PDR, they tended to stay on their distant plantations and they were extremely busy preparing for rubber planting or taking care of their plantations. The only possible place I could meet Chinese investors was at Chinese restaurants in town where they went for dinner. However, the language barrier became an insurmountable obstacle as I could not speak Chinese and most of the Han Chinese investors could not speak Lao. While I could have found a Chinese interpreter, it was not practical to hire an interpreter while I was unsure if I might meet Chinese investors who would allow me to interview them. Thus, I only managed to interview *Tai Lue*–Chinese investors from Xishuangbanna Dai Autonomous Prefecture, Yunnan province as their language shares roots with and similarity to my Thai. I had the chance to have short conversations with several *Tai Lue*-Chinese investors but I could have long conversations with only three. I also managed to interview a *Tai Lue*-Chinese who worked as one of the leaders of a management team of a Chinese rubber company. In addition to Chinese investors, I also managed to arrange interviews with two local investors. One investor had provided rubber seedlings for upland communities in Long district under informal deals. The second had set up rubber plantations under a form of a joint venture management with a Chinese investor. Though I had limited opportunities to conduct in-depth interviews with investors, and a 'gap' was my inability to interview Chinese investors, I do not regard this as compromising the reliability of my research and its findings as my project's focus is at the micro level – namely, villagers' perspectives.

While I was allowed to conduct in-depth interviews with local officials, this does not imply that I could always gain the insightful data I wished to collect. Both the state officials and

[22] I use 'interview' when I refer to information I obtained from formal interviews. For informal conversations, such as conversations with senior officials at a noodle shop, I refer to my research diary.

business people were friendly during the interviews. But some of my questions were not directly answered; instead, the interviews were turned around. This was a confirmation of what is noted by Richards (1996: 201), that elite interviewees have the power to control the information that I was attempting to discover and explore. Both Chinese and local investors, though I always assured them that I was interviewing them in connection with an academic project and any information would never be passed to the Lao authorities, remained worried that there might be some negative impacts on them or their investment (such as being taxed at a higher rate). Lao officials at the local level, especially at the district level, were similarly worried about the implications for them if state authorities at a higher level were dissatisfied with the findings of my research project. This is not to mention my identity as a student from Thailand - a country which has never been socialist and is not always a good neighbour of the Lao PDR. This fact also no doubt affected the response of my interviewees working in the Lao bureaucratic system (Lee-Treweek and Linkogle 2000: 3). Finally, with regard to the process of elite interviewing, it is important to note the role of time and growing familiarity. At the beginning of my fieldwork, some officials were very careful in discussing certain topics (such as the impact of rubber plantations) with me. But as the months passed, these officials became more relaxed and open-minded, as our relationship changed. While the establishment of a friendship provided me with the chance to access some information that I might not otherwise have been able to obtain, it created an ethical dilemma for me as to whether I should use this data in my thesis, especially if it might impact negatively on them.

In sum, my research employed both qualitative and quantitative methods to gathering the data. While household surveys can provide an overview of the study villages and an overview of conditions in households, they may have some limitations in reflecting how people perceive and make sense of the situations they confront. This limitation is due to the close-ended nature of questionnaires which may not permit the gathering of information on the respondents' perspectives, attitudes and opinions. Moreover, as questionnaires are tightly structured, they do not allow for conversations reaching beyond the questionnaire's structure. In contrast, in-depth interviews are open-ended and semi-structured, or even unstructured, allowing for in-depth data to be captured. However, as qualitative methods rely on the people's eyes, data collected via these methods may be questioned in terms of the validity – to what extent people's perspective and interpretation of the situations, situated in a particular context, can reflect the overview picture of the

phenomenon (Bryman 1988). Following a suggestion that mixed methods help to gain a better understanding (Bryman 1988; Onwuegbuzie and Leech 2005), I thus combined a questionnaire survey together with in-depth interviews, using them as complementary and elaborative to each other.

3.6 Data analysis

Quantitative data were entered into Microsoft Excel for descriptive analysis of, for instance, agricultural land areas, fallow periods, cattle, and income. In this research, data obtained from the survey (quantitative data) were not used to test pre-existing theories. Rather, they were used as descriptive data to provide an overview of trends illuminating what was going on in the research sites. They were also used to check and supplement themes and arguments developed based on the qualitative methods and secondary data. By the same token, data collected by qualitative methods were also used to explain statistical descriptive data. While data obtained from qualitative and quantitative methods may be contradictory to each other (Brannen 2005: 176), this was not the case of my research. I found that data from both methods were corroborative and elaborative to each other.

While I intended to undertake preliminary data analysis at the end of the day on which the data were collected, this was not always practical due to time pressures. However, I managed to carry out preliminary data analysis as soon as time permitted; I usually could manage to carry out preliminary analysis no later than a month after the data were collected. At this stage, data was roughly categorised. Key words, which emerged from the data collected were also highlighted and linked together in order to develop possible connections and themes. While Strauss (1987 cited in Crang and Cook 1995: 78) suggests that high-level coding should not be carried out at the initial stage of data analysis in order to avoid prejudgement of events, I agree with Jackson (2001: 202) that this suggestion is difficult to follow. I tried to link the data to existing literature; the data that supported and disproved current debates and literature were highlighted at this stage. Conducting preliminary data analysis while I was still on fieldwork permitted me to develop “new topics and questions that might need to be pursued with further ‘fieldwork’” (Crang 2005: 219).

When I returned to Durham, I followed a suggestion of Crang and Cook (1995: 76) by rereading all the primary materials I had at the early stage of data analysis. My research diary was also taken into the analysis which reminded me of the context - such as

atmosphere, emotion, hesitation, and so on – in which the data were collected as well as my positionality which allowed me to see how the materials from the field were collected, and to interpret the relationship between myself and research participants (Crang and Cook 1995: 30). Taking the research diary helped me to "avoid producing a cold, over-rationalised account which does not do justice to the intersubjective richness of the research encounters that it has drawn on" (Hunt 1989 cited in Crang and Cook 1995: 77). I looked closely and thoroughly at my 'field materials' (records of interviews and informal discussions, summary of surveys, research diaries, notes, and sketch maps) and noted down key words, and ideas that emerged from the field materials. The secondary data (such as the government's policies, reports from the government's agencies and non-government's agencies, and news) were also analysed in the same manner. I later went back to these notes looking for connections and disconnections between key words and ideas which allowed me to categorise the data, both primary and secondary, and develop themes. While some new themes emerged (such as land property, and resistance), some were dropped (such as the family farm). These themes were later linked to concepts and existing literature. When I came to the stage of thesis-writing, which I began with the empirical chapters, my chapters were structured through themes which were linked to existing literature. I went to and fro between the literature and the themes (and field materials).

While I took an Nvivo training course, I did not use any software programme for analysing my qualitative data. This was due to two main reasons. Firstly, it was time consuming for me to learn and become familiar with. Moreover, as I recorded my data in Thai which is not a language the programme supports, a huge amount of time was required to translate all my field materials into English. Secondly, translating field materials into English before the analysis stage would inevitably lead to loss of meaning of the materials. This would raise questions over reliability of the analysis. In order to maintain the original meaning, I kept my field materials in Thai while secondary data were maintained in their original language (Lao, Thai or English). Data analysis, both primary and secondary, was undertaken in the Thai language. Translation into English was carried out only at the writing stage.

3.7 Positionality and ethical issues

The positionality of a researcher, without doubt, has implications for the way in which the research can be carried out and the data that can be accessed. Traditional views on qualitative research seem to see "a simple and unproblematic dichotomy - insider or

outsider" (Herod 1999: 320). Herod also notes that being an 'outsider' is presumably perceived to limit a researcher's ability to gain a full understanding of phenomena in the field due to differences in cultural background, language, and so on. From this standpoint, being an 'insider' is privileged as it is perceived that it allows the researcher to gain, though not a full, but a better understanding of the field context.

Considering that I am a female Thai student not conducting research at 'home', I should theoretically be an 'outsider'. However, this was not quite true. As a Thai person, I share some similarities of culture and language such that my 'otherness' was different from, for instance, a western researcher who works in the global South. My positionality could thus not be simply categorised as 'outsider' or 'insider'; rather, I occupied an in-between category.

Not being an 'insider' posed two different sets of challenges for my research process and activities. Firstly, as a foreign researcher conducting research in the Lao PDR, I shared similar problems to those of any other foreign researcher in the transition socialist Lao PDR. As a foreign researcher, I had to go through the government's channels to do my research, meaning that state officials were involved in my research activities; this included the selection of my research sites, and the research itself (see section 3.2 and 3.3). The state's involvement in my research activities certainly affected the quality of the data I was able to collect. This would have been because my research participants censored themselves when I interviewed them to avoid the potential harm they might face should they say the 'wrong thing' in the official's presence. There were also some situations when I stopped conversations when they started critically commenting on the state's policies and its officials, concerned that this might create difficulties for them. This was particularly the case in Houay Luang Mai village where the local official expressly stated that he supported rubber trees and in the case of villagers in Long district where disputes between villagers and rubber companies over land issues still existed at the time of the research. In the case of Houay Luang Mai, I always insisted that the Akha man who acted as my assistant and interpreter inform villagers before starting interviews that they should speak in their own language when they were making comments about the state. Their comments were later translated to me in the evening, when the officials had left. This strategy, however, also posed another issue about the role of the interpreter in my research as I had to rely on what my assistant said. His positionality, as a member of a more prosperous family, no doubt influenced both the reactions of villagers to my questions and the information he

allowed me to know; this is not to mention that there might have been some information lost before we could find an appropriate time and place to discuss an interview. In the case of two villages in Long district, I was allowed to go to the village with my interpreter. I insisted to my interpreter that data and information I gained from villagers was not relayed to anyone else except me.

Secondly, my identity as a female researcher from Thailand posed another set of challenges for my research which differed from those facing foreign but non-Thai researchers. The perspective of Bangkok and Thai people in general is to look down on people in Thai peripheral areas as '*Baan Nok'* or 'country bumpkins' and the same is true of the Lao (Evans 2002: 37). The history of the relations between the two countries makes it difficult for Lao officials easily to trust a Thai. The attitude of Thai people who claim brotherhood between Lao and Thai but consider themselves to be a 'big brother' is not appreciated by the Lao. A Lao senior official mentioned an equal status between the Lao PDR and Thailand when the Lao PDR joined the ASEAN in 1997: "Now things have changed; we are equal partners with the same rights. Thailand can no longer consider itself the 'big brother'. We now have to exercise the mutual respect" (Sisouvong 2002 cited in Pholsena and Banomyong 2006: 35). It is thus totally understandable that the state may feel uncomfortable allowing a researcher from Thailand to freely make contact and research its populations, especially in areas where the reach of the state is not strong. Thus, my research was kept closely scrutinised, even more so than would be the case with non-Thai foreign researchers. For instance, while I could not conduct research without official research permission – which was like a 'ticket' for me to do my research (see 3.2) – some foreign researchers, such as a Japanese student I met in Sing district, had been able to undertake field research without official research permission. Moreover, being a Thai also had some implications for the ways that my participants reacted to me, and to my research. Shamefully, due to a perceived attitude of Thai cultural superiority, Lao people, especially 'elites', sometimes feel uncomfortable participating in research conducted by a Thai researcher.

It should be noted that my research was affected not only by the Lao elites' perspective but also by my own view of those people who were involved in the research. Preconceptions I had about state officials in a single-party state were a case in point. Growing up in a non-socialist country, I had formed an idea that the officials were the state's and party's mechanism to maintain the power of the state and the party, assuming that my research would be closely scrutinised by state officials. This made me uncomfortable when I went to

the study sites with local state officials. However, I have learnt that the boundary between local state officials and villagers is not so clear. Many local state officials are not those who come from a privileged background. Thus they share some similarities with poor villagers. Many of them felt sympathy for the problems villagers encountered from the projects that the state was involved in. As time went on, I maintained an open mind to, respect for, and sympathy with local state officials, as well as Lao people, trying to avoid any biased attitudes towards them.

Being a student from Thailand also posed difficulties for me in dealing with people's expectations. Villagers who watch Thai television programmes perceive Thailand as a 'modern' and a 'rich' country. Thus a student from Thailand is assumed, also, to be rich. This misunderstanding, in combination with the status of a postgraduate student from the UK, led some villagers to have the expectation that I could or had the potential to find projects to improve their lives (see High 2010 for similar expectations of her in the southern region of the Lao PDR). These expectations of villagers bore heavily on my shoulders (Daviau 2010: 198), making me feel guilty that while I could gain enormous benefits from researching them, I could not and do not have the ability to bring benefits to them or meet their expectations. I was a taker while they were givers. I could not promise them any material benefits from my research, only informed them that I hoped my research would reflect their problems and hopefully have some positive and beneficial policy implications for them. However, I am not even sure that my research can really bring any benefits to them[23]. I also faced expectations from some local officials who misunderstood that on completion of my studies I would work at a very high rank in the Thai bureaucratic system. It was thus expected that I would be able to find opportunities for them to get a place and scholarship to study at a university in Thailand.

In sum, while it is clear that I am not an 'insider', I was never considered as a full 'outsider' either. As a Thai person, I share some cultural similarities with the Lao people. This posed another kind of challenge for me which was different from that faced by non-Thai researchers. I might not be considered as an 'other' like a western researcher and while this was helpful in accessing some insights – for example I was able to 'read' some cultural signs

[23] Anthropologist Walcott (1995 cited in Scheyvens et al. 2003: 155) admits after three decades of anthropological work that "I have no evidence that my own research ever helped anyone I thought it might help or intended to help".

that foreign researchers might have missed – it also meant that I faced some expectations that were different from a western researcher (Mohammad 2001: 106-109). For instance, I was supposed to understand the Lao style bureaucratic system and culture. I was expected to follow unwritten but well-realised local 'rules' (often unstated). Moreover, being a Thai - not really a stranger to Lao officials – I was seen to have 'much' knowledge on Lao culture and therefore that I should not be allowed to gain too much information. Thus my 'in-between-ness' posed different challenges from those researchers who either conduct research in their 'home' context ('insiders') and those who undertake research in another culture ('outsiders').

While I was conducting the fieldwork, I was acutely aware of ethical considerations and my responsibilities as a researcher. There were a number of ethical issues that I had to deal with during the fieldwork which are worth noting here. Some derived from the general ethical practices that every researcher is expected to follow such as informing research participants about the research, its findings and its uses; informing and ensuring that research participants have the right to stop participating in the research if they feel uncomfortable; and ensuring that informants' identity is anonymised. I strictly followed these general practices. However, there were many other ethical issues that were specific to the context of doing research in rural Lao PDR. First of all, there were issues concerning how the findings from my research might be used, bearing in mind that the Lao PDR remains a one party, communist state. One of the key findings of my research is that uplanders had very positive opinions on rubber and they were eager to get involved in rubber, seeing it as the way to improve their lives. Some state agencies also viewed rubber as the means to resolve the poverty 'problem' in the uplands and even used the expected poverty alleviation effects of rubber as an excuse to allow investors to access land. The findings and argument of my research might be used to justify the promotion of rubber trees. This may lead to increasing vulnerability of people's livelihoods as it is highly uncertain that the promise of rubber will be fulfilled. While I cannot control how my research might be used, I am aware of this potential problem. Thus, I highlight the potential risks that villagers are likely to encounter when their production system is transformed from semi-subsistence (based mainly on shifting agriculture) to a market-oriented system (rubber as a mono-crop). I discuss these risks in section 7.5.3 and section 9.3.2.

Secondly, there was an ethical issue around giving gifts to my gate keepers. I was advised to do this in order to impress my gatekeepers and, according to my Lao friends, this would

make things easier for me. I struggled with the notion of giving 'gifts' in order to secure a return: permission and assistance to do the research. In the end I decided not to take the advice offered by my Lao contacts. I told my friend that I had completely forgotten to bring a gift. However, he went to a shop and bought me a pack of instant coffee and insisted that I must bring it as a gift for the gatekeeper. "It's culture. It's the way to pay respect to them", he told me. Despite my carefully considered position, I found that, in the end, I could not escape the norms of gift-giving. Giving gifts to villagers was also another ethical consideration. I felt uncomfortable giving gifts to any of my interviewees. But working in very poor villages, I often felt guilty that I was not entirely sure how far my research subjects could benefit from my research. So, in return for their time I did give stationery and some sweets to their children. Of course these gifts in no way balanced what they gave me in terms of their time, hospitality and knowledge.

The third ethical concern was about how to prevent, or at least minimise, disturbance to my research subjects. While this is a general issue for any researcher, the research environment in the Lao PDR required me to pay particular attention to the issue. As discussed in sections 3.3 and 3.4, I was generally accompanied by local officials to the villages. It was common for state officials to inform villagers that they would visit the village on a particular date and villagers were 'required' to be waiting for their arrival regardless of whether they were free or not. The first time that I visited Baan Don Tha, villagers were busy harvesting their upland rice. There were only the elderly and children in the village while most working age adults were in their field huts near their rice fields. The officials suggested that we could ask villagers to come back to the village on the following day for our interviews. When I told the officials that it would be a great disturbance, they simply replied, "it's OK. Never mind." I had to insist that I did not want to disturb people and I could meet them at their rice fields in the evening to introduce myself and arrange an appropriate time to interview them. A very similar experience was repeated in the other villages as well. And I had to insist to the local officials that I did not wish to ask villagers to stop working in order to find time for my research.

Doing research in poor villages which have – and are –facing rapid transitions in the context of post-socialist Lao PDR posed these important ethical issues which required me to think and act carefully during my fieldwork, and to reflect on the impact of the research on my research subjects. I can honestly say, however, that there are outstanding issues of concern which I was not able to confront, in particular the question of the ways that my research

might be used in the future. However, I hope that I was able, at least, to minimise any unexpected effects on my research subjects.

3.8 Summary

This chapter has discussed the challenges of undertaking social science research in the transition socialist setting of the Lao PDR. It has shown how the particular contexts of the Lao PDR influenced the research process and activities, and the data collected. The chapter has pointed to some general challenges that foreign researchers encounter when they undertake field research outside their 'home'. It has also, however, highlighted a set of challenges and problems that are particular and peculiar to the Lao PDR, a country with a set of security concerns that sometimes make field research especially difficult. It was also true that the place where I chose to undertake my fieldwork – the Lao uplands, among minority people - injected another set of challenges into the field process, both practical (language) and political (the sensitive nature of such border zones).

In light of these challenges, the chapter has also shown some of the difficulties a researcher face in attempting to follow a research plan in the field. Particular research methodologies, while they may seem to be academically the most appropriate, often come unstuck in the real world, requiring the researcher to be able to be flexible in applying each research method. Finally, the positionality of the researcher has been discussed in this chapter, particularly relevant given my position as neither an 'insider' nor an 'outsider', but occupying an 'in-between' social space.

This discussion of research methodologies in practice and my positionality leads to the consideration of the question of how far the research can represent what is going on in the field. In the process of data collection, I attempted to collect data from different groups of people assuming that this way would permit me to gain knowledge and gather insightful data from different perspectives and standpoints. When these data were used at the stage of writing, I attempted to allow the voices of my subjects to be heard. But this does not mean that I can claim that my research provides a 'full' understanding of the field. I can honestly say that the knowledge gained from my research is only 'partial' and 'situated' (Clifford 1986; Haraway 1988). The next chapter will provide an overview of the Lao PDR highlighting its agricultural development.

Chapter Four
The Lao PDR and Its Agricultural Context

4.1 Introduction

This chapter provides a background to the Lao PDR, with a particular focus on the country's agricultural context. It is bordered by Vietnam to the East, China to the North, Thailand and Burma (Myanmar) to the West, and Cambodia to the South (see Map 1.1). The Lao PDR has no easy access to the sea although most of its western boundary is demarcated by the Mekong River which has historically been a very important transportation route. As a poor country surrounded by more powerful neighbours, the Lao PDR has had to maintain good relations with its neighbours regardless of ideological differences (Rigg 1997: 161). With a population of 6.4 million in 2010, a land area of 236,800 square kilometres, and a GDP of US$ 4.3 billion, the Lao PDR is ranked as one of the world's poorest countries (see Table 4.1 for general data on the country).

The Lao PDR has had a long history of struggling to maintain its independence from the domination of its neighbours, especially Siam (Thailand), and later from France, the colonial power which ruled the country as a part of French Cochinchina from the late 19th century until 1954[24]. Since independence, the country has been divided and suffered from civil war. In 1954 when Laos (as it was then) achieved independence from France, the U.S. was fearful of communist expansion in the mainland Southeast Asia and, as a result, invested considerable resources in preventing the expansion of communism. At this time the country was highly reliant on foreign aid which accounted for around 80 per cent of the country's budgetary expenditure; of that, American aid to the country comprised over 80 per cent of the country's foreign aid (Evans 1991: 90; Barbier 1973 cited in Guégan no date: 2). Notwithstanding US largesse, the conflict between the Royal Lao Government (RLG) supported by the US and the communist Pathet Lao (later, officially, the Lao People's Revolutionary Party [LPRP]) escalated, culminating in victory for the LPRP in 1975. For the decade following the victory of the Pathet Lao, the country seemed to be 'forgotten' by the

[24] Due to limited space, this chapter cannot provide an in-depth historical account of the country. Martin Stuart-Fox's (1997) *A History of Laos* and Grant Evans's (2002) *A Short History of Laos: the Land in Between* provide good overviews of the country's history.

world community, almost isolated from the global economy and the non-communist world (Rigg 2009: 703; Bird and Hill 2010: 118).

Table 4.1 The Lao PDR: an overview

Land Area	236,800 square kilometres
Population (2010)	6.4 million*
Urban population (2010)	33 per cent**
Life expectancy (2009)	67 years**
Literacy rate	73 per cent**
(Population aged 15 and over who can read and write, 2005)	
Population below poverty line (2007/2008)	27 per cent***
Children under five malnourished (2006)	37 per cent***
GDP (2010)	US$ 4,262 million*
- Agriculture	34.4 per cent of GDP*
- Industry	26.6 per cent of GDP*
- Services	39.1 per cent of GDP*
GDP growth (2010)	8.4 per cent*
Imports (goods and services)	US$ 2,124 million*
Exports (goods and services)	US$ 1,440 million*
Foreign direct investment	US$ 838 million*

Sources: *Word Bank (2011); ** Central Intelligence Agency (2011) available from https://www.cia.gov/library/publications/the-world-factbook/geos/la.html [accessed 3 November 2011]; *** UNDP (2010).

In order to provide the background necessary to contextualise the current transformations of Lao upland agriculture, which will be discussed more fully in chapter 6 and chapter 7, this chapter provides an overview of the country's development and, particularly, the role and status of agriculture. For the purposes of the thesis, the chapter divides the historical evolution of the Lao PDR into two broad periods: firstly, the period of the planned economy spanning the years from the victory of the LPRP in 1975 through to 1986, and secondly, the period of the market-oriented system from 1986 with the introduction of the New

Economic Mechanism (NEM) or '*Chin Thanakaan Mai*' - 'New Thinking'. For each of these two periods, an overview of the country's development will be presented followed by a discussion of the status of and challenges to agricultural development.

4.2 The socialist Lao PDR: independence and development challenges (1975–1986)

Following the victory of the LPRP, the Lao PDR followed the Marxist–Leninist line of the Vietnamese government. However, the country's particular conditions made it impossible for the new communist government to complete the transition to socialism as the model envisaged.

4.2.1 The socialist Lao PDR: new dependencies in the independence period

Having suffered from colonisation by France for over a half century, civil war for two decades, and then being under US sanctions, the LPRP faced considerable challenges as it attempted to bring 'true' independence to the country. The key challenges the new government faced were associated with shortages of two important resources: skilled personnel and financial resources.

Human capital deficiencies: the victory of the LPRP led to the loss of most of the country's educated elite who had served in the administration of the RLG. Dommen (1985: 141) notes that of 120,000 civil servants, who served the old regime, 48,000 fled from the country, 30,000 were sent to prison, and 40,000 were sent to the re-education camps to be inculcated with the new political orthodoxy. The country lost not only those who were skilled, well-educated and experienced in making the decisions demanded to run the country's administration; they even lost those with even a small amount of managerial experience (Evans 1991: 98). A shortage of skilled and experienced personnel therefore became a significant obstacle for the new government in its attempts to run the country. In this situation, the communist Pathet Lao was not confident about its power to control the country at the beginning of the socialist period, and the government was in a dilemma over whether to recruit people from the old system to serve the new regime. The LPRP itself did not have sufficient human resources – those who had both experience and political qualifications – to guide the new regime. Large numbers of the LPRP's supporters were

members of the various minorities who, though they may have developed some skills in fighting, were not in a position to replace the well-educated but politically-untrustworthy people who ran the RLG (Luther 1983: 11). However, the new government did not seem to have many choices and, thus, the government recruited members of the ethnic minorities to serve the bureaucratic system in the mid-level administration (Stuart-Fox 1986: 53-54; Batson 1991: 144-145).

Lack of financial resources: the influence and role of the U.S. on the Lao PDR evaporated when the LPRP took over the country. While the country may have become more independent from the influence of the U.S., it also lost the most significant source of revenue for the government's budget. The country needed to seek new sources of income which was not easy for a poor, land-locked country where mountainous areas account for around 80 per cent of the country's total area. In contrast to its communist allies, Vietnam and the USSR, where industrialisation had developed or at least taken root before the revolution, at the time the LPRP gained control of the country, the Lao PDR was "still pre-feudal" (Phomvihane 1980 cited in Evans 1995: 41) and the majority of its population relied on subsistence-oriented agriculture, with very little surplus to be extracted for the country's development (Evans 1991: 90). While new types of taxation were introduced, such as agricultural taxation, they were generally unable to generate as much revenue as the government wished due to both people's poverty and the weakness of the state's tax collection mechanism (Evans 1988a: 11-12; Bourdet 2000: 36). A World Bank report published at the end of the 1970s (1979 cited in Evans 1991: 91) records that "in 1977 Laos had no national savings, and … the country was fully dependent on the outside world to finance its development needs". The new government could not even pay the state's employees and civil servants. Instead, state officials were encouraged to develop their own vegetable gardens as well as to raise pigs, ducks, chicken and fish (Evans 1988b: 243; Sirikrai 1996: 130-131). A shortage of financial resources in combination with the government's priority to allocate much of its limited budget for security purposes impeded any attempt at reconstruction and the restoration of a country destroyed by war.

These two conditions meant that the new communist government had to turn to its allies for assistance. Large numbers of Vietnamese and Russian experts were sent to the Lao PDR, replacing the American experts, to assist the new government in running the country's administration. Assistance from the socialist bloc countries ranged from military assistance

to development in agriculture and forestry, mining and infrastructure[25] (Stuart-Fox 1991: 189-199; Stuart-Fox 1997: 177-178). Members of the LPRP and young politically-trusted students were sent to Vietnam and the USSR for training in various fields. Some of this training did not fit the needs of the Lao PDR. One example – which does not seem to be apocryphal – was students who enrolled on courses in train maintenance and engineering when the country did not have a train system (Fry 1998: 157). The USSR and Vietnam also became new sources of foreign aid for the Government of the Lao PDR (GoL), accounting for around 60 per cent of foreign aid to the country during 1975-1985 (OECD cited in Guégan no date: 7). Even so, aid from its communist allies could not fill the gap left by the U.S. and its western allies (Stuart-Fox 1997: 177). The dire financial situation that the country found itself in after 1975 meant that "the Lao leaders never quite refused aid, wherever it came from" (Guégan no date: 7) although the amount of aid from the non-communist bloc and international organisations was far less than aid provided by the country's communist allies.

Though realising the different paths of the revolutions in the Lao PDR and the USSR, the LPRP hoped that the Lao PDR would be able to create a modern industrial economy while bypassing capitalism (Evans 1995: 65; Stuart-Fox 1997: 169). However, this aim was not achieved. Evans (1988a: 10-11) notes that before the revolution, the industrial sector and mining accounted for around five per cent of GDP, with less than 10,000 workers. Industries in the Lao PDR, though they basically produced consumer products, needed to import raw materials, especially from Thailand – its principal neighbour to the west with which it had generally poor relations (Stuart-Fox 1991). The new government faced difficulties in developing the country's industries; it lacked skilled manpower to run factories and could not provide the raw materials needed for production. Even the agricultural sector could not provide raw materials needed for agro-industrialisation. The cooperatives heavily promoted in the late 1970s entirely failed to modernise agricultural systems and increase agricultural productivity (this issue will be discussed in the following section). Ten years after Liberation, the economy of the Lao PDR was still very close to being a 'natural economy'.

[25] Stuart-Fox (1991: 189-194) records that Vietnamese troops were sent to the Lao PDR to assist the new communist government maintain its internal security and to build infrastructure (especially roads and bridges). The number of Vietnamese troops fluctuated, but by the end of 1980, more than 50,000 Vietnamese soldiers were in the Lao PDR.

The socialist government was unsuccessful in developing the economy of the country under the socialist model: the planned economy. The replacement of privately owned enterprises by state enterprises in a combination of fixed-price controls over commodities created economic problems instead of economic sustainability. Unexpected weather conditions after the revolution made the economic situation worse. The country faced food shortages, especially in urban areas; and state enterprises completely failed to resolve this problem. Dual markets – the state's market and the unofficial parallel or 'black' market – emerged. The shortage of food and of foreign exchange meant that the economy relied increasingly heavily on the 'black' market which the state was unable to control. The gap between prices in the official and the 'black' market widened[26] (Worner 1997; Bourdet 2000), and the inflation rate worsened. This made it difficult for people in towns, especially state officials on low wages, to make ends meet. Two years after the victory of the Pathet Lao, the Lao economy was in an even worse state than it was during the final years of the civil war. The GNP at the end of 1977 was around ten per cent lower than in 1974 - a year before the victory of the LPRP (Evans 1988b).

The communist government led by the LPRP failed not only to resolve the economic problems of the country but also to improve the standard of living of the Lao population. While government records show increasing numbers of social services provided to the people – such as schools and teachers, health care centres and staff, and food aid programmes – they were generally inadequate in terms of both quality and quantity due to limited resources. While the number of schools, teachers and pupils increased, around 80 per cent of students left school before completing a primary level education. Many ex-school students, especially in rural areas, could not maintain their rudimentary reading and writing skills after leaving school. Urban and rural disparities in literacy were evident (Stuart-Fox 1997: 193; Ireson 1998: 50-51). Healthcare services were also far from adequate. The Health Minister (Phonsena 1985 cited in Stuart-Fox 1997: 193) noted that in 1985 – 10 years after the revolution – only 18 per cent of Lao villages were able to access drinking water while people suffered from endemic disease and malnutrition.

[26] One example was the price of rice in the 'black' market in 1976 (a year after the LPRP took over the country), which was four times higher than the price determined by the state. This gap widened to nearly nine times in 1979 (Aray 1983 cited in Bourdet 2000: 54 notes 7).

Overall, in 1985, ten years after the LPRP had taken over the country, the Lao PDR, while it might have become independent from American domination, was far from being independent from foreign influence. Lack of resources needed for the country's development in combination with its geographical conditions (a land-locked and mountainous country), poor infrastructure, a low level of development in agriculture and industry, and political instability did not allow the country to maintain its independence from foreign influences and to fully determine its own future. The survival of the country, perhaps more accurately the survival of the LPRP, was heavily reliant on its communist allies, especially the USSR and Vietnam. The country became independent from one power to become dependent on another power bloc. The new regime was also unsuccessful in accumulating the wealth necessary to drive socialist reconstruction and development. Ten years after the LPRP began to follow the socialist model, the country was still listed as one of the UN's least-developed countries. In short, changes in economic policies and practices were needed if the regime was to survive and the country to prosper (this issue will be discussed in section 4.3).

4.2.2 Lao agriculture: an uncompleted socialist transformation

> "In our country … scattered agriculture took on a natural and autarkic character which was still very backward, and the mode of production was still *pre-feudal*"
>
> (Kaysone Phomvihane 1980 cited in Evans 1995: 41)

The revolution in the Lao PDR did not fit with Marx's theory that communism would be rooted and developed in an advanced capitalist society. In the Lao PDR, the revolution transformed the 'primitive' to a communist society, bypassing the stage of capitalism (Evans 1995: 65). Gaining control of the country while industry had not yet taken root, the communist government led by the LPRP considered agriculture as both fundamental to industrial development and a new vital source of revenue to resolve the budget deficit. A range of policies and practices was introduced, including agricultural taxes, controlling agricultural trade, and so on, to extract revenue from the agricultural sector to support the state apparatus. These policies were, however, far from successful (Evans 1991: 94-95).

Collectivisation, after it was delayed at the beginning of the regime, was heavily promoted in the late 1970s. For the leader of the party, the imposition of collectivisation was

regarded as the route to complete the socialist transformation in agriculture, with the hope that it would increase productivity in agriculture. The government believed that by implementing collectivisation, it would generate internal surplus to fulfil the country's dream of self-reliance and support the state's administration (FBIS 1978 cited in Evans 1995: 48; Bourdet 2000: 37). Collectivisation also politically served as a tool to prevent the formation of capitalism, as stated in a booklet provided for managers of the cooperatives: "[t]o eradicate the genesis of oppressor classes and class oppression in the country so that the way to capitalism is virtually blocked" (no author 1980 cited in Evans 1995: 93).

The campaign on collectivisation was fairly successful statistically as the number of cooperatives established rapidly increased. Over a thousand cooperatives were established within two years after the heavy campaign began (Kaison Phomvihane 1979 cited in Stuart-Fox 1997: 179; Bourdet 2000: 36 table 3.1). In 1986, the year that the NEM was launched (see below), there were around 4,000 cooperatives throughout the country (Evans 1995: 59, table 3.1). However, cooperatives in the Lao PDR were not akin to those in the USSR or Vietnam. One state official from the Cooperative Department remarked that the majority of the cooperatives were 'weak' cooperatives as they were "pseudo cooperatives. Just cooperatives in name, but really only labour exchange groups" (Evans 1988a: 76). Modernisation of agriculture through the cooperatives was, in fact, a failure. Modern agricultural inputs and machinery in the Lao PDR were scarce; the cooperatives' demand for them was nowhere near met (Bourdet 2000: 39; Ireson-Doolittle and Moreno-Black 2004: 101). Nor was increasing agricultural productivity through the cooperatives ever achieved. Bourdet (2000: 45) notes that "there are no economies of scale in rice production" under the cooperatives.

It is important to note that while the number of cooperatives was quite impressive, most of the cooperatives were organised in the lowlands where people farmed paddy. Cooperatives were rarely organised in the uplands where hill peasants practiced shifting agriculture[27]. The notable exceptions were some upland areas in the old liberated areas where people could access paddy (Ireson-Doolittle and Moreno-Black 2004: 104). However, the number of cooperatives covering hill populations was still very small. For example, in Houa Phan

[27] A villager from an upland community in Luang Prabang informed Ireson-Doolittle and Moreno-Black (2004: 104) that the village never encountered the cooperative system.

province, only 10 out of 300 cooperatives that existed in 1984 were made up of upland people (Evans 1988a: 75). Considering that collectivisation of agriculture was the state's main mechanism for modernising Lao agriculture, we can count it in large part a failure, particularly in the uplands where the state's role was minimal[28]. Ten years of the state-planned economy meant nothing for upland agriculture which was still dominated by a subsistence-oriented system. When we look at the transformations of agriculture in the Lao uplands before and after the implementation of the NEM in 1986, viewing upland agricultural transformations as indicative of the transformation from socialist to post-socialist agriculture does not quite reflect the reality of the situation because upland agriculture in a large part had never been socialist.

4.3 The Lao PDR: a country in transition (1986-present)

This section provides an overview of the transition taking place in the Lao PDR from 1986 onwards. The first portion focuses on the general development of the country when the NEM was launched in 1986. It then moves to a discussion of Lao agriculture under condition of spatial and economic integration. This will be followed by an exploration of upland agriculture and the emergence of rubber in the Lao PDR.

4.3.1 The Lao PDR: hope and reality in the era of market integration

> "It is inappropriate, indeed stupid, for any party to implement a policy of forbidding the people to exchange goods or to carry out trading. The implementation of such a policy by the party is suicidal."
>
> (Kaysone Phomvihane cited in FEER 1981: 183)

Soon after the implementation of the state-planned economy, the Party realised that this path was failing to improve the country's economy. Economic problems had significant implications for the status of the LPRP in leading the country; the Party's leaders realised that the legitimacy of the regime depended on economic prosperity (Evans 2002: 197). It became necessary for the party to re-think its path to socialism. The party considered that it was a mistake to 'bypass' a capitalist stage (Stuart-Fox 1989: 81; Evans 1995: xv). A rush into socialism by imposing centrally-determined economic activities and wiping out any

[28] This is not to say that the uplands were out of the reach of the socialist state. In fact, the socialist government attempted to establish its power and authority in the uplands, seen through the establishment of schools and healthcare development projects in the uplands. These state projects, however, were generally also unsuccessful (Stuart-Fox 1997: 193).

non-socialist forms of economic activity was seen to ignore the reality of the country (FEER 1987: 177; FEER 1988: 169). The country thus, as Kaysone Phomvihane – the Party's General Secretary and the Prime Minister – noted, needed to adopt "multiform economic cooperation with foreign countries" (Phomvihane 1988 cited in Stuart-Fox 1989: 81). State enterprises were encouraged to adopt "socialist economic accounting" and their managers were ordered to abolish the old line of thinking and adopt the new mechanism[29] (FEER 1987: 177; FEER 1988: 171; Evans et al. 2002: 197-198).

It should be noted that apart from the Party's realisation of the failure of its socialist policy, the relaxation of socialist economic forms was also stimulated by the USSR – its communist ally – which advised the Lao PDR to slow down the socialist transformation. The country was also advised by the International Monetary Fund (IMF) to stabilise its economy through liberalisation (FEER 1981: 183; Luther 1983: 17-18). The country's short period of high communism, with its very limited success, also meant, however, that the country did not experience 'shock therapy' or a 'big bang' as did those countries in Eastern Europe[30].

The transition began in the early 1980s when the first-five year plan (1981-1985) was launched. Wide-ranging reforms, however, were not introduced until 1986 when the Party Congress approved the NEM. Since then, a raft of policies and laws has been amended and introduced to facilitate the operation of the market and private firms (see Table 4.2). When the new economic direction was proposed, some members of the party expressed their concerns[31]. However, by the end of the Millennium Party members' concerns were about "how the NEM [marketization] should be extended and fine-tuned, not whether it require[d] rethinking and retooling in any fundamental sense" (Rigg 2005a: 22)

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[29] The *Far Eastern Economic Review* (1981: 183) cited a comment made by an analyst in Vientiane after Prime Minister Kaysone Phomvihane called for reform that "Kaysone seems to be saying, 'there is a beautiful socialist cake. But now let's keep it in the fridge'."

[30] In their study of reform in failing states from 1977-2004, Chauvet and Collier (2008: 17) classify the Lao PDR as a failing state with no sustained reform.

[31] Stuart-Fox (1997: 195) notes disagreements among the Party's members about the economic direction of the country. The NEM proposed by PM Kaysone Phomvihane was not appreciated by the Deputy Prime Minister Nouhak Phoumsavanh and his allies who drew their power from the control of economic production. Only support from the army's leader, Khamtai Siphandon and General Sisavat Kaeobunphan, made the new economic direction possible.

Table 4.2 Lao landmarks of transition, 1980s-2011

Year	Events
Early 1980s	- Relaxation of control of private trade; traders were allowed to import and export commodities through a licence granted by the government - Allowing peasants to sell their agricultural products to private traders
1986	- Freeing up the market in rice and other stables - The endorsement of the NEM at the party congress
1987	- Price of most essentials market-determined
1988	- Price decontrolling: abolition of forced procurement of strategic goods - Private investment: allowing private investment in sectors previously reserved as state monopolies - Adoption of a unified market-conforming exchange rate - Explicit recognition of the rights of households and the private sector to use land and private property
1989	- Operation of first joint venture bank with a foreign bank
1990	- Introduction of privatisation law and labour law - Passing of privatisation decree
1992	- Operation of a full branch of a foreign bank (from Thailand) - Introduction of Commercial Bank and Financial Institutions Acts - The Greater Mekong Sub-region (GMS), was launched with the assistance from the Asian Development Bank (ADB).
1994	- Approval of new investment law which provided incentives (taxes and approval process) for foreign investment
1997	- Introduction of new land law allowing the transfer of land titles to relatives and their use as a collateral in obtaining bank loans - The Lao PDR joined the Association of Southeast Asia Nations (ASEAN) - The Lao PDR applied for full membership of the World Trade Organisation (WTO)
1998	-The Lao PDR was granted official observer status at the World Trade Organization (WTO). Since then it has been preparing for WTO membership - The Lao PDR joined the ASEAN Free Trade Area (AFTA)
2001	- ASEAN's approval of the Strategic Framework for the GMS
2002	- Passing of New Foreign Exchange Decree improving private sector access to foreign exchange
2003	- Declining of the number of state-owned enterprises (SOEs) - Signing bilateral trade agreement with the U.S.
2004	- Introduction of new foreign investment law allowing 100 per cent foreign owned enterprises. The new investment law provides incentives for foreign investment in seven sectors and in three specified promoted zones (based on geographical location and socio-economic conditions)
2010	- The Lao PDR and China agreed on their comprehensive bilateral strategic partnership aiming at expanding cooperation in economic and trade, investment and agriculture
2011	- Opening of a stock market
2012	-The WTO's approval for Lao membership

Sources: Based on Rigg (2005a: 21-22 table 2.1), updated from Far Eastern Economic Review (1981: 184), Stuart-Fox (1989: 82), Sirikrai (1996: 155), Fane (2006: 213), and Bird and Hill (2010)

Since the NEM was introduced, the GoL has moved forward, embracing new elements of economic development. One of the most significant was the decision to join the Greater Mekong Sub-region (GMS)[32]. While GMS members may share some similarities of history and culture (ADB 2012: 3), the levels of global market involvement and economic development among its members varied enormously (see Table 4.3). Countries such as Thailand have long been engaged in the global market while countries such as the Lao PDR and Vietnam had participated in the global market for less than ten years before the GMS regional cooperation programme was launched. While Lao leaders appreciate the development gaps within the group, they hope (along with the ADB), that cooperation among the members will, over time, narrow these gaps (Sayasone 2011).

Table 4.3 Overview of the economic conditions of the GMS members at the onset of cooperation (1992-1995)

	GDP in 1995* (billions of US$)	Agricultural contribution to GDP in 1993** (%)	GDP growth 1992** (%)	GNI per capita 1992** (current US$)
Cambodia	3.0797	47	N/A	N/A
China	483.0468	20	14.2	390
The Lao PDR	1.1808	58	5.6	250
Burma	40.7661	63	9.7	N/A
Thailand	109.4261	9	8.1	1,870
Vietnam	9.8877	30	8.6	130

Sources: * is based on IMF (1999); ** is based on World Bank (no date)

Note: Only Yunnan province of China has joined the GMS cooperation.

Being land-locked which was historically regarded as a disadvantage for development is now turned to an advantage, as the Lao PDR has become a link between the GMS's members (Jerndal and Rigg 1999: 39). Located at the heart of the GMS, the Lao PDR dreams of becoming the hub of the GMS. The Lao PDR is linked to other GMS countries through two major economic corridors: i) the East-West Economic Corridor (EWEC) linking Vietnam in the east to Burma on the west through southern Lao PDR and Thailand, and Burma, and

[32] The GMS is a regional economic cooperation network comprising six countries of the Mekong basin, namely, Cambodia, Vietnam, the Lao PDR, Thailand, Burma (Myanmar), and Yunnan province of China. The GMS project was formed in 1992 with assistance from the Asian Development Bank (ADB) as the main donor. The GMS now sets nine priority sectors of cooperation: agriculture, energy, environment, human resource development, investment, telecommunications, tourism, transportation infrastructure, and transport and trade facilitation (see ADB 2012).

ii) the North-South Economic Corridor (NSEC) linking China's Yunnan to Thailand through the northern part of the Lao PDR (see Map 4.1). The Lao PDR has the hope that these economic corridors will transform the country from being land-locked to land-linked, facilitating tourism, investment and good transportation. The former Prime Minister Bouasone Bouphavanh expressed the view that these evolving road links will allow Lao commodities to compete with goods from other countries in the global market (*Xinhua*, 28 March 2008)[33].

[33] "Lao PM urges public participation in GMS Summit", Xinhua 28 March 2008. Available at http://news.xinhuanet.com/english/2008-03/28/content_7876357.htm [accessed 22 June 2008]

Map 4.1 The Greater Mekong Economic Corridors

Source: ADB (2012: 11)

In addition to the Lao PDR, China also views the GMS as its economic opportunity. In Beijing's view, the GMS is one of the key mechanisms to develop and modernise China's western hinterlands – a region where economic development has been slower in coastal areas. Linking Yunnan province (and, later Guangxi province) to the GMS has served two

key strategies of Beijing. First, the GMS is seen to provide opportunities for economic growth in China's hinterlands. The growth would assist China to overcome its regional (spatial) disparities. The GMS has coincided with Beijing's "western development strategy" or "Going West". Under the 10th Five-Year Plan for National Economic and Social Development (2001-2005), Beijing offered preferential policies, such as infrastructure development, investment environment, and education development, to develop its inner regions (Masviriyakul 2004). Second, linking its western frontiers to the GMS would allow deeper economic links to develop between China's western frontiers to South and Southeast Asia. Economic connections with the GMS and Southeast Asia have served China's 'Going Global' strategy, often referred to as 'Going Out', which was initiated in the late 1990s but was formalised in the early 2000s under the 10th Five-Year Plan for National Economic and Social Development. The key principle behind the 'Going Global' strategy is the growth of domestic industries through accessing new sources of raw materials demanded for its industrial development. Tax benefits, low-interest loans, relaxation of foreign exchange control, and other such policies, have been launched to encourage Chinese investors to go abroad and develop overseas resources and raw materials to fuel China's economic growth (Rutherford et al. 2008; YDOC 2007 cited in Shi 2008: 24). This is affirmed by Rutherford and colleagues (Rutherford et al. 2008) when they note that the structure of Chinese trading and investment in the three lower Mekong countries (the Lao PDR, Vietnam, and Cambodia) is dominated by imports of natural resources to China and the export of manufactured goods.

Development and cooperation under the GMS framework present highly asymmetrical relationships among the members. Currently, China is the most important engine in driving GMS cooperation. It holds the greatest power in negotiating with other GMS members. Thailand is another key actor, but Thailand's role in the GMS is far behind that of China. China's continuation of its dam construction projects on the upper Mekong illustrates the relative powerlessness of downstream members (Percival 2007). The future of many millions in the Mekong region is being increasingly influenced by decisions made in Beijing[34].

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34 One intellectual in Vientiane who does not appreciate the increasing power of China over the Lao PDR said: "when the Chinese piss in the Mekong, we're the ones that drown…" (*Worldcrunch,* "China' big design on small and strategic Laos", 14 July 2012. Available at

For a poor country like the Lao PDR which has a long history of heavy reliance on foreign aid, it does not have much power in negotiating with China and other GMS members. Historically, the Lao PDR had stronger ties to Vietnam than China; both the LPRP and the Communist Party of Vietnam (CPV) hold Marxism-Leninism as their ideology. Close alliance between the LPRP and the CPV caused tensions between Vientiane and Beijing. Relations between Vientiane and Beijing worsened when the Lao PDR supported Vietnam in its invasion of Cambodia in the late 1970s. Hanoi managed to maintain its strong ideological and political influence on Vientiane through the special relationships which were formed under the close links that existed between the LPRP's first generation leaders and the CPV's leaders. Today, officially, the LPRP still maintains close connections with Hanoi. However, since diplomatic normalisation between the Lao PDR and China in 1988, China's influence has significantly increased. Some observers (Storey 2005; Percival 2007; Lintner 2009) point out that the Lao PDR is on a slow move from Vietnam's embrace to China's. The head of China's Youth Volunteers Team in the Lao PDR describes relations between the Lao PDR and its two communist neighbours in the following terms: "Vietnam as the country's closest peer and China as its most reliable elderly brother" (Xiaofeng 2006)[35].

China's expansion of economic influence over the Lao PDR has gone together with the growth in China's soft power in the Lao PDR. While, in terms of bilateral aid, Japan is the Lao PDR's largest aid donor, China's aid has significantly risen and has become the second largest aid donor to the Lao PDR. The 1997 Asian economic crisis gave a golden opportunity for Beijing to increase its influence on Vientiane by increasing aid, fee-interest loans, trade, and investment helping the Lao PDR to stabilise its currency. China's assistance was shortly followed by a series of bilateral agreements between the two countries covering economic and technical cooperation, investment, and infrastructure development (Storey 2005). Several of Beijing's soft power projects went into the construction or renovation of significant landmarks in Vientiane: the US$7 million National Cultural Hall, the 13-kilometre Central Avenue, and the Patuxai Victory monument and its surrounding parks. In the old royal capital of Luang Prabang, 400 kilometres to the north of Vientiane, the Sino-Lao

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http://www.worldcrunch.com/chinas-big-designs-small-and-strategic-laos/world-affairs/china-s-big-designs-on-small-and-strategic-laos/c1s5865/#.UOnv8ORFX4t [accessed 15 November 2013]).

[35] *Mekong Press*, "China's aid flows downstream to Laos". Available at http://www.newsmekong.org/china_s_aid_flows_downstream_to_laos [accessed 15 December 2012]

Friendship Hospital, locally known as the 'Chinese hospital', was built in 2003. When the Lao PDR hosted the 25th Southeast Asian Games in 2009, it was China – the country which was not among the eleven countries competing in the games - which offered to build the 20,000-seat new stadium. Without China's assistance, the venue for the Games would have been nowhere near as spectacular (Lintner 2009). Recently, in supporting Vientiane to host the Ninth Asia-Europe Meeting (ASEM) Summit held in November 2012, Beijing provided generous assistance to Vientiane. China provided around 500 million Chinese Yuan (approximately £49 million) for the preparations. Leading Chinese construction companies and Chinese labour were sent to Vientiane helping the Lao PDR to build a National Convention Centre, reconstruct and extend the Vientiane Wattay International Airport, build the ASEM leaders' villa district and other relevant supporting projects for the summit (Vientiane Times 31 May 2012; Xinhua 3 November 2012)[36].

China's assistance does not come without costs to the recipient country. One of the most obvious examples is the GoL's granting of a 50-year concession, after which it may be extended, to a Chinese-led joint venture to develop a 'new township and industrial zone' on the outskirts of Vientiane. This concession was a form of repaying China for its assistance in building the new sport complex used for the Southeast Asian Games (Will 2012 and see Reuters 6 April 2008)[37]. There is no doubt that Chinese assistance goes to the Lao PDR to serve the interest of China. China's primary interest in the Lao PDR is more economic than political. Sommer (no date: 5) cites the view of GTZ staff on this issue: "Laos is simply too small for China to take a more direct political influence. In terms of a natural resource base and a transit country to Thailand and other ASEAN countries however, Laos is important for China". Thus, Beijing has paid special interest in assisting the GoL to transform land-locked Lao PDR to a land-linked country. One example is the case of the development of the road

[36] *Vientiane Times*, "Beijing pledges further support to Laos" (31 May 2012); *Xinhua,* "China-Lao relations more crucial to development in new era: Lao Deputy PM" (3 November 2012). Available at http://news.xinhuanet.com/english/china/2012-11/03/c_131949354.htm [accessed 15 November 2012].

[37] *Reuters*, "In the eyes of Laos' Communist rulers, trading Vientiane's biggest wetland for a new sports stadium seemed like a good bargain" (6 April 2008). Available at http://www.reuters.com/article/2008/04/07/us-laos-chinatown-idUSBKK24347820080407 [accessed 18 December 2010]. With disputes over this huge project coming not only from development agencies but also from within the government, the project has been scaled down from 1,600 hectare to 365 hectares. The construction work began at the end of 2012 (*Vientiane Times*, "Chinese firm breaks ground on That Luang marsh development", 25 December 2012).

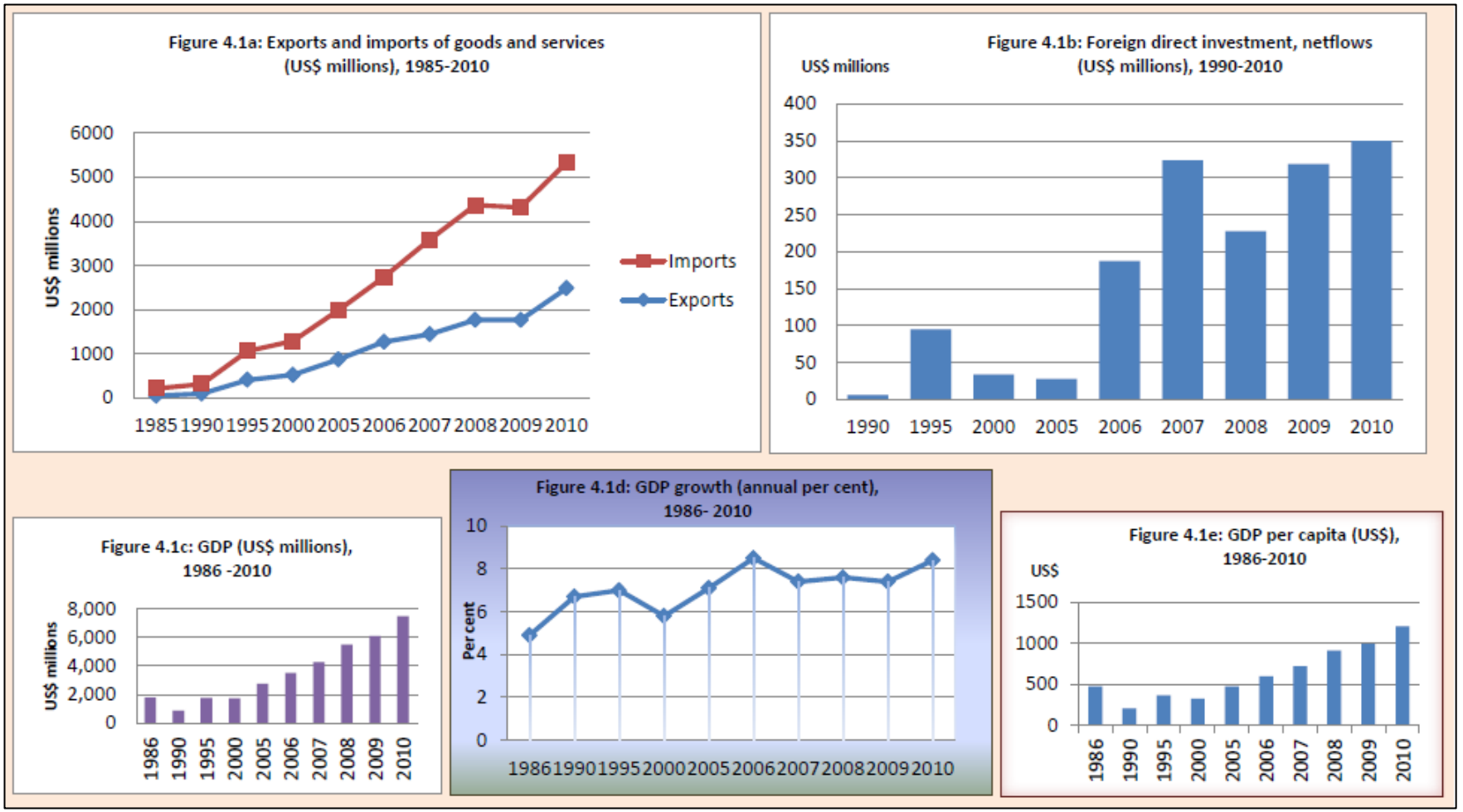
Route 3 (known as R3) linking Yunnan to Thailand through the Lao PDR's Luang Namtha and Bokeo provinces. Road development in the Lao PDR cost US$97 million and the Lao PDR contributed only US$7 million dollars letting China, Thailand, and the ADB paid US$30 million each[38]. Recently, China's Export-Import Bank (EXIM) has agreed to provide a loan to the GoL to cover the cost of the US$7 billion high-speed railway project linking Vientiane to Lao-China border in Luang Namtha[39]. While the Lao PDR and its people would gain some benefits, it is China who gains most from accessing Bangkok, and other Southeast Asian countries which will provide a huge market for China's goods. The Lao PDR's natural resources also attract China. In 2011, the Lao PDR was reported to be among China's top ten foreign investment destinations (Vientiane Times 18 August 2011)[40]. Resource-associated investment, especially mining, hydropower, and land development (both industrial and agricultural projects), is the most attractive for investors. China's economic influence has brought concerns to some Lao people who are worried that the country could soon become a China town. Nonetheless, they cannot deny that Chinese investment is a significant engine for the country's economic growth.

[38] *Xinhua*, "Route completed linking S China with N Thailand via Laos", (28 March 2008). Available at http://news.xinhuanet.com/english/2008-03/31/content_7892681.htm [accessed 31 December 2012].

[39] The project was originally planned as a joint venture between the two countries. However, the Chinese construction firms decided to withdraw from the project due to their concern over the profitability of the project. The GoL, with the approval from the National Assembly, decided to continue and assume the total cost of the project, believing that land-linked status would lead to the development of the country. However, there is a concern as to how the GoL will pay the loan back to China's EXIM Bank (*The Nation*, "Laos to pursue high-speed railway", 22 October 2012. Available at http://www.nationmultimedia.com/aec/Laos-to-pursue-high-speed-railway-30192745.html [accessed 19 December 2012]).

[40] *Vientiane Times*, "Laos in top ten Chinese new investment destinations", 18 August 2011.

Figure 4.1 Lao economic performances, 1985-2010.



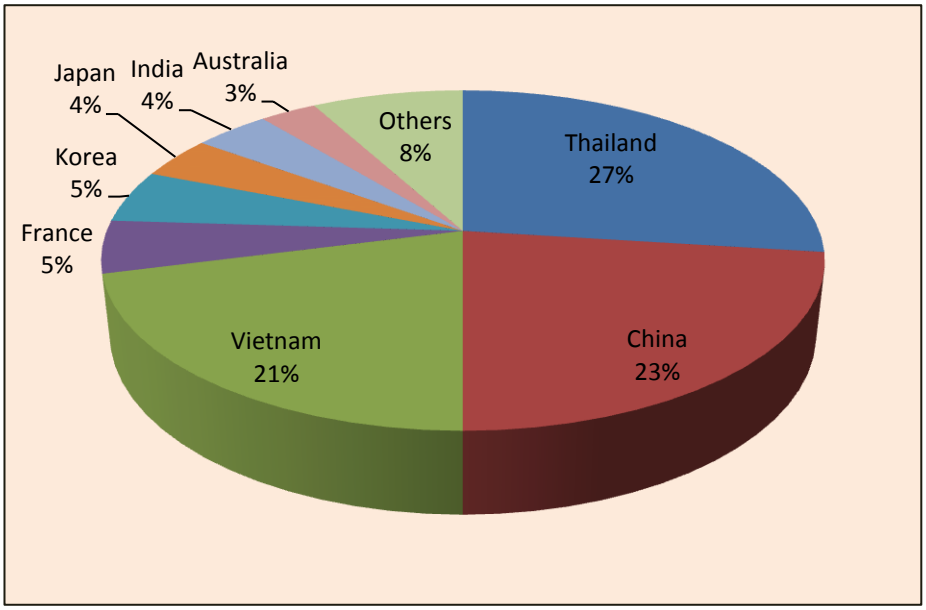
Sources: Extracted from Far Eastern Economic Review (1987: 180); World Bank (2008; 2011; no date)

Note: Exports and imports of goods and services for 2010 are estimated.

Looking at the economic record of the Lao PDR since the NEM was launched, it is not surprising that there is no call for a re-thinking of the country's economic direction from Party's members and the GoL. Though its size is still small, the Lao PDR's economic performance has been impressive (see Figure 4.1).

The Lao economy today is no longer isolated. It is, however, attached far more to the regional than to the global market; trading between the Lao PDR and the other countries of ASEAN accounts for around 70 per cent of the country's total trade, with Thailand accounting for around 50 per cent of total trade (World Bank 2007b: 19). However, the country has recently attracted investors from Vietnam and China, its socialist neighbours (see Figure 4.2). An increase in foreign direct investment is considered as a significant mechanism to maintain the country's economic growth. Currently, FDI inflows to the Lao PDR are dominated by investments in the natural resource sector, especially mining and hydropower, which account for over 80 per cent of the total FDI (World Bank 2009: 18) (see Figure 4.3). The trends in FDI and the country's exports (Figure 4.4) reflect the country's heavy reliance on the exploitation of its natural resources.

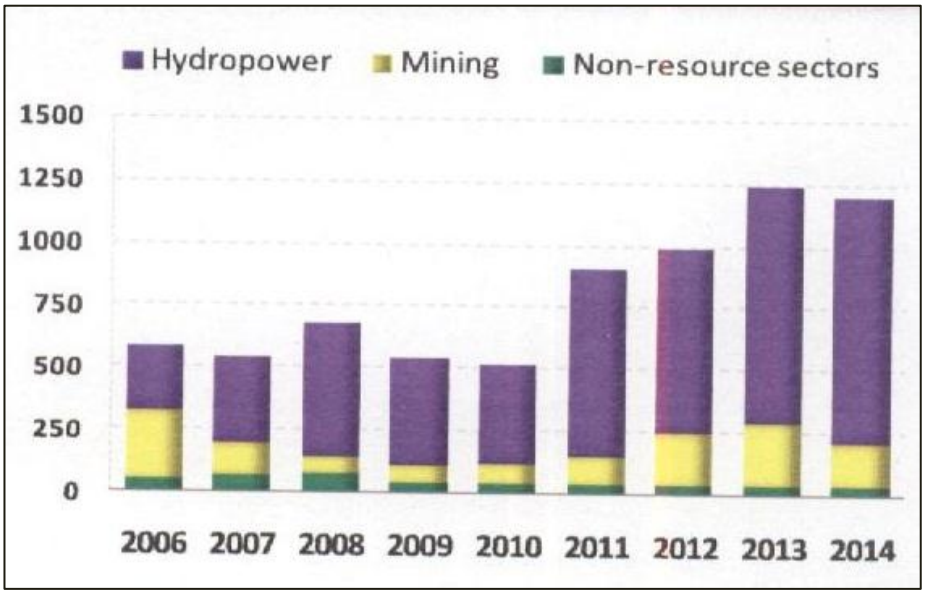
Figure 4.2 Share of accrual FDI in the Lao PDR by country (percentage of total), as of August 2009



Source: Reproduced from World Bank (2009: 18)

Note: The accrual FDI is based on approved FDI data provided by the Ministry of Planning and Investment (MPI) and calculated by the World Bank's staff.

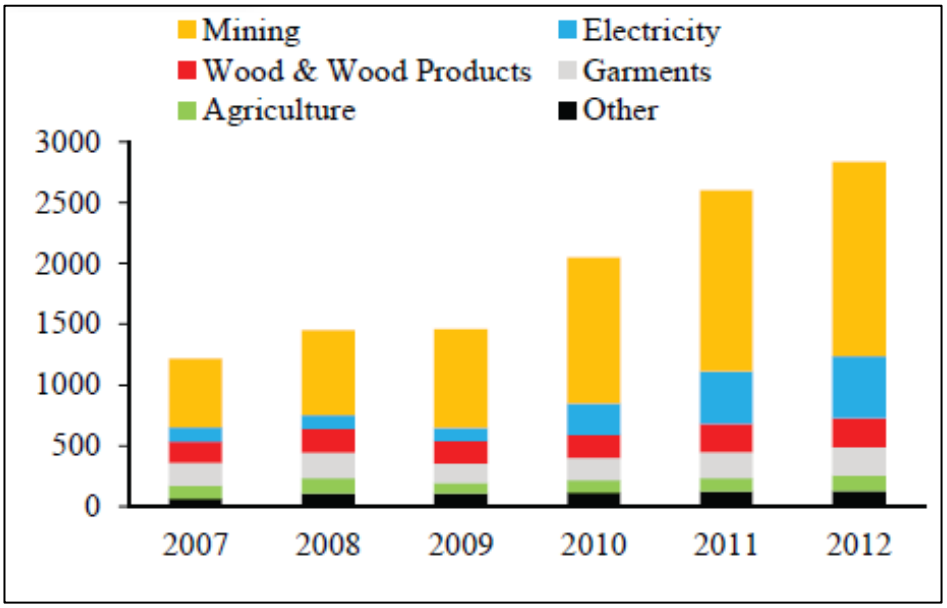
Figure 4.3 Actual FDI by sectors (US$ millions), 2006-2014



Source: Reproduced from World Bank (2009: 18)

Note: Data for 2011-2014 are estimated.

Figure 4.4 Exports by sectors (US$ millions), 2007-2012



Source: Reproduced from World Bank (2011: 10)

Note: Data for 2011-2012 are estimated.

The performance of the Lao economy since the country embarked on the NEM seems to offer hope to both the GoL and aid donors that the country is on the right track. For the GoL and aid donors like the ADB and the World Bank, economic growth almost equates to

development and, for a country which still faces a persistent problem of poverty, to poverty alleviation. However, economic growth does not provide benefits for everyone and the challenge of market integration and economic development is the determination of winners and losers, both relatively and absolutely.

The Lao PDR's GDP per capita has rapidly increased from approximately US$ 200 in 1990 to around US$ 500 in 2005, reaching US$ 1,200 in 2010 (see Figure 4.1e). However, the Lao PDR is ranked number four among the countries in the Asia and Pacific region in terms of the proportion of its population (44 per cent) living below the poverty line (less than US$ 1.25 per day). Only Nepal (55.1 per cent), Bangladesh (49.5 per cent), and Uzbekistan (46.3 per cent) have larger proportions of poor (ADB 2010: 66, 69). Rural poverty accounts for over 80 per cent of total poverty (Gaiha and Annim 2010: 2).The country is ranked at 138 out of 183 in the UNDP's latest Human Development Index; among the GMS members, only Cambodia (139) and Burma (149) are ranked at a lower level than the Lao PDR (UNDP 2011: 126). The question remaining is why the country which has achieved such impressive economic growth still has such a high proportion of poor people. A possible explanation is that the country's economic growth is based on the mining and hydropower sectors which can only absorb a small percentage of the population. The agricultural sector, in contrast, while it contributes only 34 per cent of GDP, accounts for almost 80 per cent of the labour force (ADB 2010: 140, 160-161). The Lao PDR may be able to convince foreign investors to come to the country, but the benefits of this engagement for its people are questionable. While for the World Bank, the ADB and the GoL there may be no doubt about marketization as the pathway to poverty alleviation, for critics there is the outstanding question of how to make market integration also work for the poor.

Poverty in the Lao PDR may be understood through the two perspectives of 'old' and 'new' poverty (Rigg 2005a: 25-35). 'Old' poverty focuses on the geographical marginality of people. This version of poverty has produced a rhetoric centred on 'dearth': limited road and market access, the absence of government services and development, and the character of livelihood systems (with upland populations who practice shifting agriculture seen as primitive). In order to resolve old poverty, development interventions that address these limitations are required, and in particular development interventions that provide road access and promote market integration. Such development interventions have the potential to bring a better life to people living in old poverty. However, they may also

create 'new' poverty both mentally (through the arrival of modernity) and instrumentally (through the unintended outcomes of the development projects)[41].

It is likely that spatial and economic integration can create both winners and losers. This pattern of economic development seems to be the only possible direction open to the socialist government as it attempts to think about the nation's development and prosperity. Thus, bringing the market to the people (and the people to the market) has been prioritised by the government with the hope that this will lift its people out of poverty. However, what is left unexplored is the question of how the market really works at the local level. How far can such policies of integration bring a better life to the Lao people? Or, indeed, are such interventions, in a real sense, harmful to the people? These questions will be explored in Chapter 6 and Chapter 7 through the lens of rubber expansion in the uplands of Luang Namtha.

4.3.2 Lao agriculture in transition

4.3.2.1 Subsistence agriculture under marketization

> "We should be aware that the commodity economy, including the simple commodity economy, is more advanced than the natural and self-sufficient economy. Therefore, our state must encourage and develop the commodity money relationship...with a view to turning the natural economy into the socialist-oriented commodity economy."
>
> (Kaysone Phomvihane 1986 cited in Evans 1995: 55).

> "Our previous cooperative policy was in the old style practiced by other socialist countries. After some investigations into the actual situation in Laos, we decided to change direction and start from the family."
>
> (Kaysone Phomvihane 1988 cited in Evans 2002: 195).

[41] One of the attempts to resolve 'old' poverty in the Lao PDR was the implementation of a resettlement programme. While the programme may bring upland populations closer to 'development' – by promoting road and market access – it has also created 'new' poverty as settlers struggle to make a living in a new settlement area (Cohen 2000; Evrard and Goudineau 2004; Baird and Shoemaker 2005).

Having failed to modernise its agriculture through collectivisation, the GoL continued – and continues – to have a primary concern with the development of the country's agricultural sector since the NEM was adopted. As noted by Bourdet (Bourdet 1995), there were two major agricultural reforms introduced in the mid-1980s. Firstly, the subsidies provided by the state to cooperatives were removed and the market mechanism in agricultural production was introduced. Secondly, property rights were reformed through allocating land use rights to peasant households. It is important to note that property rights reform in the late 1980s involved usufruct rights, not full private property rights. To begin with, these agricultural reforms seemed to have little impact on performance. While this was partly due to the severe weather conditions in the late 1980s, Bourdet (1995: 179-180) argues that it was also partly because of the status of Lao agriculture which was dominated by subsistence-orientated systems with low technological inputs and low productivity; in the early 1980s, only six per cent of cultivated areas were irrigated (FEER 1982: 192).

Since the introduction of the NEM, though agricultural performance has been better than it was previously under the high communism era, commercialisation of agriculture has remained quite slow. Data from the National Statistical Centre (2000 cited in Rehbein 2007: 47) show that in the late 1990s, 80 per cent of the Lao population worked in agriculture, with around 60 per cent being classified as 'subsistence'. According to the latest Agriculture Development Strategy (MAF 2010a: 2-3), rice-based agriculture, which is the dominant agricultural system practiced by rural households, accounting for around 70 per cent of the country's total cultivated area, is nearly all subsistence with less than ten per cent of the output being marketed. While agriculture contributes 34.4 per cent of GDP (World Bank 2011: Annex 1), the highest percentage of any sector, the export value of agricultural commodities is far behind that contributed by the mining and energy sectors (see Figure 4.4).

Levels of market involvement vary between regions. Farming households in the lowlands, especially in the Vientiane plain[42] and the Mekong river corridor[43], are much more involved

[42] The Vientiane plain extends from Vientiane City, and includes some parts of Vientiane and Bolikhamxay provinces covering the high plains and lower slopes. The landscape is dominated by a typography of middle mountains. The rural population in this area is around 300,000, with upland shifting cultivation and animal husbandry being important to livelihoods.

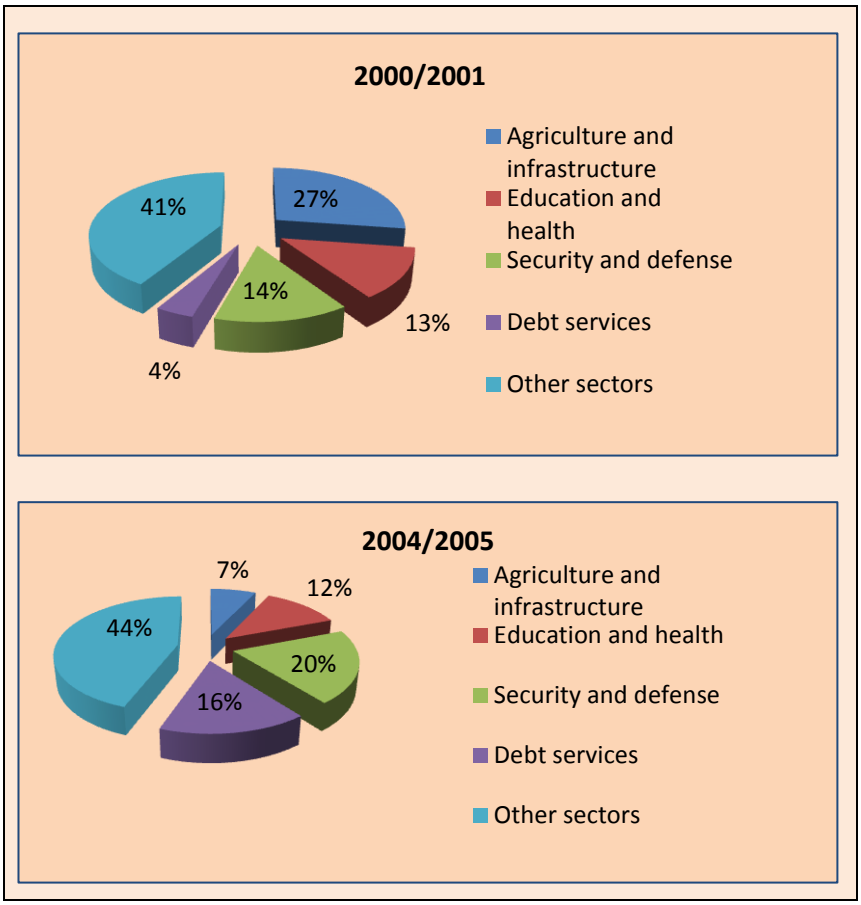
in market exchange than those living in the mountainous areas. According to the World Bank (2006: 10), nearly 50 per cent of rural households in the Vientiane Plain are involved in selling rice while only 14 per cent of rural households in the central-southern highlands have ever sold rice.

While modernising agriculture has been prioritised by the GoL, success has been limited. Lao agriculture is still reliant on traditional methods, with low levels of modern machinery and technological inputs such as improved seeds and fertilizer. The number of tractors used by Lao farmers gives a good reflection of this. In 2008, only 1,080 tractors were owned by Lao farmers, or 9.2 tractors per 100 square kilometres of arable land, which is far behind Vietnam, its socialist neighbour, with an average tractor ratio of 256.7[44]. Accessing agricultural credit is still limited, preventing farmers from purchasing modern agricultural inputs. Though agriculture absorbs the labour of the majority of the country's population, the proportion of public resources allocated to agriculture is quite small and on a declining trend (see Figure 4.5); government expenditure on agriculture and infrastructure development accounted for only seven per cent of total domestic expenditure in 2005 (World Bank et al 2007: 23).

[43] The Mekong river corridor covers the banks and floodplains of the Mekong River and the lower alluvial valleys of its tributaries. The area is well-suited to wet-rice agriculture. With a population of approximately 1.5 million people, it is the most densely populated area of the Lao PDR.

[44] http://www.tradingeconomics.com/laos/agricultural-machinery-tractors--data.html [accessed 20 November 2011] and http://www.tradingeconomics.com/vietnam/agricultural-machinery-tractors-wb-data.html [accessed 20 November 2011].

Figure 4.5 Shares of public domestic expenditure (percentage), 2000-2005



Source: Reproduced from World Bank et al (2007: 23)

The geography of the country not only causes difficulties in linking farmers to the market but also requires large budget allocations for infrastructure development. Though infrastructure has been improved, it still leaves a lot to be desired. Irrigation is one example. In the 2007/2008 agricultural season, the cultivated area under irrigation across the country accounted for approximately ten per cent of total agricultural land. The irrigated cultivated area was particularly small in the northern region where it accounted for only 2.4 per cent of the region's total agricultural land (MAF 2010a: 6 table 1).

Currently, agriculture is still the most important sector and employs the bulk of the population. However, Lao agriculture is still mostly subsistence and high levels of inputs are required to develop the agricultural sector. The GoL, however, has limited potential (both financial and human) to fulfil this task. The country's agricultural system is currently comprised of two main farming systems: the lowland rain fed and/ or irrigated farming system, and the upland swidden farming system. For many state officials, the lowland

system is preferred. The following section discusses more fully the approach of the GoL to its 'unwanted' upland shifting agriculture in the context of the expansion of rubber in the Lao PDR. This provides the higher level background to the understanding of the rubber boom in the study villages, which will be returned to in Chapter 6 and Chapter 7.

4.3.2.2 Upland agriculture and the rubber boom

Shifting cultivation[45] is the dominant form of agriculture in the uplands. This system is mainly practiced by non-Lao ethnic people[46]. It was estimated that in 1990 around 210,000 households practiced shifting cultivation, covering an area of approximately 249,000 hectares (GoL 2005: 39). The area under shifting cultivation dropped to 79,559 hectares (48,225 households) in 2009 (MAF 2010b)[47]. The shifting agriculture of the uplanders is generally considered by the state to be a 'destructive' and 'unsustainable' system. Apart from being regarded as the cause of the loss of forest areas (GoL 2005: 42), shifting agriculture mainly practiced by people living in the mountainous areas is considered by the GoL to have a close link to the poverty problem in the uplands (MAF 1999; GoL 2003a; 2005; WB 2006; ADB 2008). The ADB notes that 'most shifting cultivators live in poverty, their farming system unable even to meet household food consumption needs,' (ADB 2008: 1). According to the ADB's participatory poverty assessment (PPA) report (ADB 2001 cited in Rigg 2006a: 125) which was conducted in 2000 in 84 rural villages, 90 per cent of poor villagers relied on swidden agriculture. In 2001, the government issued Prime Ministerial Decree No 10 identifying 47 districts as the first priority poorest districts and 25 districts as the second priority, out of a total of 143 districts throughout the country. Richter and colleagues (Richter et al. 2006) point out that over half of the first priority poorest districts are located in the remote highlands and most of them are difficult to access. They also note

[45] In this thesis, shifting cultivation, shifting agriculture, and swidden agriculture are used interchangeably to refer to the main agricultural system in the uplands. While realising that there is a variety of systems practiced by different groups of people, I use these terms in a broad sense to refer to the farming system that dominates dry-rice cultivation, in which the plot is used before being (usually temporarily) abandoned. Shifting cultivators generally return to their abandoned plots when soil fertility is restored. The system is different from the wet–rice paddy system, in which land is used permanently, and often with high levels of inputs.

[46] It is important to note that while this system is mainly practiced by non-ethnic Lao uplanders, some ethnic Lao and lowlanders also practice shifting cultivation.

[47] It should be noted that there might be an issue over accuracy of the areas used for shifting agriculture and the number of swidden farmers. Notwithstanding some possible inaccuracy, the data give us a picture of trends of shifting agriculture in the Lao PDR.

that in 2002/2003, shifting agriculture was widespread across the 47 poorest districts (Richter et al. 2006: 60).

In addition to being seen as a cause of poverty and the decline in forest areas, shifting agriculture is also linked to opium cultivation. The United Nations Office on Drugs and Crime (UNODC) (2008: 8) asserts that most opium poppy cultivators live in poverty. The government has pointed to a strong correlation between opium and poverty by reporting that opium fields were found in 67 districts in 2002; of these districts, 32 were among the 47 poorest districts (GoL 2003a:122).

In order to resolve the upland 'problems' that centre on shifting agriculture, several policies and development programmes have been introduced. The GoL stated in the late 1980s that stabilising shifting cultivation should be achieved by providing alternatives to villagers, not by ordering or forcing them to abandon the practice (GoL 2005: 3). One of the most significant policies – which has had a serious impact on upland populations and agriculture – is the Land Use Planning and Land Allocation Programme (LUP/LA) or *'beng din beng pa'*[48], introduced initially in 1994. The programme aimed to promote crop production by replacing shifting cultivation with permanent field agriculture, and in so doing to protect forest, and to utilise allocated forest on a sustainable basis (GoL 2005: 5-6). The programme which was supported by the World Bank, and multilateral and bilateral development agencies, assumed that land-rights security would increase land owners' incentives to intensify the use of land and make productive investments. The LUP/LA allocates forest lands to the community for sustainable management, and also allocates potential agricultural land and degraded forests to households, based on three-year temporary land use rights. Long-term use rights can be applicable only after the land has been permanently used for three years (GoL 2005: 5). According to the programme, villagers cannot use plots which have been left for more than three years. The abandoned plots, including three-year fallows, should automatically return to the village to be re-allocated to other villagers who have the potential to develop them for sedentary farming (Ducourtieux et al 2005: 506). The plots under shifting cultivation cannot be granted a long-term use right; the government, influenced by the World Bank, believes that this programme should convince villagers to abandon shifting agriculture and establish permanent farms. The land-rights policy implemented through the LUP/LA programme reflects how shifting agriculture is

[48] This literally means allocating land and forest.

perceived among Lao leaders. Upland agriculture is generally referred to by state officials and lowlanders as a 'primitive' system as compared to the 'modern' permanent agriculture practiced mainly by lowlanders.

Between 1995/1996 and 2002/2003, the LUP/LA programme was implemented in 6,830 villages (more than 50 per cent of the country's villages) with the allocation of more than 9 million hectares of land (GoL 2005: 6). However, the success of the programme is questionable as the programme has led to increased livelihood vulnerability for many upland people who have not been able to make their living from the three allocated plots (Satoshi et al 2006). Some research points to emerging social differentiation among villagers who have unequal access to the benefits of the programme (Ducourtieux et al 2005). Indeed, it has been suggested that the programme has generated displacement and impoverishment (Vandergeest 2003: 51). The programme, which was intended as one of the tools to resolve poverty in the uplands has, arguably, thus created 'new' poverty in the uplands (Rigg 2005a: 29-35).

In addition to the LUP/LA programme, commercial crops have been introduced to the uplands. It is believed that agricultural commodities will improve the quality of life of upland populations who face restrictions on practicing shifting cultivation. Cash crops are considered to provide cash income for uplanders so that they are able to buy rice to fill any shortages during the year, even to have rice to eat without growing it (Ducourtieux et al 2006: 66). Moreover, commercial crops also function as opium-substitute crops. The GoL and international organisations, especially the UNODC, have attempted to introduce commercial crops in the former opium cultivated villages aiming to prevent villagers returning to opium cultivation. The GoL and development organisations have worked continuously to develop the necessary market infrastructure and skills so that uplanders are ready for market integration[49]. However, the success of such replacement schemes is still very limited. Shifting cultivation cannot be easily eliminated by introducing cash crops. Ducourtieux and colleagues (2006: 74) suggest that if newly introduced crops fail to provide a more productive and secure alternative to shifting cultivation, then "the failure of the cash crop proposed is predictable" (Ducourtieux et al. 2006: 74).

[49] It is stressed in the government's 'Strategy for Reform in the Agriculture and Forestry Colleges towards 2020' that the objective of the reform strategy for technical agricultural education is to develop skilled persons for market-based development in the agricultural sector (MAF 2008: 4).

In the early 2000s, while the GoL was struggling with how to eliminate shifting cultivation and resolve the problem of poverty in the uplands, a new commercial crop emerged: rubber. While some proposed commercial crops may have an uncertain future, rubber is different. It has been greatly welcomed by uplanders who heard stories about the profits that rubber farmers in China and a Hmong village in Namtha district (the first village to grow rubber trees in the country's northern region) could earn. Moreover, rubber has become of interest to the GoL in promoting it to Lao farmers. Douangsavanh and colleagues (2008: 13) note the reasons why the GoL adheres to the promotion of rubber trees to small farmers:

- The rubber tree has the potential to be an alternative crop for poverty reduction
- The rubber tree can be substitute for opium cultivation and unregulated shifting cultivation
- Households can secure their income from the nature of the operation of the rubber market: a quota system in which the price is set in advance.
- Rubber farmers can earn income in the early year of plantation establishment due to its potential for intercropping.

Though it has a very short history in the Lao PDR, rubber has become an attractive crop for both Lao farmers and investors. In the 1990s, rubber was planted in Bachiangchalernsouk district of Champasak Province by a state company, in an area of only 50 hectares. Since then, the area of rubber has constantly increased, accelerating since 2003 (Manivong and Cramb 2008). It is estimated that the planted area of rubber nationwide in 2008 was 140,550 hectares; of this, only 23 per cent was run by small famers while the rest was under private companies, either through direct investment and involvement or through contract farming systems. It was predicted that the total area of rubber planted in 2010 would be almost 250,000 hectares (Manivong 2009).

It should be noted that there are many actors from different levels involved in the rapid expansion of rubber trees in the Lao PDR. Besides the Lao state, neighbouring countries have played a crucial role in promoting rubber plantations within the Lao territory. One example is the Chinese state which has facilitated the rubber boom through its opium replacement programme which is promoted in the context of China's 'go out strategies'. The programme provides both financial and non-financial support for Chinese investment

in several sectors, including agribusiness (Rutherford et al. 2008: 15; Shi 2008: 24-27). The programme was timed to coincide with the influx of rubber investment in Luang Namtha (Shi 2008: 23). Chinese investors in the Lao PDR also have the perception that their investment in the Lao PDR is the way to modernise Lao society. As one said, 'Laos is poor and dirty.' 'But we have many friends there already. We can make money and help make Laos more like China.' (Asia Times, 19 September 2009). Shi (2008) notes the views of a manager of a Chinese rubber company who asserts that rubber trees are a better means of promoting upland development than development projects offered by western agencies: 'the westerners have been here for so long, building one bridge, one hospital, one school,... villagers are still poor, still living in the way they did ten, twenty, fifty year ago. *What we bring is real development, real modernity*.' (Shi 2008: 72, italics added). The question is whether the rubber tree can truly bring 'real' development to the Lao people. Will it be another version of 'new' poverty imposed in the uplands? And how far can marginalised uplanders who are not yet familiar with the market deal with the huge influx of capital into the uplands? These issues will be explored in Chapter 6 and Chapter 7.

4.4 Summary

This chapter has provided an overview of the Lao PDR, focusing on the period from 1975 to the present. The poor socialist state led by the LPRP faced challenges when the country turned to communism in 1975. As discussed, various conditions limited the ability of the state to achieve full socialist transformation. Cooperatives generally failed and even during the high point of communism in the Lao PDR, agriculture was mostly not socialist, but subsistence. The latter half of the chapter discussed the transition to the market. The chapter explored the economy of the country as economic and spatial integration has proceeded, pointing to the hope that this will transform the country from a land-locked to a land-linked state. Both the economic and social aspects of this transformation have been explored, providing the links between economic and social development. The chapter has noted the hope of policy makers that market integration, especially at the regional level, will become the means of bringing economic growth and development. Almost 30 years since the NEM was first introduced, a call to return to socialist transformation is rarely if ever heard. The central concern among Lao leaders today is more about how to link the economy of the country into global and regional market better. Practically, market capitalism is not seen as the enemy of the country. While integration has been

accompanied by improvements in social and economic indicators, the country is still close to the bottom of the Human Development Index. The agricultural sector on which the majority of the population depend to make their living still needs improvement. After more than 20 years of market integration, Lao agriculture is still dominated by rice-based subsistence systems, especially in the uplands where swidden farming is the dominant form of agriculture and which is also considered as being one of the causes of poverty in the uplands. New commercial crops had been introduced with very little success. It was just at this juncture, in the early 2000s, when rubber – a new commercial crop – was introduced. It quickly became attractive to uplanders, the state, and investors who, though they may have slightly different views on the crop, consider rubber trees as a new hope. In the following chapter, the particular context of Luang Namtha province, which has the largest planted area of rubber in the country, and the location of the study sites will be discussed in order to provide the background to the later empirical chapters.

Chapter Five
Research Communities

5.1 Introduction

In the preface of his fascinating book, *The Art of Not Being Governed: an Anarchist History of Upland Southeast Asia,* James Scott (2009:ix) refers to the vast area of the Asian hinterlands - known as the Southeast Asian mainland massif, covering 2.5 million square kilometres and composing some 100 million people of diverse ethnicity - as 'Zomia'. Scott views Zomia, a term borrowed from Van Schendel (2002), as "the largest remaining region of the world whose people have not yet been fully incorporated into nation-states" (Ibid). Scott accounts Zomia as a 'stateless' space and as a zone of 'refuge' or 'asylum' (J. Scott 1998: 22, 31, 143) whose population have chosen to move away from civilisation and away from lowland domination (p. 128). Scott, however, warns that his argument may not fit the current situation in Southeast Asia's hinterlands, as the state has 'engulfed' and drawn such spaces into its peripheral areas (J. Scott 2009: xii).

In the case of the Lao PDR, the state has long attempted to transform the frontier space from a 'stateless' space, as Scott (2009) calls it, to a 'state' space. In order to gain a better understanding of the state's integration of the frontier areas and populations, it is necessary to look at how the state has viewed this marginal space and people.

The victory of the communist movement in the Lao PDR, as well as in Vietnam, could not have been successful without war-time alliances with ethnic minorities in the frontiers. Promises, including hints at future political autonomy, were given to attract the support of the ethnic peoples in the margins who hoped for some future political reward. However, after the revolution, these promises of political autonomy were toned down (Pholsena 2006). Moreover, the communist state came to view the frontiers as needing to be even more firmly attached to the state and socialist project (Michaud 2009).

After the civil war, a key challenge for the new socialist regime was to build a socialist nation in a country where the top leadership of the LPRP was lowland-Tai-Lao dominated while, according to the State Planning Committee and National Statistic Centre (1999 cited in Evrard and Goudineau 2004), the non-Tai-Lao population make up more than 40 per cent of the country's inhabitants. While the socialist government officially talks of a 'multi-

ethnic' Lao nation, the Lao government emphasises cultural unity centred on an ethnic Tai-Lao conceptualisation of Lao-ness. Kaysone Phomvihane, the LPRP's leader stated that:

> "Lao culture must be the basic culture shared by all the ethnicities, and must be the one to provide the connections for the exchange of culture between all the ethnicities; spoken and written Lao is the common language and written Lao is the regular writing of all the ethnic groups; nevertheless, each ethnic group should still preserve its spoken language, and their separate customs". (Phomvihane 1982 cited in Evans 2003: 213)

The socialist government officially speaks of a multi-ethnic Lao nation where everyone is equal. However, as Grant Evans points out, the socialist state "is found wanting for it is clear to everyone, especially the minorities, that they are not equal citizens" (Evans 2003: 214). It is evident that Tai-Lao speaking lowlanders are considered superior; as Kaysone Phomvihane stated: "the ethnic Lao group has a greater population than others, located in almost all the provinces and holding a superior degree of economic and cultural development" (Phomvihane 1981 cited in Pholsena 2006: 175). The perception of cultural hierarchy between Tai-Lao and other ethnic groups is rooted in both the particular history of the Lao PDR and the influence of Marxist-Leninist theory. The formation of the Lao kingdom was founded on the political and economic control of the Theravada Buddhist, Lao-Tai lowlanders. This Buddhist kingdom, as with those Buddhist polities in Siam and Burma, held the view that "there were uncivilized people living on the frontiers" (Keyes 2002: 1173). This heritage combined with Marxist-Leninist ideology strongly influenced by evolution theory. People were classified by their different levels of 'cultural development'. A 'scientific' classification of people was also determined by their different degrees of Lao-ness. The degree of Lao-ness was over-simplified by reference to the geographical location of populations. People were classified as Lao *Loum* (Lao in the lowlands), Lao *Thueng* (Lao in the midlands or in the uplands), and Lao *Soung* (Lao in the highlands)[50]. The first category applied to the Tai-Lao speaking people. The Lao *Thueng* was applied to Mon-Khmer and Austroasiatic groups while Lao *Soung* was applied to Tibeto-Burman, and Hmong-Mien

[50] Lao *Thueng* are sometimes referred to as 'uplanders'. However, in this thesis, the term 'uplander' is used as a broader term to refer to non-lowlanders. Thus, 'uplander' used in this thesis includes people who both belong to the state's category of Lao *Thueng* and Lao *Soung*. The thesis, however, does not subscribe to the idea that Lao *Thueng* or Lao *Soung* are more backward than Lao *Loum*.

groups (Evans 2003: 214). Lao *Thueng* and Lao *Soung* who live in the margins and practice shifting agriculture are placed at a lower level of the 'civilisation ladder' (Chiengthong 2010) than those Lao *Loum* who farm paddy and practice Buddhism[51]. Cultural traits and practices of ethnic people in the frontiers are viewed as 'backward practices' and their 'animist rituals' "have bad impacts on solidarity, productivity and life of diverse ethnic groups as well as of the nation" (LPRP's Central Committee 1992 cited in Pholsena 2006: 71-72).

With this in mind, the 'backwardness' of the margins need to be addressed. The government's project of 'civilising the margins'(Duncan 2004b) aims to resolve the frontiers' 'problems', namely security, poverty, superstitious beliefs and practices, shifting cultivation, and opium cultivation. Various 'development' mechanisms and policies have been imposed on the frontiers and frontiers' populations. One of the key mechanisms has been the state's territorialisation of the margins through an internal resettlement programme which was heavily implemented between the mid-1990s and early 2000s. The programme aimed to deal with both the security issues and backwardness of the frontiers. Some politically untrustworthy minorities were a particular target and were relocated to be close to more politically-trusted ethnic minorities. For instance, in the politically sensitive Lao-Thai borderlands, Hmong villages have often been resettled close to Khmu communities to prevent any possible uprising which might be influenced by Hmong in Thailand (Friederichsena and Neef 2010). The internal resettlement programme can be seen as the mechanism by which the state expects to fulfil its mission of civilising the frontiers. The project aims to eliminate 'backward' economic activities and cultural characters prevalent in such areas. Thus, besides being used to resolve the problem of access and lack of state services in the margins, the internal resettlement programme was also used for stabilizing shifting agriculture, eradicating opium cultivation and addiction, and cultural integration (Baird and Shoemaker 2005). People in the highlands and uplands were forced to relocate into 'focal sites' often at the edge of the lowland valleys and close to roads. The rational of the 'focal site' strategy was that it makes bringing 'development' and state services more cost-effective than it would do so to many small scattered villages in the hills (Rigg 2005a). Some villagers were relocated to a consolidated village where small

[51] While Buddhism is no longer the state's religion and the socialist state tried to limit some activities of the Buddhist Sanha, the LPRP does not consider Buddhism as the enemy or as an obstacle to the Lao socialist project. The communist state even expected to use Buddhism to serve the new regime (Evans 1993).

settlements have been combined together in larger settlements. Village consolidation is thus similar to the 'focal site' strategy but on a smaller scale (Baird and Shoemaker 2005). Thus people who lived in the 'stateless' zone have been relocated to bring them under the state's gaze and control. Resettlement villagers are supposed to be provided with infrastructure, state's services and agricultural land in the 'focal sites'. However, narratives about the 'focal sites' is about a shortage of land and the increasing livelihood vulnerability of the resettled households (Lyttleton et al. 2004; Baird and Shoemaker 2005; Rigg 2005a; and see section 5.3.2.1 for the resettlement experiences in the study sites). It is important to note international aid agencies made a significant contribution to the Lao government's internal resettlement programme. It was estimated that at least 80 per cent of associated costs of the resettlement programme have been funded by international aid agencies (UNDP 1998 cited in Baird and Shoemaker 2005: 11).

The policies introduced into the frontiers aiming to link the 'uncivilised', 'underdeveloped' space and people to 'development' re-produced the state's views of the socio-economic hierarchy between Lao-Tai lowlanders and other populations. That said, such development projects were an attempt to make ethnic minorities living in the margins of the Lao PDR more like the Lao-Tai speaking lowlanders. This was not only encouraging (or forcing) them to adapt sedentary agriculture life but also to become more 'Lao' by adopting the language, clothing, and ways of life of the Lao *Loum*. Baird and Shoemaker (2005: 11) record that in the southern province of Attapeu, the provincial government has built Lao-style houses in the resettlement villages of ethnic minorities to "teach people how to make Lao permanent houses". Civilising the margins in the Lao PDR is thus more about 'domestication' (McCaskill and Kampe 1997) through a process of 'Lao-loumification' than it is about development.

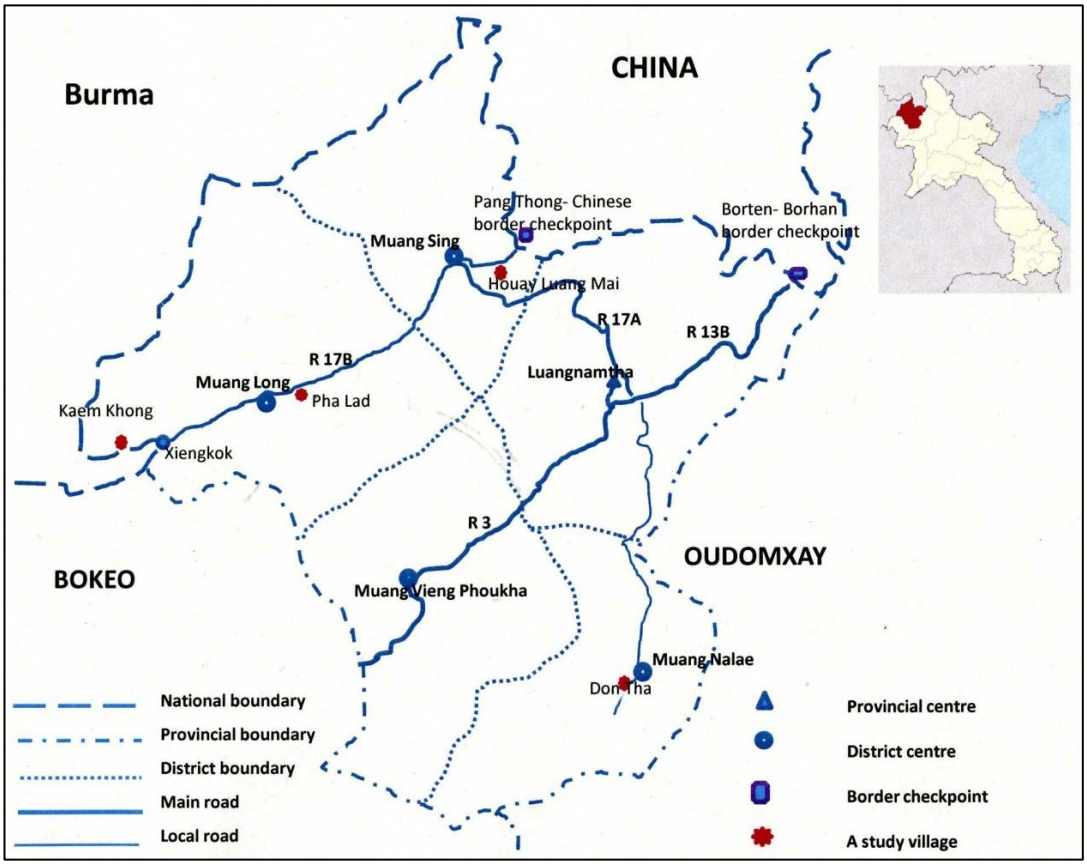
The Lao uplands, as well as the mountainous areas in Southern China and Vietnam, are not only being enclosed by the state but also by the market. The exercise of state power over the margins today is not just an issue of national security and nation-building but also of managing upland space and its people for economic purposes (Michaud 2009). This mountainous area "is now increasingly opening up to investment, regional planning, and development interventions, often as countries [China, Vietnam, and the Lao PDR] change from socialism to [a] more liberal market and political system" (Forsyth and Michaud 2010: 1). The mountainous region is now connected to both the state and the market and the uplands of Luang Namtha province - the mountainous province in the north-west of the Lao

PDR – is no exception. That said, the geographical setting of Luang Namtha does not permit easy connection to Vientiane - the country's capital city and economic centre. Luang Namtha was the country's borderland and a marginal region during the high period of communism in the Lao PDR. This situation has begun to change as the country is spatially and economically integrated into the wider regional and global markets. Indeed, this 'marginal' land has become one of the centres of economic integration. In light of these transformations, Luang Namtha is a particularly appropriate place to undertake this research; it offers an insight into how a marginal borderland is transformed in the context of market and state integration. Based on primary data obtained from the fieldwork and secondary data, this chapter provides an overview of Luang Namtha province before introducing the four communities that were chosen as the study sites.

5.2 Luang Namtha Province

Luang Namtha province is in the north-west of the Lao PDR, located 700 kilometres from Vientiane, the country's capital city, or about 20 hours by bus. It shares a border with two other Lao provinces - Bokeo in the south-west and Oudomxay in the south-east. It is also bordered by Myanmar in the north-west, following the course of the Mekong. Finally, to the north, it shares a 140 kilometre land border with China's Yunnan province (see Map 5.1).

Map 5.1 Luang Namtha province and the study sites



Luang Namtha covers an area of 8,325 square kilometres, with more than 85 per cent of this being classified as mountains rising to between 800-2,000 metres above sea level. In 2009, the province had a population of 160,000 people, or 2.6 per cent of the country's total population[52]. It was recorded that in 2005, about one-third of the province's total population lived in Namtha district where the provincial capital is located. The majority of the population live in rural areas, making up nearly 80 per cent of the total in 2005[53]. Schipani (2007: 9) notes the ethnic diversity of Luang Namtha; it is home to more than 20 ethnic groups[54]. Table 5.1 provides a summary of the major ethnic groups in Luang Namtha.

[52] Lao Statistics Bureau, "population" [online]. Available at http://www.nsc.gov.la/index2.php?option=com_content&view=article&id=37&Itemid=38 [accessed 12 September 2011].

[53] Lao National Tourism Administration, "Luang Namtha" [online]. Available at http://www.tourismlaos.org/web/show_content.php?contID=42 [accessed 12 September 2011].

[54] Schipani (2007: 9) raises the point that the use of the term 'ethnic minority' is something of a misnomer for ethnic people in Luang Namtha as their number is far greater than that of ethnic Lao who make up only a small proportion of the province's inhabitants.

Table 5.1 Main ethnic groups in Luang Namtha, 2005

Ethnic groups	Percentage of the province's population
Akha	25.1
Khmu	24.5
Tai Lue	12.2
Tai Dam, Daeng, Khao	10.1
Hmong	5.0
Lahu	3.6
Tai Yuan	3.5
Yao (Iu-Mien), Lanten	3.1
Other	7.2
Total	100

Source: Luang Namtha Population and Housing Census, 2005 reproduced from Schipani (2007: 9).

The geography of the northern region of the Lao PDR is dominated by a range of high mountains. Although road connection has vastly improved, it still leaves a lot to be desired. Poor roads make it difficult to travel between Luang Namtha and the country's capital city. However, its setting allows Luang Namtha to be connected to its three neighbouring countries (China, Burma, and Thailand) rather more easily than to Vientiane. Luang Namtha is one of the two provinces[55] in the northern region of the Lao PDR where roads (R 3 and R 13B) provide links with Kunming, the capital and largest city of Yunnan province of China, and to Bangkok, Thailand's capital (see Map 4.1 and Map 5.1). New and/or improved roads have brought new problems to communities close to such arteries of communication, such as a demographic shift or HIV vulnerability found in a study of Lyttleton and colleagues (see Lyttleton et al. 2004) and a boost in trade (Edmonds and Fujimura 2006 cited in Rigg and Wittayapak 2009: 83). Road no. R3 and R 13B have made the movement of people and goods between northern Thailand and south-western China via Luang Namtha significantly easier. This process of spatial and economic integration has led to the growth not only of Luangnamtha - the provincial centre (see Picture 5.1) – but also of border towns located along the roads (such as Sing and Borten), which have become important transportation and economic development nodes.

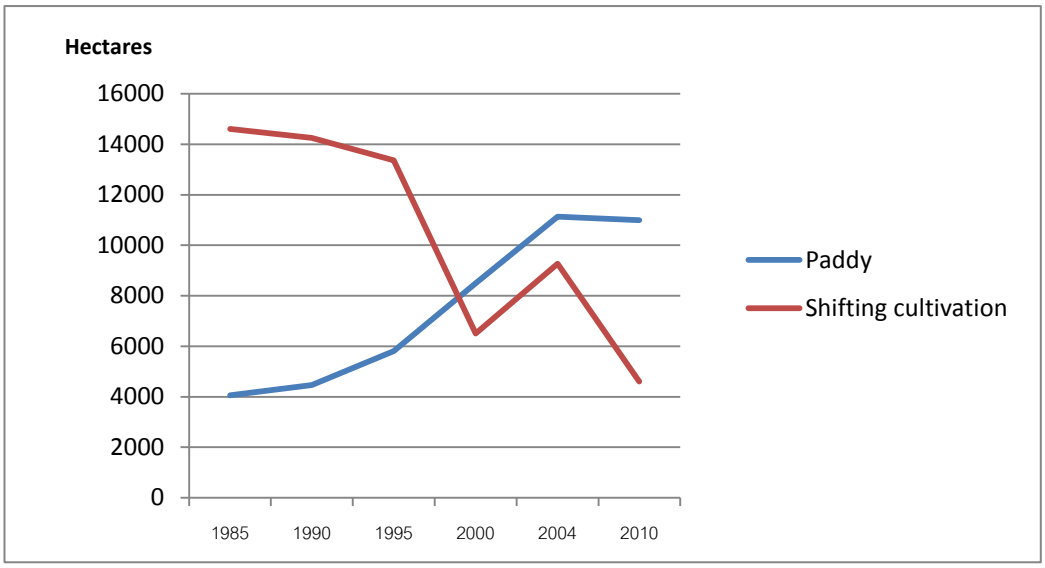
[55] Another province is Bokeo where construction of a bridge over the Mekong River linking Houaysai district with Chiang Khong district in Thailand's Chiang Rai province is close to completion.

Picture 5.1 Luang Namtha's provincial centre

Source: http://www.luangnamtha-tourism.org/lnt_info/lnt_info.htm [accessed 22 May 2012]

In terms of economy, agriculture is still the main economic activity of Luang Namtha's population. As in many other provinces of the Lao PDR, Luang Namtha's traditional agriculture is a combination of wet-rice cultivation in the lowlands and dry-rice shifting cultivation in the uplands. Due to its geographical context, together with the large upland populations, shifting agriculture was the dominant agricultural system until quite recently. In the early 1990s, the area used for wet-rice cultivation was less than one-third of the shifting cultivation area. However, successive government policies (to stabilise shifting cultivation, resettle upland populations, and support permanent paddy cultivation) have resulted in a significant decline of shifting cultivation, while the paddy area has increased (see Figure 5.1).

Figure 5.1 Rice production areas in Luang Namtha, 1985–2010.



Sources: National Statistics Centre (2006 cited in Thongmanivong et al. 2006 : 194) for the data from 1985 to 2004; Balbi et al (2011: 11) for the 2010 record.

Luang Namtha has become a modest rice-surplus province; in 2010, provincial demand for rice was 55,000 tons while the province produced around 55,650 tons, notionally a surplus of 650 tons (Vientiane Times, 28 February 2011)[56]. However, this cannot be interpreted as meaning that Luang Namtha's population do not face a rice shortage. A deputy head of the Luang Namtha PAFO stated that only Namtha and Sing districts could produce more rice than their domestic demand required (interview, 24 September 2009). This is due to the geographical conditions of the two districts, which both benefit from quite large areas of land suitable for wet-rice cultivation (see Table 5.2). The amount of exported rice was more than the surplus the province generated. A case in point is the example of Sing district: in 2010 Sing exported 6,000 tons of rice to China while the district produced a rice surplus of only 800 tons (Vientiane Times, 28 February 2011). While some families, generally those living in the lowlands, generate cash from selling their rice surplus, there are many more who still struggle with rice shortages. A survey of 470 families in Sing and Nalae districts in 1997 found that over a period of ten years, only in one or two years did villagers not face rice shortages, while there were three or four years when they faced severe rice shortages (i.e. for six to seven months per year) (Kaufmann 1997 cited in Foppes and Ketphanh 2004: 39). In the Lao PDR, where rice sufficiency is used as one of the key indicators of poverty,

[56] *Vientiane Times*, "Luang Namtha export rice to China", 28 February 2011.

three districts of Luang Namtha - Long, Nalae, and Vieng Phoukha - are on the list of the 47 poorest districts in the country. The vice governor of Luang Namtha province stated that in 2010 around 30 per cent of the province's households were identified as poor (Phitthoumma 2011).

Table 5.2 Areas of paddy, upland rice and major cash crops planted in the districts of Long, Nalae, and Sing, 2008/2009

	Long district	Nalae district	Sing district
Paddy rice	1,665 ha	408 ha	4,875 ha
Upland rice	1,195 ha	2,230 ha	380 ha
Sugarcane	60 ha	0 ha	1,950 ha
Cassava	500 ha	0 ha	n/a
Banana	82 ha	0 ha	50 ha
Pumpkin	191 ha	0 ha	n/a
Watermelon	80 ha	0 ha	380 ha
Maize	10 ha	659 ha	180 ha
Sesame	120 ha	60 ha	n/a
Peanut	30 ha	10	n/a

Sources: i) Sing DAFO agricultural extension official, interviews, 23 June 2010

ii) Nalae DAFO official, interviews, 29 August 2010 iii) Long DAFO (no date)

The major cause of poverty is limited access to agricultural land, which is by no means exceptional for Luang Namtha. Chamberlain (2007: 38) observes that limited access to land for rice cultivation is the major problem facing poor villages in the northern region. He also notes that in upland areas, poverty (rice insufficiency) was also prevalent because upland populations were encouraged or forced to reduce or abandon shifting cultivation when no alternative paddy land was available to them. For over a decade, the government and development agencies (such as the GTZ and the ACF**)** have attempted to link Luang Namtha's rural populations into the market by promoting agricultural commodity production. However, their attempts have not been very successful, mainly because there is an absence of land in easily accessible areas. Thus these crops are more prevalent in the valley of Sing district than in the mountains of Long or Nalae districts (see Table 5.2).

In the early 2000s, while the government and development agencies may not have been successful in bringing agricultural commodity production to Luang Namtha's population,

especially those who live in the uplands, rubber emerged as a new alternative crop, being attractive not only to villagers but also to the government as a new means of resolving problems in the uplands, namely shifting cultivation, opium production, and poverty. Cohen (2009: 427) notes the rapid expansion of rubber in the northern part of the Lao PDR after 2003 and writes of "the urgent need by both former opium growers and the GoL for a substitute cash crop for opium, the expanding market for rubber and high prices, declining rubber production in China, the investment impetus from China's own opium-replacement policy, and the universal appeal of rubber as an ideal 'modern' crop".

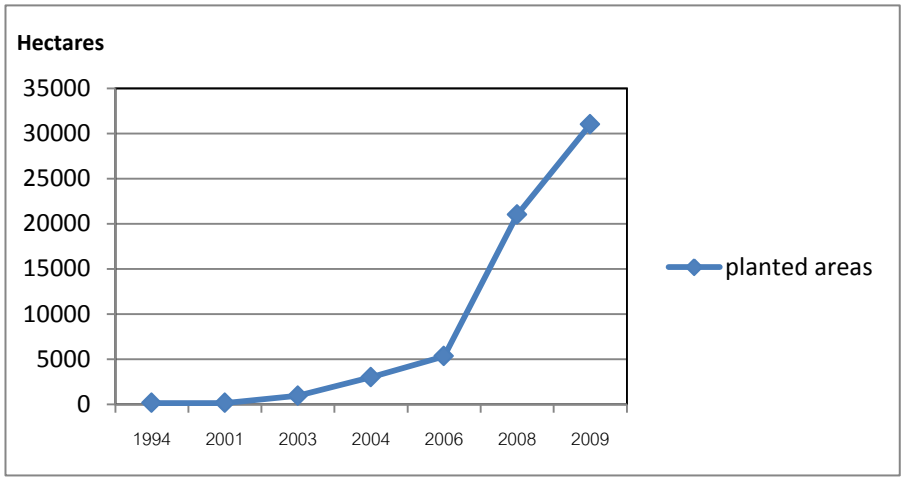
5.2.1 Rubber in Luang Namtha

In the mid-2000s, the governor of Luang Namtha province set rubber as a priority crop to substitute for shifting cultivation and to reduce poverty. The provincial governor encouraged households who did not have a paddy field to set up at least one hectare of rubber plantation[57]. The deputy head of the Luang Namtha PAFO explained to me that the provincial government hopes that the income generated from rubber trees will help to remove Luang Namtha's three districts (Long, Nalae, and Vieng Phoukha) from the list of the country's 47 poorest districts. The provincial government is attempting to do this not by granting concessions to investors, but through promoting a contract relation system (interview, 24 September 2009). However, as permission can be granted at different levels of state authority (provincial or national), some investors have managed to sidestep this provincial policy by obtaining permission at the national level to establish plantations under a concession or take a concession-like form. There is diversity within the Lao state, as we will see in Chapter 6, permitting the persistence of various forms of rubber investment even when the provincial government may not be favourably disposed to the system in question. Currently, four forms of rubber plantations are found in Luang Namtha: (i) smallholder investment; (ii) the 1+4 model of contract farming; (iii) the 2+3 model of contract farming; and (iv) the concession model. Manivong and colleagues (2003: 3) record that in 2003 the province's total planted area of rubber was only 985 hectares and the government was aiming to increase the planted area to 10,000 hectares by 2010. In 2008, the Luang Namtha government announced that it would stop promoting further rubber planting until socio-

[57] There is a confusing perception among the state's officials about this policy; some officials refer to this policy as one household one hectare while others, for example the deputy head of the Sing PI (interview, 22 June 2010), refer to it as one labourer one hectare.

economic and environmental assessments had been undertaken. However, by that time around 21,000 hectares of rubber had already been planted (Hicks et al. 2009: 23). The rubber planted area has now far exceeded the government's plan; more than 30,000 hectares of land are now planted to rubber (see Figure 5. 2 and Table 5.3), giving Luang Namtha the largest area of rubber in the country.

Figure 5.2 Luang Namtha's rubber planted areas, 1994-2009



Sources: Data for 1994–2006 are based on Shi (2008: 13); data for 2008 are based on Hicks et al (2009: 23) and data for 2009 are based on interviews with the deputy head of the Luang Namtha PAFO and Luang Namtha PAFO's forestry official (interviews, 24 September 2009)

Table 5.3 Status of rubber plantations in Luang Namtha, 2009

Investment form	Granted areas (hectares)	Planted areas (hectares)
2+3 contract farming	31,590	8,491
1+4 contract farming	5,949	3,606
Concessions	12,161	11,907
Smallholder investment	-	7,000
Total	**49,700**	**31,004**

Source: Based on interviews with the Luang Namtha PAFO's deputy head and the Luang Namtha PAFO forestry official (interview, 24 September 2009)

In sum, Luang Namtha is a mountainous province at the edge of the country which is not yet well-connected to the country's capital city. However, its geographical location allows it increasingly, both spatially and economically, to be connected to China, a rising world power. This particular characteristic of Luang Namtha thus provides the context for an

exploration of how the market infiltrates and operates on the frontiers of a country where capitalist development has only recently made an impression. It also provides the context for the collection of empirical evidence to understand recent transformations in rural spaces which have not been fully incorporated into the ambit of the state. The following section looks more closely at the four upland communities chosen as research sites for this study.

5.3 Research communities

This research is based on fieldwork conducted in four upland communities in three districts of Luang Namtha (see Map 5.1). Three of the villages are located in districts classified as among the country's 47 poorest (Baan Don Tha in Nalae district, and Baan Kaem Khong and Baan Pha Lad in Long district). Only Baan Houay Luang Mai is situated in a district not among the country's 47 poorest. All three districts, however, share similarities in the predominance of mountainous areas and the diversity of their populations. The geography of each district has influenced the degree of spatial and market integration, providing a valuable context for comparison of how the rubber boom has transformed upland spaces and upland livelihoods under conditions of economic and spatial integration (these issues will be returned to in Chapter 6 and Chapter 7). An overview of the three districts is summarised in Appendix 4, providing a background to understanding the particular contexts of the four study communities discussed in the following section.

5.3.1 Overview of the research communities: people and places

The fieldwork was carried out in four upland communities. All of the study villages are resettlement villages[58] where people have been relocated from their previous villages in the mountainous areas between the late-1990s and early 2000s. There is only one village - Houay Luang Mai in Sing district - where the first group of settlers moved to the current village's location in the mid-1980s. Table 5.4 provides a summary of the study villages in terms of their settlement, populations, and accessibility to the district's town and provincial centre.

[58] A resettlement village is a village which has been recently settled by people who have relocated from their original village, usually in a mountainous area, to a new settlement in the lowlands or valley sides close to road access, and easily connected to the district town. The majority of such resettlement villages in the Lao PDR are an outcome government policy.

Table 5.4 Summary of the study villages

	Kaem Khong (Long district)	Pha Lad (Long district)	Don Tha (Nalae district)	Houay Luang Mai (Sing district)
Year of settlement	- 1998: settlement of Lahu villagers - 2003: settlement of Kui villagers	- 1999: 11 households first settled	-1989: settlement of four households -mid-1990s-2003: settlement under the GoL's relocation and consolidation programme	-1985: voluntary settlement - 1990s to early 2000s: settlement under the GoL's resettlement programme
Ethnic components	Kui and Lahu	Akha	Khmu	Akha
Households	35 households (17 Lahu and 18 Kui households)	73 households	37 households	61 households
Distance to the district centre	32 kilometres	4 kilometres	2 kilometres	7 kilometres
Time travelling by car to the district centre	1 hour	10 minutes	5 minutes	10 minutes
Distance to the provincial centre	141 kilometres	105 kilometres	80 kilometres	67 kilometres
Time travelling by car to the provincial centre	3.5 hours	2.5 hours	2 hours	1.5 hour

Source: Fieldwork, 2009–2010

Kaem Khong village (see Picture 5.2), which, in 2010, was home to 18 Kui households and 17 Lahu households with 192 inhabitants in total, lies on the left bank of the Mekong River - the river which demarcates the border between the northern Lao PDR and Burma. The village is about 13 kilometres upriver from Xiengkok (see Map 5.1). It is also located just opposite Xienglap, a large Lue village in Burma's territory, which can be accessed only by taking a boat across the Mekong. Kaem Khong is one of three small hamlets located in this border area; there is another Lahu village located about one kilometre downstream from Kaem Khong and another Kui village about one kilometre upriver from Kaem Khong. The village is bordered by the river on one side and the mountain range on the other. There is only a small area of land considered as 'flat' land (approximately 29 hectares) on the western side of the village, which was supposed to be cleared for paddy fields. However, water supply for this piece of land is not yet developed and, thus, it has never been used for paddies. Some villagers used this land to grow dry-rice or corn while others just left it idle. This land is now used by a Chinese rubber company as the company's rubber nursery (this issue will be discussed in Chapter 6). This mountainous area on the northern side of the village is used by villagers as their primary livelihood resource (collecting forest products or practicing shifting agriculture).

Picture 5.2 Baan Kaem Khong, 2010

Source: Fieldwork, 2010

Driving about an hour from Kaem Khong on road R 17B and passing the small town of Long and a few villages, the road arrives at the second study village, **Baan Pha Lad** (Picture 5.3). This is a resettlement community of Akha people located about four kilometres to the north-east of the town of Long. Eleven Akha households settled here on the hillside along route R 17B in 1999. The village then expanded when new households relocated to the area

in the early 2000s. In 2010, there were 75 Akha households living in this village with an average household size of six. Since the R 17B was improved in the mid-2000s, the village has been connected year round to both Long and Sing towns, the latter of which is located about fifty-three kilometres to the north-east. Unlike Kaem Khong, where there is no flat land available, Pha Lad has a compact area of flat land which has recently been cleared for wet-rice cultivation. The village headman notes that around two-thirds of the households access paddy, which averages around 3,000-4,000 square metres per household (interview, 3 February 2010). Walking to the northern side of the village, there is a mountain range which villagers use for shifting cultivation and collecting NTFPs.

Picture 5.3 Baan Pha Lad, 2010

Source: Fieldwork, 2010

Route R 17B connects to R 17A, through the main town of Sing district to the third study village, **Baan Houay Luang Mai** (Picture 5.4). This Akha village in 2010 was home to 330 residents in 61 households. The village is located on the edge of the Sing valley, about seven kilometres east of Sing town. It is the only study village to have a well-paved road connecting it with Sing town. The village is also easily accessible to the Pang Thong Lao-Chinese border checkpoint which is about five kilometres from the village. Houay Luang Mai is surrounded by a flat area to the west, which is now used for paddy-rice fields and sugarcane plantations, and a range of mountains to the east. The village can access quite large areas of flat land compared to Baan Pha Lad in Long district. This allows four-fifths of the households to be able to access paddy fields with an average of 0.5 hectare per household (interview, village committees, 26 December 2009). The uplands surrounding the village vary. The gently sloping hills on the northern side of the village are used for growing dry rice and some commercial crops, with two hectares reserved as the village's sacred forest. The range of mountains to the south-east of the village are reserved as a

protected area to ensure that Houay Luang Mai and the surrounding areas can benefit from a stream that runs through this land. To the east and north-east of the village the mountain slopes are steeper and the land is used for shifting cultivation by villagers who cannot access paddy or who cannot rely solely on wet-rice cultivation.

Picture 5.4 Baan Houay Luang Mai, 2009

Source: Fieldwork, 2009

In Nalae district, two kilometres along the dirt road to the south of the town is the fourth study settlement, **Baan Don Tha** (Picture 5.5). The village is home to around 250 Khmu residents in 37 households. The village is located alongside the dirt road which links the district town to several villages in the southern areas of Nalae and Pha Udom district of Bokeo province. Travelling to the district centre is easy for villagers, taking only five minutes by motorbike or around 15-20 minutes on foot. Travelling to the provincial centre, however, is far more difficult and costly. The distance from the village to the provincial centre is about 80 kilometres but it takes around two hours by car or three hours or more by bus due to the circuitous road, which follows the mountain slopes. This 'all season road' may take up to four hours from the town of Nalae to Luangnamtha, the provincial centre. Due to the limited availability of flat land in Nalae (see Table 5.2 and Appendix 4), villagers cannot access agricultural land in the surrounding area. Small patches of flat land near the village have already been occupied by lowlanders who have long lived in the area, even before the settlement of Don Tha's villagers.

Picture 5.5 Baan Don Tha, 2009

Source: Fieldwork, 2009

Looking at the four study villages in terms of their geographical location, Kaem Khong (in Long district) and Don Tha (in Nalae district) are located in areas that are not easily accessible compared to Houay Luang Mai (in Sing district) and Pha Lad (in Long district). The geography of these upland communities is also quite different. Villagers from Baan Kaem Khong and Baan Don Tha settled in areas where flat land is limited. In contrast, villagers from Baan Houay Laung Mai and Baan Pha Lad had access to flat land allowing them to clear new paddy fields. These differences in geographical locations and conditions of each village have influenced the way in which villagers make their living and the degree to which they have been involved with both the state and the market.

5.3.2 The state and the upland communities

This section explores relations between the Lao state and the upland communities by looking through the 'lens' of two major policies implemented by the Lao government: the resettlement programme and the Land Use Planning and Land Allocation Programme (LUP/LA).

5.3.2.1 Resettlement programme

In the Lao PDR, resettlement of the population from mountainous and/or remote areas is not a new phenomenon; resettlement was common-place during the war (in the 1960s and 1970s). After the victory of the LPRP in 1975, some upland and highland populations who lived in sensitive areas were relocated into 'safe' areas to prevent them providing any support to the Royalist movement. The new internal resettlement programme was

implemented again between the mid-1990s and early 2000s. While security was regarded as one of the objectives of the policies, bringing people to development was claimed to be the most significant aim of this 'new' resettlement programme (see page 137-138). The resettlement programme was introduced throughout the country although the implementation has been varied in each area. In Luang Namtha province, where the mountains have been home to many ethnic groups, the programme was introduced in the late 1990s and continued until the early 2000s. The programme not only resulted in a decline in the number of villages in the uplands but also led to an unplanned and unexpectedly large migration of those people who used to live in the mountainous areas (Evrard and Goudineau 2004). All of the villages presented in this research are resettlement villages (see Table 5.5 for different waves of resettlement in the study villages).

Table 5.5 Year of settlement in the study villages

	Kaem Khong	**Pha Lad**	**Don Tha**	**Houay Luang Mai**
Year of first settlement	1998 (Coercive)	1999 (Coercive)	1989 (Coercive)	1985 (Voluntary and later coercive)
Year of massive coercive resettlement	1998 and 2003	2000	2001-2003	1997
Year of last settlement	2003	2004	2004	2007

Source: Fieldwork, 2009-2010

The four study villages are best considered as the production of the state's intervention in the uplands rather than the creation of 'natural' processes resulting in a 'traditional' village. The village as the outcome of the state's intervention in the mountainous areas is most apparent in the case of the settlement of Baan Don Tha (in Nalae district), Baan Kaem Khong and Baan Pha Lad (in Long district), where the villagers were 'convinced' to relocate to their current location. The settlement of Baan Houay Luang Mai (in Sing district) was slightly different from the other three study villages. The village was settled in 1985 by 24 households who had cleared paddy fields in the area surrounding the current village (interview, Ar-Sha, a 55-year-old man, 23 December 2009). This group of villagers decided

to move from their previous village in the highlands in order to live close to their paddy fields and to the road. Ar-Ju, a 46-year-old Akha man who moved to Houay Luang Mai in 1985 noted that his family had cleared paddy in the late 1970s in this area and the family had relied more on rice produced in the paddy fields than rice produced through shifting cultivation for a few years before the relocation. Before moving, the family had to spend more than a month carrying rice from their paddy fields to their home in the hills. Thus the family decided to move down to the site of Houay Luang Mai (interview, 25 December 2009). However, by the time they moved, nine households had paddy fields, of which only two could produce sufficient rice from the paddies to meet their needs. For those who had not yet cleared land, they hoped that settlement in this area would give them access to both the road and to flat land, which they could then use for wet-rice cultivation. Ar-Sha was one of the villagers who did not have a paddy when he first settled in the village in 1985, and at this time the family began clearing flat land for paddy as well as continuing to practice shifting cultivation. The combination of the two systems continued until 1992, which was the first year Ar-Sha produced sufficient rice from his paddy field to meet his family's needs (interview, Ar-Sha, a 55-year-old man, 23 December 2009).

The situation for villagers who migrated because of the government's policies is quite complex. Coercive resettlement in all the study villages from the late 1990s to the early 2000s was embedded in the discourse of developmentalism. While bringing development into the areas where ethnic populations lived has been a stated significant task of the GoL since the 1970s, the government has had very limited capacity to bring development to people living in the remote mountains. It became clear that people needed to be moved down from the hills in order to gain access to 'development' (Evrard and Goudineau 2004: 944). While directly forced (or coerced) resettlement did not explicitly occur, the state-induced resettlement in all the four study villages could be considered as indirectly forced (coerced) resettlement. This occurred through several sets of government policies. Some of these policies caused difficulties for villagers as they sought to make their living in the high mountains, especially policies directed at stabilising shifting cultivation and the massive campaigns on opium eradication (see Cohen 2000). Some policies aimed at convincing villagers to move down from the hills by highlighting the improvements that would result in their quality of life. The promises were considered as a guarantee by the government to the mountain peoples, who were afraid that their lives would get tougher if they did not move down from the hills. Ja Kae, a 39-year-old Lahu man from Kaem Khong village, said that his

family and other Lahu households, who originally lived in a village located on the left side of the Mekong (around eight kilometres upstream from the current setting) were encouraged by officials to relocate with claims that in this way they would access 'development'.

> "We were told that the government wanted to improve our living conditions but they could not bring a road, school, water supply, or a doctor into our old village. They said we needed to move down to the flat area to be able to access these services. We were promised that the government would provide paddy for us if we moved to the lowlands. We moved because we wanted paddy but when we arrived, no paddy was available." (Interview, Ja Kae, 9 March 2010)

Limited availability of agricultural land in the resettlement areas was the main problem that most of the relocated villages faced. In Kaem Khong village, villagers could access forestland to practice shifting agriculture. In Pha Lad village, only villagers who moved to the village early were able to seize flat land, while those who moved later, especially from 2002 onwards, could not access flat land to clear paddies. Thanks to the forest land surrounding the settlement, villagers could make a living from collecting NTFPs and shifting cultivation. In Nalae, one DAFO official admitted that the government could not provide agricultural land for relocated villagers (interview, forestry official, 5 December 2009). This resulted in the return of Don Tha's villagers to use land in areas they had just moved from. This inability to provide agricultural land to relocated villagers was one of the justifications of the state authorities in Nalae district for being more flexible in implementing the resettlement programme. One DAFO intern noted that the resettlement policy was de facto ignored as the government could not provide land for resettled villagers. Thus some upland villages still exist in the hills (interview, 3 December 2009).

The situation at Houay Luang Mai was quite different. Some villagers had cleared paddies in Houay Luang Mai area while they were at Houay Luang Kao, the old village in the highlands. When they relocated to Houay Luang Mai with the encouragement of the government, they were thus able to access paddy fields. The villagers who could not access paddy were those who relied on shifting agriculture when they were in the old hamlet.

The resettlement programme has inevitably affected the livelihoods of resettled villagers in all the study villages. A common theme is that the state and development agencies were rarely able to keep their promises. Romagny and Daviau (2003: 3) note that local

authorities in Long district conceded that the government did not have the capacity to manage the massive resettlement initiated by the state's policy. For many relocated villagers, moving into the new setting became a nightmare. A 50-year-old Akha man from Houay Luang Mai noted that in the early years of relocation almost every household lost some of its members from disease. His family lost four members in the first year of resettlement (interview, 24 December 2009).

The resettlement experiences of villagers in the study villages contribute to understanding the resettlement programme in the Lao PDR and relations between the state and villagers in remote areas. Some scholars who work on resettlement state that the implementation of this policy involved coercive practices and was far from voluntary (Evrard and Goudineau 2004; Baird and Shoemaker 2005; Baird et al. 2009). The experiences of resettlement in the four study villages is no exception as only the early movement of Houay Luang Mai's villagers can be considered as voluntary. However, it is important to note that the 'coercive' resettlement programme in the study villages was not driven by the direct exercise of the state's power; it was propelled through the introduction of the state's policies making villagers 'choose' to relocate to the lowlands with the hope that they could build a better life from the 'development' that the state and development agencies promised they would be provided with. These promises from the state – even though they eventually often proved to be false - stimulated mountain peoples to move into the state's space where they came to be governed by the state at a higher and more intensive level than previously.

5.3.2.2 The Land Use Planning and Land Allocation Programme

The Land Use Planning and Land Allocation Programme (LUP/LA) was first introduced in the mid-1990s under the name of the Land and Forest Allocation Programme. The programme, which was initially called '*baeng din baeng pa'*, literally meaning to divide and distinguish land and forest, is now officially referred to as '*mob din mob pa'* meaning to give land and forest. The programme, while it recognises the right of villagers to manage and access the forest and forestland, also makes it quite clear that the forest and land belong to the state. The expression of one of Sing's DAFO officials that villagers appreciated him because he "*mob din mob pa*", meaning gave land and forestland to the villagers, reflects how the state views the land and forest. Forest and forestland which were originally an 'open' access resource for villagers have become restricted by this policy, which involves zoning and mapping of the village's boundaries and categorising of land and forestland within the

boundaries of the village (see Picture 5.6 for an example of a LUP/LA map). Table 5.6 provides a summary of the implementation of the programme in the study villages.

Table 5.6 Forestlands classified by the LUP/LA programme in each study village

	Houay Luang Mai	Don Tha	Pha Lad	Kaem Khong[59]
Year LUP/LA carried out	1998	2001	Early 2000s	Early 2000s
Conservation forest	9 ha (3.0%)	214 ha (including protection forest)	159.5 ha (10.9%)	1,068 ha (24.8%)
Protection forest	100 ha (33.4%)	214 ha (including conservation forest)	142.3 ha (9.8%)	525 ha (12.2%)
Production forest	55 ha (18.4%)	12 ha	286 ha (19.6%)	115 ha (2.7%)
Regeneration forest	25 ha (8.4%)	N/A	251.5 ha (17.3%)	210 ha (4.9)
Sacred forest	4 ha (1.3%)	N/A	5 ha (0.3 %)	3.5 ha (0.1%)
Agricultural use zone	106 ha (35.5%)	266 ha	613 ha (42.1 %)	2,382 ha (55.3%)
total	299 ha (100%)	N/A	1,457.3 ha (100%)	4,303.5 (100%)

Sources: Data of Houay Luang Mai village are based on the LUP/LA map and data provided by Sing DAFO; Data of Pha Lad and Kaem Khong village are extracted from the LUP/LA map of each village provided by the Long DAFO. Baan Don Tha's data are based on Kallanbinsk and Lundgreen's report (2005: 163)

Picture 5.6 An example of a LUP/LA map in a village in Sing district, 2010

Source: Fieldwork, 2009

[59] Three small villages were included in this LUP/LA programme. As there were only a few villages in this area, the forestland being classified as agricultural land was very high, compared to the other three study villages.

The LUP/LA programme makes a distinction between forestland and farmland, including both lowland paddy fields and upland areas which are farmed on a permanent basis. Forestland is classified into conservation forest, protection forest, production forest, regenerated forest, and degraded forest (see section 4.3.2.2). There has been a rapid decrease in every village in the forestland that villagers can use for their upland agriculture (see Table 5.6). In all villages, around 50 per cent of forestland that villagers formerly used for conducting shifting cultivation are banned for all kinds of agriculture. This unforeseen decline in forestland for agriculture affected upland agricultural practices but to different degrees in each village. Lahu and Kui people from Baan Kaem Khong mentioned that the programme had not affected them deeply because there was plenty of forestland classified as agricultural land. Even though the agricultural land displayed on the LUP/LA map had to be shared with two other small hamlets, the total area of land and forestland in this area was still abundant.

At Houay Luang Mai village, there were only 106 hectares of forestland permitted for upland cultivation, which meant that each household had access to only 2-3 hectares for their upland agricultural activities. If villagers' rice production relied only on upland cultivation, this small allocated area would no doubt end up leading to a rapid decline in land fertility and upland rice production and thus in widespread rice shortages. However, Houay Luang Mai's villagers had begun to clear paddies from the late 1970s. At the time that the LUP/LA was carried out in the village, most villagers could get enough rice or even produced a rice surplus from their paddies and most villagers had already stopped shifting cultivation. The implementation of the programme thus did not really lead to the use of forestland as agricultural fields. Except for the forestlands that were permanently used as small gardens producing corn, sesame, peanuts, and vegetables, most of the allocated forestland was left idle, to be regenerated.

According to Long DAFO officials, the LUP/LA programme was implemented in Pha Lad in the early 2000s but when talking to villagers about this programme, it became apparent most did not realise that the project was being carried out in their village. Only a few village leaders knew about the programme. However, some villagers recalled that they were told by DAFO officials to stop pioneer shifting cultivation, to practice upland dry-rice cultivation on certain plots, and not to clear new fields every year. Villagers found that they were forbidden to clear some parts of the forest in the southern portion of the village's land

which had been demarcated as protection forest. Some forest near to the village was classified as conservation forest which also prohibited agricultural activities. Villagers, however, were not forced to use the land and forestland as informed by DAFO officials. In fact, access to the forest and farm land was an outcome of discussion and negotiation between villagers.

Overall, implementation of the LUP/LA programme has had an impact on villagers in all the study villages, but to varying degrees. The programme has removed authority for accessing and managing forest resources from villagers, and given it to the state. Forest and forestland which once were not 'legible' to the state have become more 'legible' and accessible to the state to control and manage. However, the experience of the LUP/LA programme in the study villages also points to significant variations in the state's practices in implementing its policy in different areas. This leaves some room for villagers to negotiate in terms of accessing resources so that they can survive in the new settings.

5.3.3 The market in the uplands

While growing sufficient dry rice for subsistence is an essential economic activity, uplanders have also long been involved in the market (Hill 1998; Walker 2004). In the four study villages, though the level of market interaction was not intense, villagers have never relied solely on subsistence. The most significant crop produced in the mountainous areas of the Lao PDR in the past was opium. Villagers from all the study villages mentioned that they had been involved in growing, consuming, and trading opium. Cohen (2000: 180) records that opium was the main cash crop for the Akha in Sing district[60]. This was also the case for many Akha from Pha Lad village who said that opium was, in the past, the most significant source of wealth for villagers. A 41-year-old Akha man said that his family planted around one hectare of opium poppies, producing between two and three kilogrammes of opium. As none of the family's members was addicted to opium, all of the opium production was sold. He noted that selling only one kilogramme of opium could generate sufficient cash to buy rice for the whole year (interview, 5 February 2010).

[60] It is worth noting that the quantity that opium that Akha could produce was not high and it was sometimes even less than the demand from family's members for many Akha households (Cohen 2000: 180).

Villagers were also involved in the market through the trade in forest products. Villagers from Don Tha remember that they used to carry NTFPs and surplus rice to Boten, a small town located near the Lao-Chinese border to the north-east of Luangnamtha, exchanging their goods for salt. Villagers from all the study villages recorded that there were plenty of forest products in the areas where they used to live, before they were relocated. After the end of the war in 1975, villagers recalled being visited by traders - some were lowland Lao from Luang Namtha or Bokeo while others were Chinese traders - who came to buy forest products from villagers. Thus, mountain dwellers have long been involved in the market although the level of intensity was not as high as those living in the lowlands.

Market engagement by upland populations has recently intensified as agricultural commodities have been produced from the 1990s. There is still, however, a significant difference in levels of market involvement of villagers from the four study villages. Both state and development agencies have long attempted to promote commercial crops for the upland populations. But this has never been easy. In the study villages, the geographical setting of each village, which determines the degrees of market accessibility, is the most significant condition determining the success or failure of cash crop promotion. As China has become the major market for the agricultural commodities produced in Luang Namtha, villages that are located close to the Lao-Chinese border have become more intensely engaged in the production of agricultural commodities. Villages far away from the border crossing and difficult to access can easily be left behind.

Among the four study villages, Houay Luang Mai was the village involved in the market to the highest degree due to its location which is only about five kilometres from the border crossing point (see Map 5.1). The village has been encouraged to plant cash crops (maize, sesame, peanut, and sugarcane) for the Chinese market since the 1990s. From the early 2000s, sugarcane became an important source of income for villagers. Some villagers have even turned some of their paddies over to sugarcane.

Pha Lad village which is about 65 kilometres from the border ranks number two in terms of the value of cash crop production. This village is increasingly involved in producing cash crops for the Chinese market though their quantity and value are some way behind those produced by Houay Luang Mai's villagers. In 2009, a few households grew corn using their own investment; the crop was sold to Chinese traders. Six households grew passion fruit

under a contract system with a Chinese investor. Around ten households had sugarcane plantations.

Don Tha and Kaem Khong are the two study villages where the degree of market involvement was the lightest. Neither village was easily accessible; in order to get to the two villages, an investor and a trader had to drive on steep and narrow roads. Thus the cost of transporting commodities from the villages to the market in China was comparatively high[61]. Both state and development agencies in Nalae and Long districts have attempted to convince investors to promote commercial crops but the location of the two villages remains an obstacle. Long DAFO did convince one investor to promote corn in Kaem Khong, but the cost of transportation was high and the quantity of crop produced was not sufficiently large to make it profitable for the investor. Thus, corn was promoted for only one agricultural season. The situation in Don Tha was better than Kaem Khong as villagers were supported by the Friends of the Upland Farmers Company (FUF) to grow commercial crops under a contract system in the early 2000s. Villagers grew corn, sesame, and peanut for the company but, again, the quantities of these crops were not large due to the limited availability of land.

Overall, the four study villages have long been involved in the market. In the past, they were involved in the market through opium production and NTFPs. From the 1990s, they have been part of the market as producers of agricultural commodities. However, due to differences in the geographical location of each village, the level of market integration in each study village has varied. Villagers from all the study villages have recently been engaged in a new boom crop in the region - rubber. Rubber, while it took different paths in arriving in each study village, has become the commercial crop of choice, dominating agricultural areas of all the study villages. Villagers will soon become intensively engaged in the market at a rate and intensity which has never been seen before. Details on the arrival of rubber are discussed in Chapter 6 and Chapter 7.

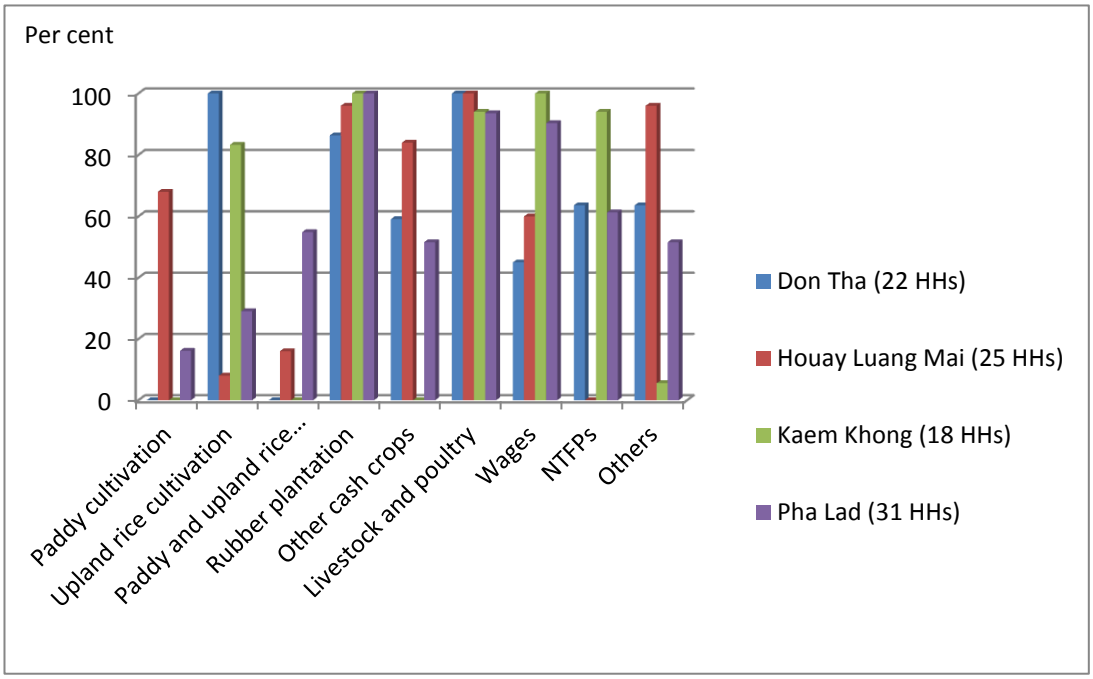
[61] A study estimated that the average transport cost in the Lao PDR is 7.5 THB (£0.11) compared to 3. 2 THB (£0.05) per kilometre in Thailand (NAFES 2006 cited in Fullbrook 2007: 51).

5.3.4 Livelihoods of the villages

The dominant view of the economic system that characterises upland communities is that it is a subsistence system based on shifting agriculture. This view has been recently challenged as scholars have argued that the livelihoods of hill populations are no longer so intimately attached to a subsistence economy (see for example Walker 2001; Walker 2004; Rigg 2006a; Michaud and Forsyth 2010). This section brings evidence from the study villages to explore the livelihoods of the resettlement hill peoples - how the subsistence and non-subsistence activities are combined by the mountain populations in order to improve their lives. Figure 5.3 provides an overview of livelihood activities embraced by villagers in the study villages.

According to Figure 5.3, only villagers from Houay Luang Mai and Pha Lad villages cultivated wet-rice. However, the role of paddies in the livelihoods of villagers in the two villages was slightly different; most of Houay Luang Mai's villagers relied only on paddies while most villagers from Pha Lad village needed to combine paddy rice production with dry-rice cultivation to have sufficiency in rice. This difference is related to the history of the settlement and the geographies of the two villages (see section 5.3.2).

Figure 5.3 Percentage of surveyed households' engagement in each livelihood activity, 2009

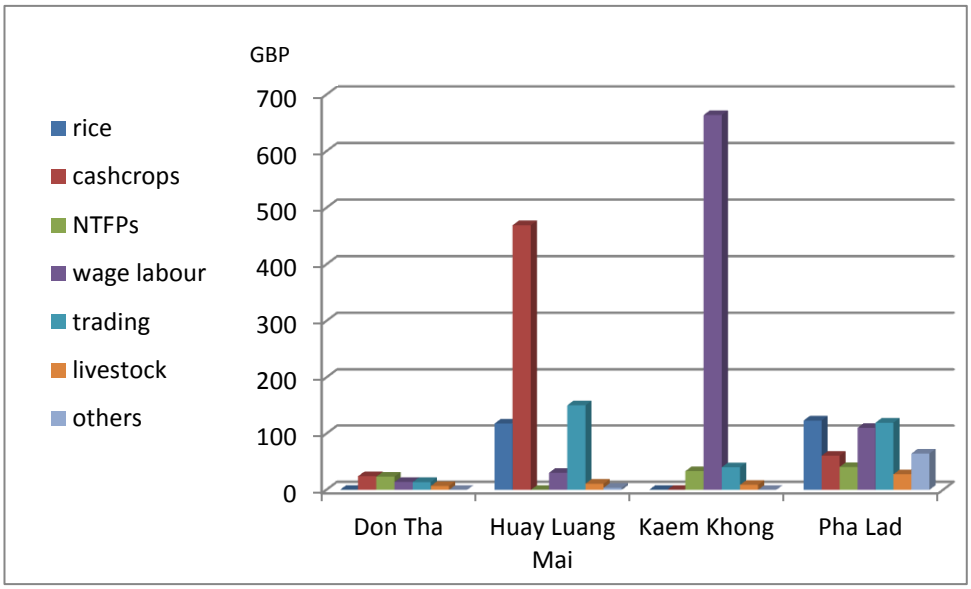


Source: Fieldwork, 2009-2010

Note: Other activities include trading and handicraft production. In the case of Houay Luang Mai, it also includes selling of NTFPs as they were sold in the Chinese market.

In Baan Don Tha and Kaem Khong, none of the village households cultivated wet-rice as there was no flat land available for them to use for paddy production. Villagers from both villages thus had no choice but to grow upland dry-rice. In the case of Kaem Khong, while shifting cultivation was practiced by most of the households, some households decided not to continue in 2009 due to the rapidly shortening fallows resulting from the arrival of the Chinese rubber plantation (this will be discussed in Chapter 7 and Chapter 8). In 2009 villagers from this village were heavily reliant on wage labouring in the Chinese rubber plantations which became the most significant source of household income (see Figure 5.4). Villagers from the other three study villages were also involved in paid labouring work. However, apart from Kaem Khong's villagers, a high percentage of villagers hiring out their labour was found only in Pha Lad. This was because the demand for labour to work in the rubber plantations of the Chinese companies in Long district was higher than in other areas (this issue will be returned to in Chapter 7).

Figure 5.4 Average annual income of surveyed households generated from each activity, 2009



Source: Fieldwork, 2009–2010

Except for villagers from Baan Kaem Khong, the other three villages were all involved in the production of commercial crops. However, the number of households producing cash crops was significantly higher in Baan Houay Luang Mai because it is located close to the Lao-Chinese border crossing point and is easily accessible. While the number of households growing cash crops in Baan Don Tha was quite significant (around 50 per cent), the quantity and production value were not great due to limited land for growing crops and difficulty in accessing the village.

In all the study villages, the collection of NTFPs was a significant livelihood activity. The percentage of households which collected NTFPs was high in the villages of Don Tha, Pha Lad, and Kaem Khong. Villagers from Houay Luang Mai were intensively involved in trading; they took goods (NTFPs and garden produce) to sell in the markets in China and in so doing generated quite large amounts of cash. The location of their village close to the border allowed them easy access to the market in neighbouring China. Thus the amount they earned was significantly higher than for those villagers from Baan Don Tha who took their products to sell in Nalae's morning market, where both the number of buyers and prices were significantly lower. Villagers from Baan Houay Luang Mai could earn cash from selling surplus rice and cash crops, especially sugarcane. This provided not only the cash for their basic needs but also opportunities to accumulate wealth (new investment) and for consumption. Recently villagers from Baan Kaem Khong have been able to earn significant

income from hiring out their labour to the Chinese rubber plantations. There were few other income earning activities however.

In sum, a combination of subsistence and market-based livelihood activities was common in all of the study communities. Degrees of subsistence or market activities in each area varied. Levels of market involvement were not intense in some upland areas. Nonetheless, the livelihoods of populations from all the study sites highlight the point that the upland economy is not, and perhaps never has been, entirely subsistence in character. This was the case even before the arrival of rubber in the uplands.

5.4 Summary

This chapter has provided the background contexts of the four study villages. It began with an overview of the province of Luang Namtha giving a picture of recent changes in this mountainous province located at the frontiers of the Lao PDR, particularly with regard to its deepening connections, especially with China. The chapter then went on to outline the particular context of each of the study villages, showing how their geographical locations have shaped their engagement with the market and the Lao state. Attention was especially focused on the state's resettlement programme and forestland management policies, which have inevitably affected the livelihoods of villagers. The chapter has shown that there has been an increase in the role of the Lao state in the lives and livelihoods of the upland populations. Levels of intervention are now at their most intense than at any time since reform took hold in the mid-1980s. The final section focused on the current livelihood activities of villagers, focusing on their involvement in both subsistence and commercial activities. This history of market engagement in the study villages also shows how the market is viewed by both the state and uplanders. This issue will be more throughly discussed in Chapter 8. The following chapter focuses on a theme which was introduced above but which forms the core of the thesis and therefore requires further elaboration, namely: the expansion of rubber into upland communities.

Chapter Six
Rubber Expansion in the Frontiers of the Lao PDR

6.1 Introduction

While never isolated from the market and lowland influences (Walker 2001), it has been only recently that upland communities in the Lao PDR have been pulled into the market at an accelerated pace. Since the country adopted the New Economic Mechanism (NEM) in 1986, the uplands' links to the lowlands and the market have quickened, with a range of processes and development programmes such as an expanding road network, migration especially through resettlement and village consolidation, and the introduction of cash crops. Levels of uplanders' market involvement have increased, either directly or indirectly, by this wide range of development processes. The degrees of market engagement among the upland communities studied as part of this project were, however, varied; while some upland communities were intensely involved in the market, others continued to be dominated largely by a semi-subsistence economy (see Chapter 5). A new wave of integration of upland communities into the market noticeably took place in the early 2000s, propelled by the rubber boom. There is no doubt that the rapid boom in rubber in the Lao PDR was a response to increasing demand and prices in the world market. Thus market integration in the Lao uplands clearly comes from 'above': through market forces articulated through the regional economy. However, the market is never the only actor in this process. This chapter aims to illuminate the process of integration of the uplands into the market by looking through the lens of the recent rapid expansion of rubber. This chapter seeks to clarify how external and internal processes, actors and structures have shaped agrarian situations at a village level. It also seeks to explore how upland populations respond to the arrival of the market, of which rubber is the concrete form. The chapter thus deals with the following questions: what outside agents and actors have shaped the processes of market integration in the hills of the Lao PDR? How have uplanders responded to these processes?

The chapter begins with a consideration of the external processes and agencies which re-shape the upland landscape. It looks at how the uplands have become increasingly connected to the market through these processes. The chapter then turns to explore how

upland populations view and respond to such recent and intense processes of market integration.

6.2 Rubber expansion from 'above': the state-orchestrated rubber boom

This section aims to illustrate the paths of market integration in the uplands of the Lao PDR through an examination of the expansion of rubber tree plantations. The section considers how external agents and agencies influence processes of agrarian change in the uplands of the Lao PDR. Though there is no doubt that the rapid expansion in the area planted to rubber in the uplands of the Lao PDR is a response to increasing global demand for rubber, rubber expansion has never been solely determined by market forces. The first section shows the combination of global market demand and the 'will to improve' (Li 2007) the uplands of the socialist Lao state and how these combine to drive agrarian changes in the Lao frontiers. This will be followed by a discussion of another more aggressive path of market integration in the uplands, reflecting relations between the Lao state, the market, and uplanders in agrarian processes in a region which has not yet been fully integrated into the global economy.

6.2.1 Rubber expansion and the 'will to improve'

This section begins with stories about the paths of rubber expansion in Don Tha village, highlighting the role of transnational capital and the Lao state at the local level (district and provincial) in the development of the market in the uplands.

> In early 2006, Khmu from Don Tha were called to gather at the house of the village's headman. They were visited by a manager from the Xiang Jiao Rubber Company[62], a rubber company from China, who was accompanied by the Nalae DAFO officials. The officials introduced the company and its project to promote rubber plantations under a 2+3 contract farming system. The officials declared that the company's project had been agreed by the authorities and villagers were supposed to give 'cooperation' to the company's project. To persuade villagers to participate in its project, the company showed a video and photos

[62] In order to prevent any unexpected impacts, all rubber company names are anonymised.

of the lives of rubber farmers in Xishuangbanna prefecture in Yunnan Province, China. Rubber farmers' new houses, new motorbikes, new TVs, new electric appliances, and many more were showed and it was said that all these items came from the profit that farmers had received from rubber plantations. Villagers were promised that they would have all these things if they planted rubber trees.

A study tour in Xishuangbanna for the company's target villages' committees was organised. Four Khmu from Baan Don Tha joined the trip, which was very successful in inspiring villagers to join the company's project. Stories about the well-being of rubber farmers in Xishuangbanna quickly spread. Later, a study tour was organised to a Hmong village in Namtha district which was viewed as a successful rubber planting village, for one member of each of Don Tha's households. Similar stories about how rubber had brought better lives to Hmong farmers were repeated again and again. Villagers were strongly encouraged by government officials to participate in the project; they were told that joining the project would be the best way to make a living in the near future when shifting cultivation would not be allowed to continue after 2010[63]. In the first year, the company persuaded almost 20 households to plant rubber trees with the company, covering areas of 12 ha. More households joined the company's project in later years. Almost 40 ha of fallow land have been converted to rubber plantations under contract relations with the company.

(Summarised from research diary based on fieldwork at Don Tha village and Nalae DAFO, September–December 2009)

The above field notes summarise how rubber travelled to the upland communities in Nalae district. The ways that rubber arrived in Nalae highlights relations between the state, the market, and poor small farmers. Rubber expansion in Don Tha village, as well as in other upland communities in Nalae, shows the significant role of the local state as the mediator between the market and small farmers. In Nalae, a district which is classified as one of the 47 poorest districts in the country, the state has long struggled to find a solution to poverty in the uplands (interview, Nalae district's senior official, 30 August 2010). Various crops

[63] The 7th Party Congress in 2001 set an ambitious aim to stop shifting cultivation completely by 2010 but this goal has not been achieved yet.

have been introduced into Nalae, such as corn, sesame, peanut, cardamom, and cassava. However, these crops have had limited potential to lift Nalae's population out of poverty. At the time that rubber was booming, the state was still looking for ways to improve the lives and livelihoods of its people. Rubber became the answer for resolving the uplands' problems. It was shifted from the fifth priority to the first priority of Nalae DAFO's strategic plan in 2004. The question was how poor uplanders in Nalae could be linked to and gain benefits from rubber. Nalae's inhabitants had heard about rubber and the benefits it could reputedly bring for a while. However, large numbers of Nalae's uplanders were unable to participate and benefit from the market to the same degree as people from some other parts of the province such as those from Sing or Namtha districts (see section 5.3.3). They did not have capital to set up plantations by themselves. The district's geographical location and the difficulty of accessing the area by road makes Nalae less attractive for investment than other parts of the province (especially Sing or Long districts), which have seen a huge influx of investors seeking land either under a concession or a contract farming system. Promoting rubber under a contract farming system was thus considered the best tool for linking poor uplanders to the rubber boom (see section 5.2.1). Luang Namtha's provincial government considers that it was its duty to bring at least one rubber investor to the district to promote rubber, expecting that this would generate cash for upland people in Nalae and, hopefully, remove the district from the list of the country's poorest districts. With this encouragement, in 2006, the Xiang Jiao Rubber Company from China was permitted to promote rubber under a 2+3 contract farming system in an area of 2,000 hectares in Nalae. The state not only granted permission to the company to establish rubber plantations under this system but also guided the company to villages where the project might be operated. It also acted to minimise the potential negative impact of the project on people. The state negotiated on behalf of the uplanders over conditions of the contracts as well as profit sharing between villagers and the company. The role of the state in linking Nalae's uplanders to the rubber boom so that they might benefit highlights the state's "will to improve" (Li 2007) its populations.

The state played a crucial role in the operation of the Xiang Jiao Rubber Company's rubber project; without the support from the state, the company could not have established its plantations as quickly as it did. The company, which employs two DAFO staff members full-time, has worked closely with DAFO officials to extend rubber plantations. These two DAFO

officials have played a significant role in extending the area of rubber under the company's control. One DAFO official who worked with the company in 2006 recalled that:

> "At first, the company did not take DAFO staff with them. It was difficult to get 'cooperation' from villagers. This changed when the company was accompanied by DAFO staff. Villagers trust officials more than the company. It then became easier to convince villagers to participate in the project"
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> (Interview, a Nalae DAFO official, 3 December 2009)

The 'cooperation' villagers gave to the company's project after the presence of the officials reflects relations between the market, villagers and state officials in the Lao PDR. The fact that villagers trust state officials more than the company staff members shows that the market could hardly operate in the Lao uplands without the facilitation of the state. While large numbers of uplanders wanted to plant rubber, they were hesitant to make deals with the Chinese rubber company. Their doubts were rooted in the experiences they had with a Chinese investor who encouraged villagers to plant cassava but did not go back to buy the produce when the cassava price went down. In order to convince villagers to participate in the company's contract farming project, the company needed the state to establish trust with villagers[64]. Though the state may have had very limited success in bringing the state's development projects to the uplands, villagers perceived that there was little room for people, especially uplanders, to object to the state's projects. The presence of the state's officials accompanying the company potentially led to (mis)understandings about the project. Some villagers understood that this was the state's project and they had to join. This is a particular characteristic of relations between the Lao state and society. Thus when investors receive cooperation from the state, regardless of how they got it, their project would stand a much greater chance of success (this will be discussed in greater detail in section 6.2.2). None of Don Tha's villagers said that they were *forced* to plant rubber trees for the company. A few villagers, however, recalled that they were at first hesitant of joining the project as they were unsure about the future of the rubber market. However, they finally decided to join the project mainly because they were told several times by DAFO officials that practicing upland shifting cultivation would not be allowed after 2010.

[64] This was different from informal deals between villagers and local investors as local investors could gain the trust of villagers and, therefore, managed to establish relations without the need for the state's involvement.

Local officials convinced them that to make a living, each household should have about one hectare of rubber plantation[65]. It is true that most villagers had a strong desire, which was inspired by stories of the success of rubber farmers in China, to set up rubber plantations (this will be discussed in section 6.3) but the motivation to convert their limited fallows to rubber also came from the increasing pressures which villagers faced from the government's policies on forest conservation and upland shifting cultivation.

Looking at market integration through the lens of rubber expansion into upland communities in Nalae district, reveals some particularities of the operation of the market in the Lao uplands, raising questions about the market/state distinction. At one level, it is scarcely surprising that the market has come to the uplands. However, the market did need the support of the state to gain access – to win the trust of local people. While the state facilitated the market and considered the market as a tool for building better lives for its populations, the state does not fully trust the market and thus does not let the market fully function without its involvement; the state acts to control and attempts to mitigate some of the negative effects of the market. This shapes the specific nature and character of the market in the Lao uplands.

6.2.2 A brutal path of rubber expansion

> "You take my life when you do take the means whereby I live"
>
> William Shakespeare, ***The Merchant of Venice***, Act 4, Scene 1

This section discusses another path of agrarian transformation occurring in the hills of the Lao PDR. The section begins with stories from Kaem Khong village where large areas of forest and fallow land have been replaced by large-scale rubber plantations belonging to a Chinese rubber company. This will be followed by a discussion of the role of the state and the relations between state agencies and transnational capital in a process of upland transformations.

[65] While the Deputy Head of Luang Namtha PAFO said that the Luang Namtha government recommends that villagers have one hectare of rubber trees per household, a senior official of Sing district Planning and Investment Office reported that the government promotes one hectare of plantation for every adult member of the household. This shows variation in officials' perception of the government's policy.

Stories from Kaem Khong village:

In 2007, Kaem Khong's villagers were visited by a manager and a few staff members from the Jundai Rubber Company who were accompanied by two members of the Army. Villagers were told that the company had got permission from the government to establish rubber plantations in remote areas of Xiengkok including in areas surrounding Kaem Khong village. Villagers claimed that the forest and land surrounding their village had been allocated to them by the Long DAFO since early 2003. They insisted that they did not want to give the land to the company. However, the company insisted that it had been granted permission from the military to use the land. Two men claiming to be soldiers even told villagers that they should give 'cooperation' to the company otherwise they would be put in jail. Giving 'cooperation' was equal to letting the company take their land. These two soldiers also claimed that the forest and fallow land which villagers used for their upland rice cultivation also belonged to the Lao state. According to the claims of the army's officers, the state has full rights to take the land and give it to the rubber company or anyone else. The company then began to clear the land including the villagers' fallow land. The company, which employed labourers from other areas, even cleared the villagers' rice fields that were waiting to be harvested. Villagers went to see Long district's DAFO officials, asking them to resolve the problem. DAFO officials, however, could not stop the company taking land from the villagers. The only way they could help was by attempting to negotiate with the company to leave at least some land for villagers to cultivate their upland rice. The company, however, still continued clearing the villagers' land. One staff member of the Long DAFO estimated that at the end of 2009, the company had set up more than 10,000 hectares of rubber plantations. The company continued to expand its planted areas. In 2007, the company which, as always, was accompanied by the two men said to be from the Army at the provincial level, asked to use an area of flat land to set up the company's rubber nursery. The company promised villagers that they would return this flat land to them within three years. This land was supposed to return back to the village in early 2010. However, at the end of 2010, the company had still not returned the land to the villagers. Many villagers worry

> that they will not get their land back as the company has started planting rubber trees. Villagers these days find difficulty in accessing agricultural land. In 2009, only two years after the company had established their rubber plantation, around 10 households decided not to grow upland rice and instead sold their labour to the company to work on the rubber plantations and thus earn cash to buy rice.
>
> (Summarised from research diaries based on fieldwork in Kaem Khong village in January, February, March, and August 2010)

This account from Kaem Khong village reflects another path of agrarian transformation in the uplands. Kaem Khong's experience shows close links between the Chinese rubber company and some state agencies – the army in this case – in transforming the upland landscape which was once dominated mainly by subsistence-oriented shifting agriculture into a new landscape dominated by a permanent cash crop (rubber trees). Building a connection with the army, a privileged organisation in Lao society, is the most fruitful strategy, even more so than with other organisations of the Lao state, for the Jundai Rubber Company to be able to access a cheap resource (land) in the Lao frontiers for its accumulation. While the Luang Namtha governor may have had a policy of not granting investors permission to set up plantations under a concession form, this policy was not applied in the case of the Jundai Rubber Company. A Luang Namtha PAFO official, who did not want to be named, said that the deal between the company and the army in the borders of Long district was made without taking account of the views of other state agencies (interview, 24 September 2009).

According to the company's promotional map, the Jundai Rubber Company had been granted 300,000 hectares of military land along the Mekong River in the frontier areas of Long district, for setting up rubber plantations (Shi 2008: 16 table 2.1).The concession area which was said to be only on military land belonging to the Department of Defence covers more than the total area of Long district, and greatly exceeds the land which is actually under the control of the army.

According to data from a senior official of Long DAFO (interview, 1 February 2010), an area of five km² along the border is supposed to be maintained as forest for national defence and security. But clear demarcation has never been made. Thus some upland villages which are located in the area might have never realised that they live on military land. Some

villages had moved, with the encouragement of state agencies, to settle on land claimed by the military. This was the case of villages along the Mekong River in Xiengkok whose populations were convinced by Long district authorities to relocate to their current area of residence. The army, until that time, had made no attempt to remove people from the land it claimed. In 2003, when some areas of the land claimed by the army were allocated as Baan Kaem Khong's communal forest and forest land by Long DAFO under the LUP/PA programme, there was no objection from the army. The land became valuable to the army only when there was rapidly increasing demand for land by Chinese investors for rubber plantations. It was at this time that the army began to exert its claims not only to military land but also to land in contiguous areas which officially was not military land. The experience of Kaem Khong village is not unique; an Akha village in a remote corner of Sing district has also lost 200 hectares of their communal land to the Homeland Security Office (at a provincial level) who took their land before passing it on to the Chinese rubber company (Phanvilay 2010: 183). While some local state officials consider the military claims over Kaem Khong villagers' land as illegitimate, they obviously did not want to get involved in the conflict. The privileged status of some state organisations, such as the military or the police, in Lao society (Evans 2002) allowed them to grab land from villagers with little, if any, objection from other state agencies.

Looking at this path of rubber expansion, we can see close links between transnational capital (Chinese capital in the case of rubber expansion in the northern region) and some privileged state agencies (such as the Army, the Homeland Security Office in the above cases). Some NGO workers said that many concessions granted in the Lao PDR are carried out through the connections that investors have with state agencies or high-ranking officials (research diary, 13 September 2009). At the time that the demand for land for tree plantations, and especially for rubber trees, rapidly increased in the mid-2000s, there were no systematic policies and regulations pertaining to land lease and land concession. In practice, granting concessions to investors could be made at any level of the state. A senior official from the Department of Forestry, Ministry of Agriculture and Forestry, admitted that some land concessions were awarded without careful considerations of the benefits of the project for the Lao people and the Lao state. He also noted that many concessions were granted by state agencies at a local level (either district or provincial) without the approval of central government (interview, 11 September 2009). However, some concessions were also awarded at the national level without consideration of views and information from the

local level. When discussing large-scale concession projects with local officials, their fingers pointed upwards, to the higher levels of government. At the time that rubber boomed in the Lao PDR, the state lacked the mechanisms, tools and knowledge to deal with an array of eager investors in an appropriate and coherent way. Moreover, opinions regarding rubber investment, and concession in particular, diverged among state agencies. For example, while the National Land Management Authority (NLMA) expressed its concerns over the impacts and long-term profitability of rubber, the Committee for Planning and Investment (CPI) endorsed both rubber investment and land concessions (Laungaramsri 2012). The state at this point may be labelled a 'disorganised state'. However, the 'disorganised' character of the state is far from being an obstacle for transnational capital to access land in the Lao PDR; rather the reverse. Investors are likely to gain more benefits from such a 'disorganised' state as they can make connections to officials from various organisations (e.g. the Army, the Homeland Security Office, Agriculture and Forestry Office, and Planning and Investment Office) and at different levels (from district, to provincial, up to national levels). Through established connections with the state's actors, land seekers were able to jump at the chance to obtain land. Martin Stuart-Fox summarises land grabbing in the Lao PDR as: "… simply a matter of greed. Officials are grabbing what they can. Companies need land and are prepared to pay well. It all goes under the table" (cited in MacKinnon 2008).

As we will see in Chapter 7, plantation concessions have severely affected the lives and livelihoods of people when their forest resources and their farm land, both considerable and significant means of making a living, have been taken by rubber companies. However, this does not imply that there is no violence with rubber projects under the contract system. This can be found in the case of Pha Lad village, an Akha village in Long district.

There is no concession plantation in Pha Lad village: only villagers' investment and a contract system with the Kunming Rubber Company, a Chinese state-run rubber company based in Yunnan, China. The company has successfully taken 100 hectares of land from the village to set up its rubber plantation under a 1+4 contract farming system. According to this system, villagers contribute only one part (land) while the company is responsible for four parts (labour, capital, knowledge and technologies, and market access). The company looks after all the planted trees for the first three years before giving 30 per cent of the trees to villagers as a return for their contribution of land. Villagers have to look after these trees using their own budget and labour. It is unclear to villagers if they have to sell the

rubber latex to the company. Some villagers think that they have a right to sell latex to any buyer, while other villagers understand that they have to sell the latex back to the Kunming Rubber Company.

Though the plantation system of the Kunming Rubber Company is called the 1+4 contract system, the way that the company deals with villagers is very close to a concession form. The Kunming Rubber Company successfully negotiated permission from the government in Vientiane to obtain large areas of land. Shi (2008: 16 table 2.1) records that the company has the right to access 166,667 hectares of land in four provinces (Luang Namtha, Udomxay, Bokeo, and Xaiyaboury) to establish rubber plantations. But the company's executive stated that according to an agreement signed with the Ministry of Agriculture and Forestry of the Lao PDR, the company has obtained permission to set up 33,333 hectares of demonstration rubber plantations[66] and to promote local people in the establishment of 133,333 hectares of plantations under a contract system in the four provinces (Yang 2008).

Though the GoL has granted permission to establish plantations on a huge area of land, the GoL has not, or more accurately cannot, indicate where exactly the plantations should be set up. It is the company itself which has to seek available land. The Kunming Rubber Company visited Long District Administration Office showing an approved official letter from Vientiane, asking the district administrator to seek land for them. One DAFO official reported that this made local officials feel ill at ease as they did not know how they would find such a large area of land for the company. This same official noted that local officials were not directly involved in seeking land for the company:

> "What we did was only give an official letter from the district administration or DAFO to the company to show it to a village's headman. The letter only informed the headman that the company's projects had been approved by the government. We only asked villagers to consider if they could provide some

[66] A Lao official described a demonstration plantation as a planted area where the company sets up a training centre for local farmers to obtain the necessary knowledge and skills relevant to rubber tree cultivation. In practice, however, the demonstration plantation does not fulfil this task and it is, de facto, a form of concession.

> cooperation with the company. We have never told villagers that they have to give land to the company if they do not wish to do so"
>
> (Interview, Long DAFO senior official, 10 February 2010)

Villagers in Pha Lad village saw that local government did more than providing a letter of introduction for the company. An ex-headman of the village explained that when he was the village's headman, he was called by the district administrator who advised that the village should allow the company to establish the plantation. He was told by the district governor that the rubber boom would lead to the arrival of outsiders seeking to buy land from villagers. This would result in the loss of village's land to outsiders. With the 'good intention' to prevent land transfer and to keep land for villagers, the district governor advised the ex-headman to convince the villagers to allow the Kunming Rubber Company to use land in the village to set up the company's rubber plantation. The village's ex-headman was told that establishing a 1+4 contract farming relation with the company would prevent land transfer to outsiders as land still belongs to the village (interview, 3 February 2010). Villagers were then visited by the company, accompanied by local officials. The company asked for 100 hectares of land for its plantation. The village did not have any piece of communal land as large as 100 hectares. However, the company still insisted that it did not want many small pieces of land. Many villagers expressed the view that they did not want to give land to the company. Some villagers worried about the availability of land for their upland cultivation in the future. The villagers also wanted to keep land as an investment for themselves. Discussions and negotiations between the villagers and the company – the latter said to be backed by some local officials – lasted about a week.

Many Pha Lad's villagers, especially those who had come to settle in the area lately and could not access paddy fields, strongly resisted giving land to the company. However, there was little room for opposition. Kong, a young Akha man in his early 20s from a less poor household said that: "it had already been determined from 'above' and we could not oppose it" (interview, 4 February 2010). A female Akha in her late 30s from a poor household who has lost around three hectares of her fallows to the company remembered that the officials who came to the village also tried to persuade villagers to give land to the company. She said that "it was impossible not to give land to the company. The company had already made a deal with the district administration" (interview, 3 February 2010). An ex-headman admits that there were some villagers who did not want to let the company

set up a rubber plantation on the village's land. He said that it was the village's committees who had to visit and persuade villagers to allow the company to set up their plantation (interview, 3 February 2010). When I first met the village's headman and committees in 2010, they claimed that it had been an agreement of all members of the village to give the village's communal land to the company. The village's headman also insisted that there was no objection from villagers. But one villager provided an alternative viewpoint, stating that they were forced to give land to the company:

> "While we were sitting in the village discussing and refusing to add our signatures on the document that the company and the officials brought, the company began clearing forestland. We then realised that we had no choice but had to give land to the company – at least we got some trees. We then had to sign our name saying that we allowed the company to establish a plantation on our land. If we did not sign, we might get nothing."
>
> (Interview, Mr Sha Bo, a 38-year-old Akha, Pha Lad, 9 February 2010)

Villagers said that the land given to the company was not only the village's conservation forest area but also the fallow land of individual village households. More than 50 per cent of the 31 surveyed households reported that they had lost some of their fallow land to the company. The company's rubber plantation is under the 1+4 contract system with the village as a whole; this 100-hectare area of land was considered by the company and local officials as the village's communal land. Thus no compensation was paid to households who had lost their fallow land. The company has already given 30 per cent of the benefits that the village should get under the contract. These trees have been allocated to all households. The number of rubber trees each household was allocated depended on the number of adult members who were still active at work. Most household were given 224 rubber trees but the households where most of the members were children or elderly people only received 160 rubber trees. Thus, one household (HH 7) found that they only got 160 trees for the loss of five ha of their fallow land, amounting to more than the fallow land the household had left to meet its needs (interview, Mr Nae, a young Akha man, 4 February 2010).

The rubber plantation under the contract system in this village is thus very close to the concession pattern. The only difference is that instead of paying a concession fee or land rental, the company pays 30 per cent of trees as rental for the land it obtains. This system

has surely negatively affected the livelihoods of villagers, but the impacts found in Pha Lad are, in general, less than in Kaem Khong village due to the different sizes of plantations in the two areas.

Reflecting on rubber expansion in these two areas in Long district, we see that state agencies have played a significant role in backing up and supporting the penetration of the market, resulting in rapid changes in the agrarian situations in the uplands. The ways in which the rubber company could gain access to land in the uplands clearly show the 'violent' aspects of agrarian transformations in the uplands, with which the state has been directly involved. Launching the "new economic mechanism" (NEM) does not mean a 'rolling back' of the state but 'putting the state back in' (Evans et al 1985 cited in Peluso 2007). Looking at the road to capitalism in Poland, Staniszki (1990: 128) points to a linkage between political power and capital, which is also apparent in the case of the Lao PDR. Agrarian transformations in the uplands which are led by transnational capital (the Chinese) have alienated upland peoples from their means of making a living. This process of land dispossession has been backed up by the state, which, under some circumstances, considers that this violent aspect is acceptable for the 'development' of the country. This can be seen in the opinion expressed by the Head of PAFO in Champasak, a southern province where a large number of villagers have been affected by large-scale rubber plantations: "we accept that there will be some problems with villagers initially, but if we don't change today from local production to industrial production, when will we do it?" (cited in Baird 2010: 29).

This section has explored how rubber companies gain access to land, at a low cost, in the uplands. It has revealed that the sometimes brutal manner of operations was part of the rubber expansion, and that this was because of state involvement, rather than in spite of it. This shows the sometimes violent aspects of market integration; people's livelihoods are undermined by market integration – or rather by the *way* that market integration is orchestrated. The means by which rubber companies could access land in the uplands shows unequal power relations among different actors in the frontiers, which were not only between the state, market and society but also within the state itself. The arrival of Chinese rubber companies in the three study villages also reflects how the state was strengthened and weakened allowing capitalism to expand into the state's frontiers. It is quite clear that the state played a significant role in facilitating the expansion of rubber, and thus

supported market penetration into the study communities. Rubber expansion in the study villages reflected the non-monolithic character of the Lao state: different state agencies (such as the NLMA, CPI, MAF, and the Army) and state agencies at different levels (national, provincial, and district) had different, sometimes diverging interests and thus acted differently when it came to rubber investment. Some state agencies, such as the Luang Namtha provincial government, may have been aware of the potential negative impacts and risks of rubber investment, and especially concession investment, on people's livelihoods and in response they attempted to craft and deliver policies to regulate rubber expansion and prevent, or at least ameliorate, the impact of rubber on people's livelihood vulnerability. However, other state agencies, such as the Army and the Police Office, appeared to be more interested in the profits that their organisations could obtain from the deals they negotiated with Chinese investors, than the impacts that upland populations would encounter as a result of the loss of their land. It is also important to emphasise that state officials, even at local levels, also had different opinions and dealt differently with the rubber boom. Some officials, especially those who did not have connections with local people, tended to follow the policies or instructions determined by the state at higher levels, without harbouring any doubts or questioning those policies. Some local officials, especially those who had a rural background or social links with local people and who usually served at lower ranks within the state organisations, while they may have seen the opportunities offered by the rubber boom, seemed to be highly concerned over the loss of villagers' land to Chinese rubber companies. The worries of local officials in Long district, who were concerned over the risks and long-term profitability of rubber, were a case in point. However, their worries rarely led to any changes regarding the expansion of rubber into the uplands. Rubber companies continued to expand their plantations either through contract farming or concessions in the uplands. However, capitalism has not taken only one path into the uplands. The following section will explore another path of market integration, with rather different outcomes.

6.3 Rubber expansion from 'below': uplanders' orchestrated rubber boom

> "We stayed in a house of Khmu in Xishuangbanna. They told us that they were badly off before they grew rubber trees. They told us that if we had land we should plant rubber trees, as many as we could. Rubber would provide wealth

for us. They said even some lazy farmers, they could make a living from only the 70 rubber trees they had."

(Interview, Uncle Mong, a 59-year-old Khmu who joined a study tour to rubber plantations in Xishuangbanna, Don Tha village, 5 December 2009)

"The Chinese said, when rubber trees could be tapped, they could earn around 1 Yuan from one rubber tree each day. I have around 2,000 rubber trees so I can earn 2,000 Yuan every two days[67]. It will be better than any kind of cash crop. This year I sold 40 tons of sugarcane and earned only around 6,000 Yuan. Now Akha in Laos are still poor. We are poorer than those who live in China or in Thailand. But we will have as good a life as them when we can sell our rubber latex."

(Interview, Mr Woo, a 50-year-old Aka man, Houay Luang Mai, 23 December 2009)

The above quotations show how rubber can become the new hope for uplanders. Stories about the success of rubber farmers in the uplands of Xishuangbanna Autonomous prefecture in Yunnan Province, China were the most influential drivers stimulating Lao farmers from both lowlands and uplands to start planting rubber spontaneously. In Houay Luang Mai, rubber expansion was exclusively driven by villagers' desires to emulate villagers in China. The location of the village, which is situated close to the Lao-Chinese border, not only meant that villagers could get involved in the marketplace in Xishuangbanna either as a seller or a buyer, but also provided ample opportunities for villagers to observe and obtain information about what was going on on the other side of the border. The improving standard of living of China's uplanders who farmed rubber was observed by the Lao uplanders. The Akha from Houay Luang Kao and Houay Luang Mai regularly mentioned the new and modern items that rubber farmers in China had such as new and modern houses, motorbikes, even cars, televisions, radios, and mobile phones. "Without rubber, they could not have these things" was a sentence repeated frequently by Houay Luang Mai's Akha during the fieldwork. The improved life of Uncle Long Ma (Box 6.1), an Akha from Daen village who had become a well-off Akha since his rubber started produce latex, is the experience that other uplanders dream about.

[67] When rubber trees reach maturity, each tree can be tapped every two days.

Box 6.1 Uncle Long Ma's story

It was around eleven o'clock when a Sing DAFO official and I arrived at Baan Daen - an Akha village located around 20 kilometres from the town of Sing and only four kilometres from the Lao-Chinese border. Uncle Long Ma was the first villager we met at the entrance to the village while he was practicing to ride his new motorbike recently brought from China, at a cost of 6,000 CYN[68]. Uncle Long Ma was one of first villagers to plant rubber in 1997. His inspiration came solely from what he saw and heard about rubber from Akha villages in China. "I visited relatives in China and saw that they could earn money every day from rubber", said Uncle Long Ma. Uncle Long Ma and a few other villagers converted their upland rice fields to rubber. Unfortunately, others' plantations were damaged and destroyed by an unexpected frost in 2000. Only Uncle's rubber survived. In 2003, his 1,000 rubber trees began to produce latex. All latex is sold to a Chinese trader who crosses the border to collect it at his house every week. While today only 1,000 trees can produce latex, he has another 15 hectares of rubber trees; all of his plantations are his own investment. With the money earned largely from rubber, he is now described as the richest Akha in the village. While most of the houses in the village are built either of bamboo or wood, his house is a modern two-storey house made of concrete and wood. The family have a television, a radio and a mobile phone (though the reception is extremely poor in the village). The most noticeable symbol of his wealth is the family's pick-up, which is the only car in the village. It was just about a week before we arrived that Uncle Long Ma, who at that time was unable to ride a motorbike, decided to buy one. He thought that his life would be made easier with the motorbike; it would allow him to visit the town of Sing and China more easily. Uncle Long Ma never hesitated to show how his life has become better since he started selling rubber: "when we got money from sugarcane, we thought it was good. It was a lot. But when we sell rubber, we can earn far more than we got from sugarcane. It is a lot better." After about half an hour of interview, we left Uncle Long Ma's house and spent around an

[68] Or £551 (http://www.oanda.com/currency/converter/).

Box 6.1 Uncle Long Ma's story *(continued)*

hour walking around the village, visiting a villager's rubber nursery, and arranging a meeting with the village's committee for the following day. At the time we left the village, Uncle Long Ma was still diligently learning to ride his new motorbike.

(Research diary, Baan Daen, Sing district, Luang Namtha, 12 November 2009)

The stories of successful rubber farmers in China have stimulated the hopes of uplanders in the Lao PDR. One such story is that of Uncle Lene, one of the poorest Akha who started planting rubber when he lived in Baan Houay Luang Kao, as shown in Box 6.2.

Box 6.2 The story of Uncle Lene

It was in 2003 when Uncle Lene and his family, while they were at Houay Luang Kao village, decided to start planting rubber. The family was inspired by the wealth of rubber farmers in Xishuangbanna. "The Chinese said rubber is good. We grow today, we can earn from it for many many years," he said. The family decided to spend the money they had accumulated, mainly from selling NTFPs and buffaloes, to invest in a new cash crop that they did not know much about. However, "the Akha in China know. They know everything about it. We have learnt from them," Uncle Lene said. The family, as did many Lao farmers, hoped that it would make their family's living standards improve in line with the Chinese Akha. At the time when the boom was not at its peak, the family paid around 3-4 CNY per seedling[69]. As there was no road link to Houay Luang Kao, Uncle Lene's son spent five hours walking from the village to buy rubber seedlings from a rubber nursery in Xishuangbanna. Some 100 seedlings were put in a woven basket which was then carried on his back, walking for another five hours back to the village. The seedlings were then intercropped with the upland rice the following day. In 2003, his son made six trips to buy seedlings from Xishuangbanna. This family moved to Houay Luang Mai in 2007 and could not access paddy fields. They also had found difficulties in gaining sufficient rice practicing dry-rice cultivation in a

[69] This is equivalent to £0.20–0.27 per seedling (http://www.oanda.com/currency/converter/). The cost of rubber seedlings rose to around 10 CYN (£0.7) per seedling in 2006.

Box 6.2 The story of Uncle Lene *(continued)*

new settlement where land is limited. They hope that when their rubber begins producing latex, their lives will be better. Uncle Lene said hopefully: "We will have cash to buy rice. My descendants will not starve".

(Research diary, based on interview with Uncle Lene, a 60-year-old Akha, Baan Houay Luang Mai, 23 December 2009)

The above stories reflect the views of uplanders about rubber and the possibilities offered by market integration. For poor villagers, such as Uncle Lene, who struggle to make their living from their current livelihood resources, rubber is considered a new hope for the survival of the family. Stories from those less poor households are different; rubber is a new source of further wealth accumulation. This can be reflected through the stories of Uncle Ponu - who, at the end of 2009, owned over six hectares of rubber trees (Box 6.3).

Box 6.3 The story of Uncle Ponu

Uncle Ponu was the first villager in Houay Luang Mai to set up a rubber plantation, in 2003. Having observed the wealth of Akha in China who own rubber plantations, Uncle Ponu decided to invest the capital he had accumulated from selling surplus rice and sugarcane to set up a plantation of his own. In the first year, only 200 seedlings were bought from China, at a cost of four CNY per seedling. He planted rubber on forestland claimed to be his fallow land though he had never practiced shifting cultivation since the family had moved to the area in 1985. In 2004, while other villagers were still hesitating to plant rubber, Uncle Ponu planted more than 500 seedlings. When villagers decided to allocate the village's communal land to individual households, Uncle Ponu was first allocated a small plot of land which was easily accessible. However, he exchanged that plot with another household who had been allocated a larger plot but located far from the road. For Uncle Ponu, with "a big plot we can plant more rubber, we will get more". The family have continued planting more rubber every year. In 2010, he had around 3,000 rubber trees (around 6.6 hectares). He still intended to plant more rubber, "Akha in China said there was no land available in China. They could not expand the plantation. They told us to plant as many [rubber trees] as we can. The more we plant, the more money we earn", said Uncle Ponu.

(Research diary based on interviews with Uncle Ponu [56-year-old Akha] and Ar- Jo [a 21-year-old son of Uncle Ponu], Baan Houay Luang Mai, 24 June 2010)

The above stories from Uncle Lene and Uncle Ponu highlight not only a picture of how rubber arrived in the Lao uplands but also how enthusiastic uplanders were about being involved in and benefiting from the market. While rubber arrived in Houay Luang Mai in 2003, it started booming in the village in 2005 when many households began planting rubber, following the example set by Uncle Ponu. Due to the demand for land for growing rubber, villagers decided to allocate the village's forest and fallow land to individual households to establish rubber plantations, first in 2005 and continuing until 2007. Each household who moved to Houay Luang Mai before 2007 was allocated around 2-4 hectares of land depending on the distance between the allocated plot and the road. In 2010, only a small piece of the village's sacred forest and watershed areas remained as communal land. All other categories of the village's forest (production forest, conservation forest, protection forest, regeneration forest, and degraded forest) had been allocated to the village's members for setting up plantations. At the end of 2009, only 2 out of 61 households reported that they had not planted rubber trees. The village's total planted area at the end of 2009 was 115 hectares; the average planted area among those who had a plantation was two hectares per household (research diary, Houay Luang Mai, 25 December 2009). Most households stated that they would plant more in 2010. Rubber expanded rapidly in Houay Luang Mai from less than one hectare in 2003 to more than 100 hectares in 2009 without the push or any concrete promotion policies from the state. The experience of the village shows how far uplanders wished to be engaged in and benefit from the market

Picture 6.1 Rubber intercropped with upland rice

Source: Fieldwork, Houay Luang Mai, 2010

Picture 6.2 Going to have more rubber

Source: Fieldwork, Houay Luang Mai, 2010

The beginning of rubber in Pha Lad village – a recent Akha resettlement village in Long district – also shows that the arrival of rubber was somehow out of, and beyond, the state's plan. In the mid-2000s, the time when villagers were forced to stop cultivating opium, the local authorities and the European Union (through an EU project) organised and sponsored a study tour to Yunnan province in China for villages' representatives. The study tour aimed to provide a chance for uplanders from Long district to learn about the new livelihoods of Chinese uplanders after they had stopped growing opium. Rubber was not included in the study tour programme; it was not of interest to either the local government or the EU staff.

> "The EU was not interested in rubber at that time. They just wanted to take villagers to study animal raising like pigs, chicken, cows, and goats. The cash crops that they took us to see were corn, cassava, sugarcane, banana etc. They did not intend to take us to see rubber trees. But when we asked people in Xishuangbanna about cash crops that we should grow, the answer was always rubber. Hill people in Xishuangbanna told us that rubber was the best: no risks. We were told that rubber was even better than rice. We became interested in rubber. We then asked the EU to take us to Xishuangbanna again, and on this trip we went to learn about rubber in particular."
>
> (Interview, Mrs Kaen, an Akha woman in her late 40s, Baan Pha Lad, 4 February 2010)

Soon after the second study tour trip to Xishuangbanna, a few households began planting rubber. In 2006, around one-fifth of the village's households were planting the crop; the household's plantation size varied between one and two hectares. A number of households who established their own plantations have gradually expanded their area of rubber since then. Two-thirds of the surveyed households reported that, at the end of 2009, they had their own plantation, with an average plantation size of 1.5 hectares per household. The boom also stimulated the village's ex-headman - Uncle Lu, who is now in his 60s - to invest 3.25 million LAK to set up a rubber nursery in 2006, with the hope that he could make a profit from it as demand for rubber seedlings was growing[70]. Unfortunately, due to his lack of experience and skills, Uncle Lu could not grow as many healthy seedlings as he wished. Two years later, he had to sell two of his buffaloes to raise

[70] Approximately £165 as at 31 December 2006 (http://www.oanda.com/currency/converter/).

money to pay off the debts he had incurred borrowing money from relatives and people from the district town (research diary based on interview with Uncle Lu, Baan Pha Lad, 3 February 2010).

In Kaem Khong village, rubber arrived in the village along a slightly different path. Villagers first heard about the wealth of rubber farmers in the early 2000s. This news was confirmed in the mid-2000s by investors from Xiengkok and the town of Long district who were seeking to make deals with villagers to invest in and set up plantations in the village. This 'deal' was called by both investors and villagers the '70-30' contract system. According to this deal, the investor supplies seedlings for villagers who contribute land and labour to look after the trees for seven years. After that, the investor takes 30 per cent of the trees with the land, leaving 70 per cent of rubber trees for villagers. Both investor and villagers then take full responsibility (taking care and marketing) over their respective plots. A few households began planting rubber in 2005 under this system. This number noticeably grew in 2007; among the 18 surveyed households, there were only two households planting rubber with an outside investor in 2005, but 14 in 2007.

This informal deal will lead to the transfer of some parts of land previously used by villagers to outside investors. In a context where land has become limited since the arrival of the Jundai Rubber Company in 2007 (see section 6.2), villagers commented that the arrival of rubber causes more hardship for their lives because agricultural land becomes increasingly short (the impacts of rubber expansion will be returned to in Chapter 7). However, villagers have never hesitated to insist that, even in retrospect, they would still have planted rubber with the local investor. In the era of the rubber boom, it was not only outside investors who look for land from uplanders but also villagers who have sought investors to provide capital for them to set up their plantations. A Lue investor from a village near the town of Long district said that he was visited by the headman and villagers from a Kui village asking him to provide rubber seedlings for villagers: "They said villagers want to plant rubber but they did not have cash to buy seedlings. They asked me to provide seedlings for villagers" (interview, 10 February 2010).

The desire of villagers to be integrated and hopefully to benefit from the rubber boom is also found in Don Tha village – the village where the rubber expansion was encouraged by the local state. While the Xiang Jiao Rubber Company found that they could not easily convince villagers to participate in the company's rubber projects when it started its

project in 2006, just one year later Nalae's uplanders were eager to plant rubber with the company. The company could not even supply sufficient seedlings to meet the demand of uplanders. Some of Don Tha's households who had already prepared land for rubber were disappointed that they could not get as many seedlings as they wished. Some villagers could afford to buy rubber seedlings from Luang Namtha; other poorer villagers had no choice but to wait for seedlings from the company the following year.

How has rubber become the hope of uplanders at a level that no other cash crop ever achieved? To answer this question, it is necessary to look at the current situation of livelihoods in the hills. As outlined in Chapter 5, the Lao uplands are still dominated by a semi-subsistence economy in which shifting cultivation is the main agricultural system. In the context of rising pressures from both government policies and natural disasters, this system has limited potential to provide sustainable livelihoods for uplanders. Availability of off-farm and non-farm work in the uplands and the potential for mobility to seek work outside are also limited. Thus, the news about the profits made from rubber became a spark of hope for uplanders. Rubber has become the new hope to resolve hunger, as suggested by Uncle Lene; his hope is shared among villagers from all communities, and especially those poorer villagers.

Rubber is not only the hope for resolving poverty but is also the hope for villagers to consume the 'modern' items that are becoming so prevalent in the lowlands and among China's uplanders. Villagers, especially from Houay Luang Mai, often mention a new house, a motorbike, a television, a radio, a mobile phone and so on as the desired outcome of selling rubber latex like those farmers in China. One young Khmu woman from Don Tha village, expressed her hope in the following way:

> "Now we are poor. We do not have enough rice to eat. Our house is old and decaying. We do not have any good things like lowlanders or Thai people. But we hope we will be better off when we can sell rubber [latex]. We will probably have a new house and perhaps a motorbike. If you come back to visit us again, we may be able to offer a better welcome."
>
> (Interview, Mrs Noy, a 32- year- old Khmu, Don Tha village, 7 December 2009)

The hope that rubber will increase their consumption potential is associated with a situation where uplanders are usually looked down upon by the state's officials and by lowlanders. They are often characterised as 'backward' and poor in comparison to the

'modern' lowlanders. This is seen to be due to the differences in their way of life, religious practices, and their unwelcome swidden agriculture. The potential to consume similar material products of modernity as 'modern' lowlanders would make uplanders feel that they are not so very different from those 'modern' people in the lowlands. Villagers however have different potential to engage in the rubber boom, which may lead to differentiation among uplanders in the future (this issue will be discussed in section 8.5.2).

This section has illuminated another path of the rubber boom in the uplands of the Lao PDR. The ways in which rubber arrived in the study villages reflects how the market – in this case for rubber – is viewed by the uplanders. The response of villagers to rubber shows that uplanders did welcome the arrival of the market. Moreover, evidence from the study communities also shows that it was also often less powerful uplanders who were the key actors in bringing the market into the uplands. The trajectories that rubber followed into the study communities point to the necessity to consider upland populations themselves, so often portrayed as weak, as potential actors in current processes of agrarian transformations in the Lao uplands; agrarian transformations in the Lao PDR are not only shaped from 'above', therefore, but also, and significantly, from 'below'. This reminds us that we cannot assume that what is going on at a local level is automatically determined by powerful external processes and actors. It is necessary to take account of the views and perspectives of local people so often portrayed as marginal to events if we are to gain a better picture of how transformations are taking place, and how they are shaped and re-shaped by interconnections between forces and actors across scales.

6.4 Summary

This chapter has attempted to illuminate how the uplands of the Lao PDR are being integrated into the market through the lens of the rubber boom, tracing the trajectories and the experiences of the four study villages. While the boom in rubber trees in the uplands is stimulated by forces that can be located in the global market, rubber arrived in each community following different paths. The chapter has characterised these paths into two broader trajectories: the path from 'above' and from 'below'. The path from 'above' shows the important role of external forces and actors in shaping agrarian situations at the local level. The chapter has discussed the good intentions of the state to improve the well-being of its 'weak' and impoverished uplanders. Embracing the ideals of the market as the mechanism for poverty reduction, the state facilitated the establishment of links between

market and uplanders, which was apparent in Don Tha village. Aiming at "making markets work for the poor", the local state authorities in Nalae district also tried to regulate the operation of the market, attempting to minimise the impacts of the market on the poor uplanders. Thus, the state acted both as the protector of the 'weak' uplanders and as a facilitator, greasing access to the uplands for – in this case – Chinese capital.

These links between the state and the market are also reflected in the experiences of villagers from Kaem Khong and Pha Lad villages where areas of their land have been taken by the rubber companies using the power and authority of the state. The ways in which the rubber companies could gain access to land in both villages reflects the non-monolithic characteristics of the Lao state (the army, the district authorities, and the national government) which had different interests and acted differently in dealing with the rubber boom. The arrival of the rubber companies in the uplands rather than revealing the 'weakness' of the uplanders instead highlights the 'weakness' of the Lao state to deliver "desirable political goods" (Rotberg 2003: 3). The arrival of the rubber companies was brutal in the manner that their operations further accentuated the vulnerability of an already vulnerable population. Their so-styled 'backward' agricultural systems which the state has been trying to eradicate has made the state tolerant of the violence uplanders experienced in their encounters with the market (in the form of the rubber companies), and a level of violence, it is suggested, which would not have occurred had this been in the lowlands. What the experience also shows is that the state - market distinction is far from clear.

The experience of the other two villages, Houay Luang Mai and Pha Lad, reveals a rather different story. Here the rubber boom has been orchestrated from 'below', showing the less powerful uplanders themselves as the key actors in recent processes of agrarian transformations in the uplands. The important role of small farmers in shaping the upland landscape and in seeking solutions for their poverty raises important issues of the necessity to consider local people as significant actors in the changes outlined, instead of automatically assuming that the transformations taking place at the local scale are solely – or even mainly – determined by external forces and actors. The ways that uplanders responded to the boom in rubber illuminate how the market is more than just welcomed by uplanders. The debate on state-market relations, and small farmer-market relations will be returned to in Chapter 8. In the following chapter, the impact of the rubber boom on the upland landscape and populations will be explored.

Chapter Seven
Transforming the Uplands in the Age of the Rubber Boom

7.1 Introduction

In addition to interventions orchestrated by the state, it is undeniable that the market is another key actor in processes of upland transformation (Li 1999; 2002; Tan 2000; Tan and Walker 2008). There is concern among market pessimists that the penetration of the market into upland areas poses a 'threat' to the 'sustainability' of communities (see a critique of this view in Walker 2001). But for some scholars, "things aren't that bad" (Rigg 2005a: 148) as market penetration also provides new 'opportunities' for some people. The question here – and which is addressed in this chapter – is which groups of people can benefit from this process of market integration and how far can they access new emerging 'opportunities' and, importantly, which groups of people gain 'less' or even 'lose' from their involvement in commodity exchange.

Considering the rubber tree as one of the new commodity crops being introduced into the upland areas of the Lao PDR (albeit the most important), this chapter examines how upland landscapes and upland livelihoods have been transformed under the context of the rubber boom. The central question that threads its way through this chapter is: how far has market integration brought new opportunities and/or new threats to upland populations? The chapter begins with an overview of the transformations of the upland economy (7.2), before turning to look more closely at the transformations of land rights and land control (section 7.3). This is followed by a consideration of the emergence of new classes. The final section discusses how livelihoods of uplanders are being affected by the rubber boom, and what their future might hold.

7.2 Transformations of the upland economy and land use

The uplands of the Lao PDR have long been involved in the market. However, their levels of market involvement were formerly shallow. The economy of the upland was based around semi-subsistence production in which shifting cultivation was the dominant form of agricultural production which was able to produce little, if any, surplus for the market. In the context of the research sites, the physical landscapes of Baan Houay Luang Mai and Baan Pha Lad were a combination of flat land suitable for wet rice agriculture and sloping

areas suited to shifting cultivation. While flat land in Baan Houay Luang Mai was used for both subsistence (paddy rice) and commercial (paddy rice and sugarcane) production, the flat land in Pha Lad was rarely able to produce a rice surplus for the market. The sloping land of the two communities shared similar characters to Baan Don Tha and Baan Kaem Khong - the two other study villages; it was covered by a patchwork combination of upland rice fields, fallows, and forest.

Sloping land was used by villagers in the four communities for shifting agriculture mainly geared to meet household requirements. There were, however, different degrees to which this sloping land was used for swidden agriculture in each village. As most of Houay Luang Mai's villagers could access paddy land, they had largely withdrawn from shifting agriculture. Shifting cultivation was therefore practiced by a relatively small number of households. Pha Lad's villagers, however, could access only small areas of flat land and generally could not produce sufficient rice from their paddy to meet their needs. They thus had to continue swidden agriculture. Shifting cultivation was intensively practiced by villagers in Baan Don Tha and Baan Kaem Khong as it was the only source of rice for the villagers. While the main purpose of upland rice cultivation in the study villages was to meet the need for household consumption, some villagers did sell rice. Some villagers sold rice because they produced a surplus; other villagers sold rice even when they faced a rice shortage because of their need for cash.

Forest land was formerly a crucial resource for making a living in the uplands. In addition to providing food and non-food products for household consumption, the forest also provided non-timber forest products (NTFPs) for sale, which was the most important source of cash for villagers in Baan Don Tha, Baan Pha Lad, Baan Kaem Khong as well as for those villagers in Baan Houay Luang Mai who did not have sugarcane plantations. Thus, the forest served important subsistence *and* market functions.

Villagers from the four research communities grew cash crops before the arrival of rubber. However, cash crop production was limited in extent in most of the communities, with the exception of those villagers who planted sugarcane in Baan Houay Luang Mai (see section 5.3.3). Here the area of land used for producing commercial crops was comparatively large, as some villagers had converted parts of their paddy fields to sugarcane plantations. Only small areas of land in the other three communities were used for cash crop production.

Land used for such commercial cropping was almost unnoticeable compared to that used for subsistence production.

In Kaem Khong, the village where levels of market involvement were least intense, the area planted with corn varied among households from only 0.2 to two hectares, generating around 200,000–400,000 LAK for the households[71] (interview, Mr Nu- a Lahu in his late 30s, 9 March 2010). In the village of Don Tha in Nalae district, land was mainly used for shifting agriculture. In the mid-2000s, corn was introduced by the Friends of Upland Farmers Company (FUF). Villagers grew corn for the company under a system of contract relations. Mr Boon Yoo, a Khmu in his late 40s who was the FUF's coordinator in Don Tha village, remembered that almost every household planted corn for the FUF but only over very small areas; the village's planted area was approximately 2-3 hectares (interview, Mr Boon Yoo, 4 December 2009). In Baan Pha Lad, corn was first planted for the market in the mid-2000s by a few villagers who could afford to buy corn seed. However, here too the village's total planted area was less than three hectares (interview, Pha Lad village's ex-headman, 3 February 2010).

In sum, while the four study communities were involved in the market before the arrival of rubber, their levels (intensity and extent) of market involvement were limited. Only a handful of Houay Luang Mai's villagers who planted sugarcane were intensively integrated into the market. Other villagers were linked to the market but to a lesser degree through the sale of NTFPs and rice. The economies of the study communities, especially Baan Don Tha, Baan Kaem Khong, and Baan Pha Lad, were substantially oriented to subsistence production. Land was thus used mainly for subsistence production, with only small areas allocated to market production (see Table 7.1).

The arrival of rubber, then, has brought significant changes to land use in the uplands. As summarised in Table 7.1, a considerable area of sloping land in all the study communities today has been converted from forest and swidden fields to rubber plantations. The upland landscape which was formerly dominated by forest and swidden fields (Picture 7.1) is now covered largely by seemingly endless rows of rubber trees (Picture 7.2).

[71] It was approximately £15-£30 at 31 December 2003 (http://www.oanda.com/convert/classic?free=1).

Table 7.1 Economy and land use changes in the study sites, late 1990s–2010

Village	Before the rubber boom (late-1990s–early 2000s)		Under the rubber boom (mid-2000s-2010)	
	Subsistence orientation	**Market orientation**	**Subsistence orientation**	**Market orientation**
Houay Luang Mai	*Flat land: Paddy fields and sugarcane plantations*		*Flat land: Paddy fields and sugarcane plantations*	
	- Paddy rice production by majority of the households	- Sugarcane production - Surplus of paddy rice	- Paddy rice production by majority of the households	- Sugarcane production - Surplus of paddy rice
	Sloping land: forest and swidden fields		*Sloping land: forest and swidden fields (decreasing) and rubber plantations(increasing)*	
	- Upland rice production (by minority of the households) - Food and non-food use of the forest	- Sale of NTFPs	- Upland rice production (by minority of the households) - Food and non-food use of the forest	- Rubber production (villagers' investment) - Sale of NTFPs (in decline)
Don Tha	*Sloping land: Forest and swidden fields*		*Sloping land: forest and swidden fields (decreasing) and rubber plantations (increasing)*	
	- Upland rice production by every household - Food and non-food use of the forest	- Sale of NTFPs (in decline)	- Upland rice production by every household - Food and non-food use of the forest	- Sale of NTFPs (in decline) - Rubber production (a 2+3 contract farming system)

Table 7.1 Economy and land use changes in the study sites, late 1990s–2010 *(continued)*

Village	Before the rubber boom (late-1990s–early 2000s)		Under the rubber boom (mid-2000s-2010)	
	Subsistence orientation	**Market orientation**	**Subsistence orientation**	**Market orientation**
Pha Lad	*Flat land: Paddy fields*		*Flat land: Paddy fields*	
	- Paddy rice production by a few households	None	- Paddy rice production by a few households	None
	Sloping land: Forest and swidden fields		*Sloping land: forest and swidden fields (decreasing) and rubber plantations (increasing)*	
	- Upland rice production by most households - Food and non-food use from forest	- Sale of NTFPs	- Upland rice production by most households - Food and non-food use of the forest	- Sale of NTFPs (in decline) - Rubber production (villagers' own investment and a 1+4 contract farming system)
Kaem Khong	*Sloping land: Forest and swidden fields*		*Sloping land: forest and swidden fields (decreasing) and rubber plantations (increasing)*	
	- Upland rice production by every household - Food and non-food use of the forest	- Sale of NTFPs	- Upland rice production by most households (in decline) - Food and non-food use from forest (in decline)	- Sale of NTFPs (in decline) - Rubber production (large areas of Chinese plantations; smaller size of villagers' plantations under an informal deal with local investors

Source: Fieldwork, 2009–2010

Picture 7.1 A combination of upland rice fields and forest, Nalae 2010

Source: Fieldwork, 2010

Picture 7.2 Today's typical landscape dominated by rubber trees, Nalae 2010

Source: Fieldwork, 2010

There is a slightly different degree of land use transformation in each of the study communities; the variation is associated with both how land was used before the rubber boom and the different ways in which rubber has expanded into each village. Far-reaching

transformations in land use have occurred in Kaem Khong village due to the role of the Jundai Rubber Company, which has led to the conversion of large areas of forest and villagers' agricultural land to plantations. A similar set of changes, but to a lesser degree, was also found in Pha Lad village where 100 hectares of the village's forest and fallow land were taken by the Kunming Rubber Company. Though Kaem Khong's and Pha Lad's villagers themselves have set up their own plantations, either through their own investment or by means of informal deals with local investors, the size of villagers' plantations is far smaller than that of the company. In Baan Houay Luang Mai, there have been substantial transformations of land use as land which was formerly largely left as forest or old fallows has been converted to (villagers') rubber plantations. The rubber boom has stimulated villagers' desire to convert the forest and, generally, old fallow land to rubber. Among the four study villages, Houay Luang Mai is the village with the smallest area of land left for shifting agriculture. In Don Tha village, there have been changes of land use mainly through land being converted from shifting agriculture, to rubber plantations. As the Nalae DAFO worked closely with the Xiang Jiao Rubber Company in recruiting villagers to plant rubber with the company, the village's forest is in general maintained because the local state has managed to control the actions and activities of the rubber company. While the areas of land being converted to rubber among the four communities vary, the four study villages share similarities in terms of the direction of land use changes. The boom in rubber has transformed the land and forest which had previously been used for producing food mainly for upland households' consumption to the production of a single agricultural commodity for export – rubber.

7.3 Transformations of land use rights and access[72]

Rubber has not only transformed the ways in which forest and land in the uplands are used, but also land use rights, land access and land control. These changes involve a process of *exclusion* – a process which is considered in opposition to that of *access* by Hall and

[72] This section refers only to sloping land. Flat land, which is used mainly for paddy rice and sugarcane production is excluded because there has been no significant change in land rights and access before and after the rubber boom. I follow Ribot and Peluso's (2003: 153) definition of access as "the *ability* to derive benefits from things" (italics in the original). Access in this study is used to refer to the ability of relevant actors to control and benefit from land. While there are cases where land access and control are based on land use rights, such rights are not a guarantee of access as some actors may gain access and control without land use rights. By the same token, actors who have land use rights may not gain access and control over land.

colleagues (2011: 7). They classify exclusion into three main types: “the ways in which already existing access to land is maintained by the exclusion of other potential users; the ways in which people who have access lose it; and the ways in which people who lack access are prevented from gaining it” (Hall et al. 2011: 7-8). In the context of the rubber boom in the uplands of the Lao PDR, a previous system of land rights, access and control has encountered new challenges as new actors and processes have infiltrated upland space (Peluso and Lund 2011). This section aims of illuminate the complexity and diversity that accompanies these issues: how have land rights been transformed? How are land access and control variously shaped? And how are benefits among actors apportioned?

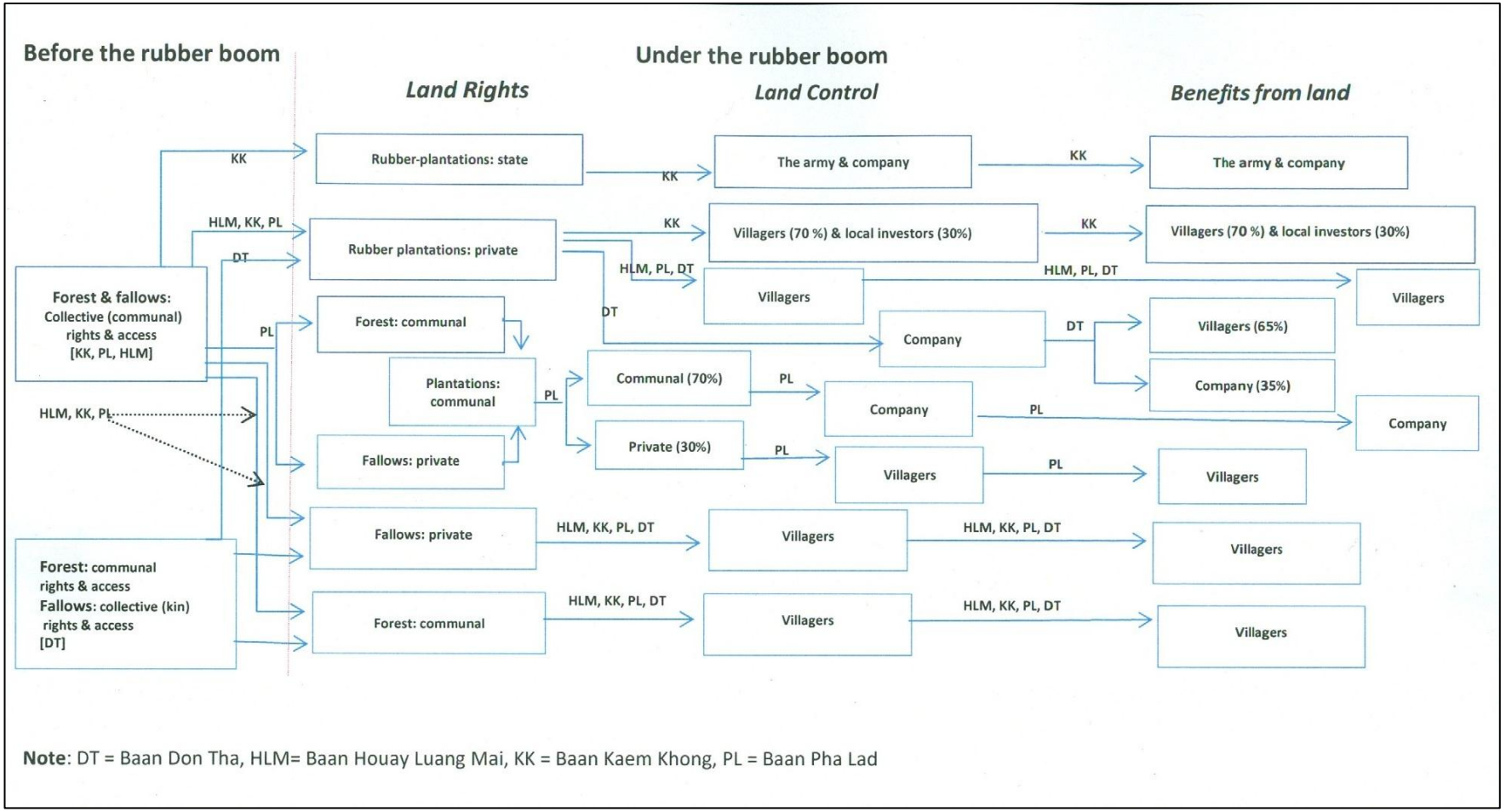
Land in the Lao PDR is, according to Decree No 61 (GoL 2003b), the property of the national community in which the state is responsible for the management and allocation of land use rights to the individual, families, economic organisations, and state organisations. Although villagers in the four research sites do not have ownership over land, they were allocated land use rights by the state authorities through the Land Use Planning and Land Allocation Programme (LUP/LA) between the late 1990s and early 2000s (see section 5.3.2.2). The programme recognised both collective and private rights over resource uses within the newly demarcated boundaries of the village. The right to access most of the forest land (conservation, protection, production, regeneration, and sacred forest) was allocated as a communal right to all members of the village in accordance with regulations introduced at that time. Private access was recognised only on agricultural land. Ideally, an individual household was allocated three plots of swidden and fallow land for practicing shifting agriculture, and no more. This was an attempt by the state to establish private rights over land used for swidden agriculture.

The outcome of this state policy, however, was different from that intended. In practical terms, land access and control in the research communities were based largely on the collective system. As summarised in Figure 7.1, forest was under communal rights and access in all four communities. This category of land permitted access by all members of the community. Before the arrival of rubber, private rights over fallows were not recognised by members of the research settlements. Land for shifting cultivation was not claimed as private land by individual households in most of the study communities. Villagers from Pha Lad and Kaem Khong villages did not claim private rights because land was relatively abundant. In Houay Luang Mai, villagers who had access to paddy land did not practice

shifting cultivation and therefore they did not have a keen interest in claiming private rights over sloping land. Shifting agriculture was practiced only by a small number of households and access to swidden and fallow land for these poor households was generally not limited. The situation in Don Tha village was slightly different. Fallows were claimed and accessed as collectivities among relatives. Their claims were not because of the implementation of LUP/LA programme; rather it was the pressure that villagers encountered when a large area of forest land which they had previously used was taken by the state to establish the district's conservation forest.

Overall, land access in the upland communities before the rubber boom was mainly under collective rights in which levels of exclusion for access by villagers were generally light. However, this system has been eroded in the era of the rubber boom. New forms of land rights and land exclusions have emerged. Current forms of land rights can be broadly categorised into three forms: state, private, and communal rights with new and attendant complicated forms of land access and control (see Figure 7.1).

Figure 7.1 Transformations of land rights and control (late 1990s-2010)



Source: Fieldwork, 2009–2010

7.3.1 State land rights

Transformations of land rights from communal rights to state rights were found in Kaem Khong village. Before the rubber boom, land rights belonged to the village through the LUP/LA programme. Land access and control were arranged on a communal basis. Land rights were taken from the village and therefore from the villagers when the rubber company arrived at the village with the military in attendance. The military claimed the rights over not only land which officially belonged to the army but also land which the Long district authorities had previously allocated to the village. Land was later passed on to the Jundai Rubber Company which was granted permission by the army to use the military's land. Villagers felt they had no choice but to relinquish their land and felt that there was no hope that they might get the land back in the future: "When the company leaves, the army may take the whole land. We will never get it back" (interview, Mrs Koy, a 40-year-old Lahu, 28 February 2010).

The Jundai Rubber Company now has access and control over land which was not formally granted to it through the support and backing of the army. While villagers could collect broom grass from the land, which now is formally part of the company's plantations, they are absolutely excluded from using the land for agriculture. The rubber boom experienced in Baan Kaem Khong highlights the exercise of the power of the army in unofficially claiming and taking over communal land rights from this relatively powerless upland community. Kaem Khong's experience also shows that through a channel of the state, namely the military, transnational capital has been able to gain access and control over land even when it was not officially granted land use rights.

7.3.2 Communal land rights

While communal land rights are challenged by the arrival of rubber, communal land rights (mainly in connection with sacred and protection forest) still exist but over much smaller areas. Before the arrival of rubber, communal land included fallow land and forest land mainly used by villagers as a source of food and non-food for household consumption, as well as for market exchange. In the context of the rubber boom, fallow land has been privatised and thus only forest remains as communal property. Some restrictions are imposed on the use of forest; generally, villagers are allowed to use it only for collecting NTFPs.

In Pha Lad village, the arrival of the Kunming Rubber Company which set up the 1+4 contract farming system with the village has resulted in the emergence of another form of communal land

rights over the company's plantation. As discussed in section 6.2, the company preferred to establish a contract with the village as a whole instead of dealing with individual households as had the Xiang Jiao Rubber Company in Nalae district. Land on which the company has set up its plantations is now recognised as part of the village's communal lands. While some of this land was previously part of the village's communal land, other areas had already been claimed by villagers. The arrival of the company thus caused the transformation of some private land rights to communal land, which was then passed on to the company. It is important to note, however, that while this land may be de jure communal land, villagers have lost their power of control over the medium term to the company; this situation will last for 35 years.

7.3.3 Private land rights

The GoL introduced private land use rights over land used for shifting cultivation through the LUP/LA programme. However, both swidden and fallow land in the four study communities were under collective rights, either communal or kin. The rubber boom has brought significant changes to land use rights in the uplands. When rubber is planted on the land, the individual rights over that land are recognised by other villagers. Villagers who were quick to participate in the boom, usually those who had capital and labour, could turn previously communal land into their private land and could do so over a significantly larger area than those who were late in joining the boom. The increasing demand for land for rubber plantations also stimulated villagers to make claims for private rights over fallow land. At the time of the fieldwork, none of the fallow land in any of the study communities was left for communal access for shifting cultivation. Villagers who had good knowledge of where their ancestors cleared and/or used land before the boom were able to make claims and assure their private rights over large areas. By contrast, villagers who did not know about or who did not have ancestral claims, usually those who moved to the area late, could claim private land rights over only small areas (see the stories of Mr Kae and Mr Tan in Box 7.1).

Box 7.1 Claiming land: stories from Houay Luang Mai and Don Tha villages

Mr Kae from Baan Houay Luang Mai

Mr Kae moved from Houay Luang Kao to Houay Luang Mai with his parents in 1988. As the family could produce sufficient rice from their paddy fields, they had never practiced shifting agriculture in Houay Luang Mai. In the mid-2000s when rubber arrived, Mr Kae returned to grow upland rice. This was the first time in a period of almost 20 years that his family grew upland rice. He returned to shifting

Box 7.1 Claiming land: stories from Houay Luang Mai and Don Tha villages *(continued)*

cultivation not because of demand for rice from shifting cultivation, but rather a demand for land to establish his rubber plantation. In the first year, the family cleared around one hectare of the village's forest land on which 500 rubber seedlings were planted. Before the village allocated the village's communal land to individual households to set up plantations in 2005, Mr Kae claimed the rights over the old fallow land that his family had used before they moved to the current settlement. Some fallow land had been left uncultivated for more than 20 years. Claiming the rights over the old fallow land plus the land allocated by the village allowed the family to gain control over large areas of land to establish their rubber plantation. Being aware of the changes, Mr Kae was in a position to turn around ten hectares of the village's communal land and make it his own.

(Research diary based on an interview with Mr Kae, a 40-year-old Akha, 23 June 2010)

Mr Tan from Baan Don Tha

Mr Tan, a Khmu in his late 50s, moved from a Khmu village in Pha Udom, Bokeo province to Don Tha in 2001. As a late comer, he could not claim any ancestral land in the village and has been struggling to access land to cultivate upland rice. The land where he grew upland rice was the village's communal land which was determined annually by the village's committees. Mr Tan's wife in her early 40s said, "it has been tough living here as a new comer. We could not access old fallows. When we came here, it was the village's committees who told us where we could use land. Some years, we got good land. But some years we got land with low fertility meaning that we faced many months of rice shortage. We are new newcomers. We had nothing." In 2009, Mr Tan had three plots of fallow covering an area of five hectares. When rubber arrived, Mr Tan and his wife could only plant 200 trees (less than 0.5 hectare). Mr Tan said, "we wanted to plant more like other villagers [have done]. But we do not have land. We have only about five hectares. Today, we already face rice shortages. If we plant more rubber, we will face shortages of rice for a longer period each year. We do not have as much land as those who have lived here for many generations."

(Research diary based on an interview with Mr Tan and his wife, a poorest household from Baan Don Tha, 24 December 2009)

The four communities share a similar experience in the manner in which private land rights have been enacted through individual households' establishment of rubber plantations, using this to make claims over their ancestral fallow land. Private land rights in Houay Luang Mai village were also established through the allocation of the village's communal land to individual households beginning first in 2005 and continuing until 2007 when only small areas of land were left, so making it difficult if not impossible for late settlers to access land.

While villagers could hold private land rights over plantations, the ways that rubber has arrived in each village resulted in important differences in *how* land controls are manifested. That said, while some villagers could gain full access and control over the plantations they have set up, others could not. Fieldwork from the four study villages captures three categories of private land rights and land controls over plantations, as follows.

1). Villagers hold private rights and have full control over land

Villagers holding both rights and control over land were found in the cases where plantations were set up by villagers themselves. While this form was observed in all four villages, there was a difference in degree in each village. Villagers from Houay Luang Mai could gain full control over their newly-established private land rights to the greatest degree (see Table 7.2). This was followed by those villagers from Pha Lad village. As discussed in Chapter 5 and Chapter 6, these two villages had, historically, been more intensely involved in market exchange than both Don Tha and Kaem Khong villages. Market involvement allowed them to accumulate capital and to use this capital to invest in rubber plantations. However, the connections to the market for Pha Lad's villagers were far behind those from Houay Luang Mai. Thus they could not accumulate capital and use it for investing in rubber plantation to the same degree as villagers in Houay Luang Mai. By contrast with these two villages, it was quite difficult for villagers from Don Tha and Kaem Khong villages to establish rubber plantations without support from outside investors (this will be discussed below).

Table 7.2 Areas of rubber land under private rights and full control, 2009.

Village	Numbers of surveyed households	Average size of land (Ha)*
Baan Houay Luang Mai	24 out of 25	2.3
Baan Pha Lad	21 out of 31	1.5
Baan Don Tha	12 out of 22	1.2
Baan Kaem Khong	1 out of 18	1.1

Source: Fieldwork, 2009-2010

Note: This is the average size of land holding among the households having private rights and full control over land (not an average for the whole community).

Pha Lad's villagers also gained private land rights and full control over a small portion of rubber plantation established by the Kunming Rubber Company who returned 30 hectares of the plantation to the village as compensation for the village's contribution of land. Every household was allocated rubber and land, either 160 trees (0.4 hectare) or 224 trees (0.5 hectare) depending on the number of the household's labourers (see section 6.2.2 and section 7.3.2).

2). Villagers hold private rights but gain full control over only part of the land

Fieldwork in Kaem Khong village reveals another form of transformation of land rights and land control. Private land rights were recognised when villagers set up their plantations. However, as discussed in section 6.3, villagers found that they could not establish the rubber plantations without making informal deals with local investors who supplied seedlings. This leads to villagers transferring 30 per cent of their rubber land to these local investors. In 2010, 17 out of 18 surveyed households reported that they were under this arrangement with an average size of plantation of 2.5 hectares. Villagers thus could gain full control over only 70 per cent of the land. While the LUP/LA programme had the aim of establishing private rights over upland agricultural land, in theory private rights and control of land by *outsiders* are not allowed. However, the rubber boom has pushed this regulation to one side and outsiders' control of land has become both prevalent and, importantly, locally acceptable. Many local state officials said that they have established rubber plantations on the hill areas under this sort of informal deal. One senior official from Sing district said that:

> "I have my family and sisters. My salary is not enough to take good care of all of them. I cannot look after them for their whole life. I have to provide something for them. Everyone has rubber. I thought I would set up a rubber plantation for them. But I came from another area. I do not have land here. The only way I could have a rubber

> plantation was by giving rubber seedlings to [upland] villagers to plant. They have plenty of land but could not afford to buy seedlings. I could buy seedlings but did not have land. So we cooperated. Things fall into place."
>
> (Interview, a senior official from Sing District, 25 June 2010)

While villagers consider this sort of informal deal with a local investor as a tool for letting them take part in the rubber boom, some local investors see the boom as an opportunity to obtain access and control over land in the uplands. Uncle Boonmee, a Lue farmer from a village near the town of Long district, stated that: "If I do not get the land, I will not give them rubber seedlings. It is not worth enough to get rubber trees without land. We do not know about the rubber price in the future. But rubber trees with land are fine. If rubber latex prices drops, [at least] I still have the land." (Interview, 10 February 2010). While outside investors do not obtain formal land rights over the plantations, they can gain land access and control through the local recognition of villagers. The fact that many state officials are also involved in this form of land deal provides confidence to investors in the security of such a land arrangement. The governance spaces of the Lao state through which it implants – or, in this instance, does not – its policies, gives an opportunity for outsiders to obtain land access and control over land even when they do not have formal land rights.

3). Villagers hold private rights but have lost control over their land

In Don Tha village, rubber plantations were mainly established under a 2+3 contract farming system between the villagers and the Xiang Jiao Rubber Company. This form of investment offers another pattern of transformation of land rights and control. Land which was under collective arrangement, mainly kin and relatives, became private when villagers set up the plantations. Villagers' private land rights were recognised in a similar way to private rights established by smallholder farmers, especially those from Baan Houay Luang Mai. However, as villagers set up their plantations under a contract system lasting for 45 years, the company has, in effect, taken control over the land. While villagers hold private rights over the land, they have temporarily lost the power to control how the land can be used. By contrast, the company gains access and control over villagers' land through the establishment of contracts with villagers, mediated and encouraged by the state. The experience of Don Tha's villagers highlights how obtaining private land rights does not automatically mean people can gain land control and access.

In sum, the rubber boom has quickly led to the establishment of private land rights over both land used for rubber plantations and fallows. Private land rights and land control are, however, shaped in

different ways by different actors. Thus, while land rights are generally privatised, there is a variety of forms of land access and control. Privatisation of communal land is not always smooth. Conflicts between villagers who claimed their rights over the same fallow land have emerged. One example was the case of My Pae - one of the poorest Akha in Baan Pha Lad - who was engaged in a bitter dispute with another villager over the fallow land which was used by both of them but at different times (see Box 7.2).

Box 7.2 Mr Pae and conflicts over land access

Mr Pae is a 59-year-old Akha who moved from his old village, which is about a two-day walk from the current village, to Pha Lad village in 2000. At that time, he could access the forest land and used it to grow upland rice without any restriction either from the state or other villagers. He said, "land was plentiful. Nobody owned it. We used it for a few years and left it allowing the forest to regenerate. We moved to another old fallow or even natural forest land. It did not really matter if that fallow land had been used previously by someone else. We could use it. It was the same for the plot we left. Other villagers might use it. There was no problem." He recalled that in the early 2000s, local state officials told villagers not to clear new forest land and they should grow dry-rice on a few designated plots. However, this did not influence the ways in which villagers accessed land for shifting cultivation. Things began to change in the mid-2000s, when there was an increase in demand for land to establish rubber plantations. Some villagers began claiming their rights over the fallows they used. Mr Pae claimed four plots of fallow land covering an area of nine hectares. In 2008, one plot amounting to around 1.5 hectares was taken by another villager to plant rubber. Mr Pae claimed that this plot should belong to him as he first used it in 2003. However, the disputant claimed that his ancestor had used that plot even before Mr Pae moved to the area. The case was brought to the Long DAFO. In an attempt to address the conflict, DAFO officials suggested Mr Pae and his disputant divide the plot and each of them take half. However, this suggestion was not acceptable to either of them. The plot was finally taken by Mr Pae's disputant who then sold it to a Lue from the town of Long district. Mr Pae could do nothing about getting the land back.

(Research diary based on an interview with Mr Pae, Pha Lad village, 4 February 2010)

The establishment of private land rights in the uplands resulting from the rubber boom has made it possible to transfer land use rights unofficially from villagers to outsiders. Some villagers from Pha Lad mentioned that some parts of the village's land have been transferred to people from the district's town. However, none of the interviewees in Baan Pha Lad stated that they themselves had sold their land. One villager from Baan Houay Luang Mai said that in 2008 he sold his 600-tree plantation, which was established in 2006, to a Yao villager in a nearby village for six million LAK[73] (interview, Mr Tue in his 45 years old, 24 December 2009). Though transferring land rights to outsiders is generally still rare, it may well increase, especially when villagers encounter a crisis and need cash. Rubber, in conjunction with other transformations in the Lao political economy, has unsettled customary practices and thereby opened up a space for the developments outlined above.

Overall, the arrival of rubber has led to significant changes in land rights and controls in the uplands. While privatisation of land rights and access is a general trend, the fieldwork reveals a diversity of land rights and control in the four research sites. The particular contexts of village settlement, market integration, relations to the state as well as the ways in which rubber has arrived in each community have variously shaped land rights and control. Empirical data from the fieldwork also highlights the need to distinguish between forms of land rights and land control as people may hold formal land rights without also having the power of control over it.

7.4 Emergence of new rural classes

From a Marxist point of view, primitive accumulation is seen as a strategy to free up people from their means of production to create the free labour needed for industrialisation. Lenin (1899 cited in Brookfield and Parsons 2007: 2) argued that, in a process of primitive accumulation, some peasants can be successful in transforming themselves to a new status of farmer capitalist while those who are less successful fall into the status of the proletariat. Taking rubber expansion in the Lao PDR as a process of capital accumulation, this section explores how far and in what ways rubber, and the processes of capitalist accumulation that are attendant on the expansion of rubber, are leading to the emergence of new classes in the uplands.

[73] Approximately £476 as at 31 December 2008 (http://www.oanda.com/currency/converter/).

7.4.1 The emergence of a rural entrepreneurial class in the Lao uplands

Reflecting on the current rubber boom in Luang Namtha, there are signs of the emergence of a new rural entrepreneurial class in the uplands. However, it is also clear that most of the people who have the capacity to develop themselves into this class are not uplanders, but rather local traders and local officials from the lowlands who are newly connected to the uplands. These nascent (or existing) entrepreneurs are those who can gain benefits from their engagement with the rubber boom by providing rubber seedlings to upland villagers who want to set up plantations but cannot afford to buy seedlings. In Kaem Khong village, where only one household was in a position to invest their own capital, the only possible way for villagers to have their own plantation and derive benefits from it was to become involved in an informal deal with local investors - usually local officials and traders from the district town.

One Lue lady who ran a guesthouse in Sing district mentioned that her family owned around 30 hectares of rubber plantations in several Akha villages surrounding Sing district (research diary, Sing district, 22 December 2009). A wife of a senior official from Sing DAFO said that she had around six hectares of rubber plantations on land in one upland community. She bought the land in exchange for rubber seedlings that she 'gave' to the villagers (research diary, Sing district, 30 June 2010). An ex-member of the LPRP at Luang Namtha provincial level proudly talked about 40 hectares of rubber plantations owned by his son who is now a senior official at the Luang Namtha Provincial Planning and Investment Office (research diary, Sing district, 26 June 2010).

Most of the new entrepreneurs, such as those noted above, can access land in the uplands by exchanging rubber seedlings for it. But it is also likely that some local officials access land in the uplands through use of their official position and the status that comes with it. One senior official from the Sing DAFO confidentially expressed his belief that through his official status and as a member of the party, he was able to access land anywhere he wanted:

> "If I want to plant rubber, I can get land for free from any village. I have worked for villagers for ages. Villagers know me very well. If I told them, they would definitely give me a plot of land for sure. Some officials did it this way. But I do not want to do that. I do not want to make villagers to have a negative memory of me."
>
> (Interview, Sing DAFO senior official, 20 December 2009)

The above message may suggest that some state officials use their status in state organisations or in the Party for their private capital accumulation. While Lenin's new farmer capitalists in Russia were

those successful peasants who could generate surplus from agriculture for further accumulation, a large number of the new rural entrepreneurs in the Lao PDR are those who can turn their political capital (as state officials or members of the Party) into economic capital for private gain. Eyal and colleagues (Eyal et al. 1998) analyse the transition to capitalism in post-socialist countries in central Europe which they characterise as 'capitalism without capitalists'. They argue that in the post-socialist era when economic capital has become a dominant form and a new major source of power and privilege replacing social capital (institutionalised as political capital), political elites who can maintain or increase their status in the new regime are those who can adjust or convert their devalued social capital which they possessed under a socialist regime to the new valuable economic (and cultural) capital in a post-socialist context.

The case of the Lao PDR is slightly different as social capital and political capital are still valuable as sources of power and privilege. In the context of transition, it is the elites who are able to use their capital under the socialist regime for further (economic) capital accumulation. In the context of a weak (or absent) civil society to balance the power of the state and state officials, the elites' accumulation of capital has, sometimes, verged on the brutal. We thus should not expect these new rural entrepreneurs to be key agents in challenging current political structures. Instead, they may want to maintain the current system because of the benefits they can derive under the current system. Maintaining the current political regime does not prevent them from accessing the benefits that have emerged in the new market system. The rise of markets thus does not automatically lead to the erosion of the status of the socialist Lao state, indeed it may cause it to reinforce and bolster its position. We see, in other words, something of a puzzle: a resurgent state in the context of a liberalising economy.

7.4.2 The emergence of a semi-proletariat class

Marx predicted that primitive accumulation would finally create free labour forces. But in the case of upland communities in Luang Namtha, the 'full' processes of proletarianisation have not yet taken place. There are, however, processes of semi-proletarianisation occurring in at least two directions and as an outcome of two processes: through contract farming relations and, indirectly, through the pressures imposed on uplanders to leave their farms.

7.4.2.1 Semi-proletarianisation through contract farming relations

These processes are found in Don Tha village where most of the households could not afford to buy rubber seedlings to establish their own plantations and had to be under contract relations with the Xiang Jiao Rubber Company (see section 6.2.1). Under the contract which lasts 45 years, villagers have to be responsible for the labour needed to work in the plantations. Villagers have changed their status from 'free' peasants to the status of semi-proletarians on their own land. Details about how and when villagers have to work in the plantations are scheduled by the company. Contract farming has implicated uplanders in a new system of work. As the contract lasts for a long period of time, villagers have lost rights over their land for more than half of their lives. This is very different from the contract farming found in a village in northern Thailand reported in a study by Walker (2009), where villagers are intensively involved in contract farming for short-lived annual crops such as pepper, garlic and onions. According to Walker, villagers can move to strike up relations with a new investor every year if they are not happy with their old investor. In the case of rubber trees, however, villagers are trapped in constraining contract relations with a foreign company for close to a half century.

While a 2+3 contract farming system is seen as the best system for the uplanders, it was found that there is often an informal revision of the contract between villagers and the investor. The Deputy Head of the Luang Namtha PAFO stated that due to the long period before the benefits of rubber plantations begin to accrue, some poor villagers find it difficult to make a living during this waiting period. Thus, following informal negotiations between villagers and the company, villagers are paid for their work in the plantations but as a result may get only 20-35 per cent of the profits from their land when their rubber reaches maturity (interview, Deputy Head of the Luang Namtha PAFO, 3 December 2009). Villagers have thus become paid labourers on their own land.

It is important to note that instead of opposing this process, in general, uplanders expressed their willingness to be engaged in such systems as they consider this as the only possible way they could derive benefit from the current expansion of rubber (see section 6.2.1). This process, therefore, has to be understood not just as an outcome of the forces of transnational capital, but also the agency of villagers themselves. The process of semi-proletarianisation in the uplands of the Lao PDR, while it may have been stimulated from 'above', is also partly propelled by the people from 'below'.

7.4.2.2 Increasing pressure for uplanders to curtail their farm activities

Applying the primitive accumulation concept to analyse current land grabs in the southern province of the Lao PDR, Kenney-Lazar (2011) rightly argues that proletarianisation occurring in the process of primitive accumulation should be seen as a 'side effect' of land enclosure. Such a 'side effect' of capital accumulation can be clearly seen in the case of Kaem Khong village where villagers have lost most of the land they used for making their living whether as agricultural land, or as forest land for the collection of food and other commodities. While the company has not taken *all* of the land from villagers, the small amount left cannot sustain villagers' livelihoods. Due to this increasing pressure, some villagers have decided to exit from farming and become wage labourers on the company's plantations (this will be discussed in section 7.5).

Another means by which semi-proletarianisation occurs is when villagers cannot find the means to obtain cash except by selling their plantations. This situation is found in areas where livelihood choices are very limited. In Kaem Khong village, Mr Ja Sae, a middle-aged Lahu from a poor household, reported that he had recently sold all of his plantation to obtain the cash needed to cover the healthcare costs of a seriously ill relative. Mr Ja Sae sold his plantation at a relatively cheap price as plantations located in the Kaem Khong area are less attractive to lowland investors to buy due to their inaccessibility (interview, Mr Ja Sae, 1 September 2010). At the time of the fieldwork, selling plantations was relatively rare. However, a decline in upland rice production resulted in extended periods of rice shortage, while alternative livelihoods were not available, leading to a rising number of households who had no choice but to sell their plantations. The separation of uplanders from their land and farm activities in a context where alternative livelihood activities are limited will lead, it is suggested, to more vulnerable livelihood situations for such upland people. The following section illuminates the impacts of rubber expansion on the livelihoods of upland populations.

7.5 Upland livelihoods: current situation and portents for the future

Today the Lao uplands are increasingly connected to the market. The processes of market integration have recently accelerated due to the boom in rubber propelling the connection between the uplands and the market at a rate which has never been seen before. As discussed earlier, the economy of the Lao uplands is on the move from a semi-subsistence system towards a market-oriented economy in which rubber is fast becoming the dominant product of the uplands. This transformation has no doubt affected the livelihoods of the upland populations. Current livelihoods are being increasingly shaped by wider processes of state involvement and market integration, and

rubber plays a large role in this process. This section thus seeks to investigate how the rubber boom, in combination with other wider processes of integration, has influenced the lives and livelihoods of the upland populations, and to answer whether or not, and how, former dominant livelihoods of people are being affected by the boom. Have any new alternative livelihoods emerged? And what are uplanders' future livelihoods likely to be?

7.5.1 The rubber boom and the erosion of former livelihoods

> *1). Shifting cultivation*
>
> "I used to have plenty of rice from my *Hai* [upland fields] before the company came. The fallow land was for as long as 15 years or more. Now the fallow period is only 2-3 years. How could I get enough rice from this short-fallow land? How many hectares of *Hai* do I have to work on to get enough rice for my family? Even if I could put labour to work on a large plot of *Hai*, where is the land I can use? Everywhere the land is now the company's rubber plantation."
>
> (Interview, Mr Song – a middle-aged Kui from a poorest household, Kaem Khong village, 10 March 2010)

Shifting cultivation was the main source of livelihood for the majority of the households in all the study communities, with the exception of pioneer settlers in Houay Luang Mai who enjoyed the prestige and advantages of being first arrivals in clearing and working paddy. Today, Houay Luang Mai's latecomers and the majority of villagers from Don Tha, Kaem Khong, and Pha Lad villages still grow upland rice, either as their only rice farming system or in combination with wet rice. This agricultural system has not always been able to provide sufficient rice for the demands of the upland households. Before the rubber boom, this system was already under pressure from both uncontrolled natural disasters and, importantly, the restrictions imposed by government policies. The arrival of rubber, however, has pressured shifting agriculture in a negative direction. As discussed above, large areas of fallow land and also forest have now been converted to rubber trees. Fallow land has become increasingly valuable and villagers have thus begun claiming it for their own use. Upland land available for each household to use for dry-rice cultivation is dwindling. Fallow periods are shortening (Table 7.3), leading to declining soil fertility and an increase in weeds. This has resulted in a growing requirement for labour input even while yields decline. This was the main reason why some households from Kaem Khong village decided not to grow upland rice in 2009: "It requires us to work harder than we did but we would get less than we used to. It is not worth it"

(interview, Mr Oun-a Kui in his early 40s from a poorest household - who stopped practicing shifting cultivation in 2009, 9 March 2010).

Table 7.3 The current situation of shifting cultivation, 2009.

	Percentage of surveyed households practicing shifting cultivation in 2009	Average areas of fallow land of surveyed households practicing shifting cultivation in 2009 (hectare)	Average fallow period of surveyed household practicing shifting cultivation in 2009 (years)
Houay Luang Mai	28	5.54	4.4
Pha Lad	83.9	4.97	5.38
Don Tha	100	7.65	4.55
Kaem Khong	83.3	5.7	3.6

Source: Fieldwork, 2009–2010

2). Collection of Non-Timber Forest Products

Non-Timber Forest Products (NTFPs) have traditionally played an important role as a supplement to upland households' income and as a reservoir of food for hungry periods. Except for broom grass and bitter bamboo shoots which can be found in young fallow areas, most of the high-value NTFPs are usually found in the primary forest or old fallow areas. The dramatic decrease in forest land resulting from the expansion of rubber plantations in all the study villages has affected the availability of NTFPs. The amount of NTFPs that villagers collect has dropped in all the four villages.

In 2009, the average household from Kaem Khong village was earning 562,000 LAK (£40.60) from selling NTFPs of which broom grass contributed more than 80 per cent (462,000 LAK or £33.40)[74]. Mr Chai, who collected NTFPs in Kaem Khong and a few nearby villages for a Tai trader from Burma, noted changes in NTFP availability in the area. In 2009, he was only able to collect five tons of bark, six tons of sugar palm fruits, and ten tons of broom grass. Four years ago, he collected around ten tons of bark, ten tons of sugar palm fruits, and six tons of broom grass (interview, Kaem Khong village, 10 March 2010).

[74] As at 31 December 2009 (http://www.oanda.com/currency/converter/).

A similar situation was found in Don Tha village. Villagers mentioned that they rarely found red mushrooms, cardamom and bark - all high-value NTFPs which used to be prevalent in the area. Mrs Pu, a 44 year-old Khmu lady from a poor household, noted that her household collected only 4-5 kilograms of bark in 2009. Before the arrival of rubber, her household could gather bark amounting to around 30-40 kilograms. In 2009, she was impressed by the amount of broom grass that she sold which was some 60 kilograms giving her almost 300,000 LAK (£21.70)[75] (interview, 5 December 2009). Table 7.4 shows the trend of changes in NTFP trade in Nalae district, highlighting the decline of some NTFPs which were usually found in primary forest or old fallow land, and an increase in the availability of broom grass which is mainly found in young fallow land and immature rubber plantations.

Table 7.4 Amount of Non-timber forest products exported from Nalae district (2001-2008)

Forest Products	**2001**	**2005**	**2006**	**2008**
Sugar palm fruit (*maak dtao*) (tons)	62	50	18	1.5
Cardamom (*maak nhaeng*) (tons)	3.2	0.6	4	1
Galangal (*maak kha*) (tons)	2.6	0	2	1
Bark (*nang dteing*) (tons)	100	54	79	18
Red mushroom (tons)	0.102	0.215	0	2
Rattan String (strings)	6,000	10,000	15 tons	0
Broom grass (tons)	N/A	N/A	3	20
Bamboo shoots (tons)	N/A	N/A	25	20

Sources: Data for 2001 and 2005 are based on RDMA (2007: 15); data for year 2006 and 2008 were provided by the Nalae DAFO during the fieldwork in 2010.

As NTFPs were one of the major sources of upland household income, a massive drop in the amount of most NTFPs has, inevitably, affected the well-being of uplanders, especially of those households who face rice shortages. These days, broom grass is still abundant as the rubber has not yet matured. The availability of broom grass will, however, decrease when the rubber trees mature.

[75] As at 31 December 2009 (http://www.oanda.com/currency/converter/).

Thus, NTFPs will no longer provide a supplement for upland livelihoods. As Mrs Bung, a 48 year-old Akha from Pha Lad village and from one of the poorest households said: "both bark and sugar palm fruits are rare these days because natural forest and old fallow land have become rubber plantations. Today, we can collect broom grass from new rubber plantations. But when rubber trees have matured, there will be no broom grass in the plantations. It is likely that we will not have anything to sell" (interview, 7 February 2010).

3). Livestock-raising

In addition to NTFPs, livestock, especially buffaloes, were another source of upland households' income. Selling cattle was a significant channel for addressing households' shortage of food. Since rubber has been brought up to the hills, the number of cattle in each study village has dramatically dropped. The experience of Mr Loon from Don Tha village highlights how livestock can no longer provide a solution to the subsistence crisis that many upland households face:

> Mr Loon - a Khmu man in his early 60s - is one of the poorest Khmu from Don Tha village. Before the arrival of rubber trees, his household faced rice shortages for an average of two months a year. This rice gap was mainly filled by cash earned from NTFPs. When the household was in need of a large amount of cash, selling one of the household's buffaloes was always the solution. Before the rubber boom, he had five buffaloes. Like other villagers, Mr Loon raised his buffaloes by letting them find grass in open grass fields and fallow land, which were abundant. Things changed as rubber has come to dominate the upland landscape. In 2007, his buffaloes entered and destroyed the rubber plantation of a Khmu villager from a nearby village. Mr Loon was asked to pay 4.5 million LAK (£237) as a fine for 30 destroyed rubber trees[76]. He had to sell one of his buffaloes to get the money to pay the fine. To avoid being fined again, Mr Loon decided to sell all of his buffaloes. He said, "I had to sell my buffaloes before they destroyed more rubber trees. Otherwise, I would have to sell them to pay the fine and I would not get any *kip*[77] from the buffaloes I had raised for several years". He also mentioned that some villagers whose buffaloes destroyed others' plantations did not show up and let the plantation owners take the buffaloes as they might have to pay a fine greater than the money they could get from selling the buffaloes. As a partial

[76] As at 31 December 2007 (http://www.oanda.com/currency/converter/)

[77] Lao currency.

solution, the rubber company and the Nalae DAFO convinced villagers to raise their cattle in fenced pastures. This area was the village's fallow land which is about a two-hour walk from the village settlement. However, villagers found that the area was not suitable for raising cattle. Mr Kiam - a 25-year-old Khmu from a less poor household - noted that four out of his six buffaloes died in the first year they were raised in the fenced pasture. Most villagers have thus decided to sell their buffaloes.

(Research diary based on interview with Mr Loon, 4 December 2009 and Mr Kiam, 5 December 2009, Don Tha village)

This story from Don Tha village highlights how rubber has affected the potential of uplanders to continue livestock raising. A similar story was also found in other upland communities. Mr Oun, who belonged to one of the poorest households in Kaem Khong village, noted that before the arrival of the company, villagers from Kaem Khong and a few nearby villages were encouraged by Long DAFO and as part of an EU project to raise cattle. Around 100 hectares of land was provided as an open grazing area for villagers to raise their cows and buffaloes. This area is now the company's rubber plantation. The loss of the grass fields for the cattle, in combination with the necessity to avoid being fined when their cattle destroy rubber trees, has likewise forced villagers to sell their cattle (interview, Mr Oun in his early 40s, 9 March 2010). Table 7.5 summarises how far rubber expansion has affected villagers' potential to raise cattle and, thus, their capability of resolving the households' livelihoods crisis.

Table 7.5 Surveyed households' average number of cattle, early 2000s-2009

Village	% of surveyed households having cattle		Average number of surveyed households' cattle (head/household)	
	Before the rubber boom	Under the rubber boom	Before the rubber boom	Under the rubber boom
Don Tha	77.3	36.3	5	1
Houay Luang Mai	72	36	5	1
Kaem Khong	77.8	0	3	0
Pha Lad	77.4	9.7	4	<1

Source: Fieldwork, 2009-2010

In sum, the traditional livelihoods of the upland populations which were formerly linked to shifting cultivation, collecting NTFPs, and livestock-raising have been shaken by the rapid expansion of rubber trees because of the way that rubber intrudes into traditional livelihood activities. The following section will turn to discuss the *new* livelihoods that have emerged from the rubber boom.

7.5.2 Emergence of new livelihoods

> Mr Oun is a Kui man in his early 40s who belongs to the poorest household category in Kaem Khong village. His livelihood was formerly heavily reliant on upland agriculture. Some of the fallow land he previously used was taken by the Chinese rubber company in 2007. Two years later, Mr Oun decided not to grow upland rice as his household could not access fertile forest land and land with short fallow periods that he could probably use did not seem to be able to provide sufficiently high yields of rice to meet his needs. Mr Oun and his wife managed to get an annual contract from the company to clear weeds and grass out of the company's plantations covering an area of ten hectares, which they manually cleared three times a year. The company paid them 15,000,000 LAK (£1084.60) plus ten roof tiles. Mr Oun and his wife also went to work as day–wage labourers in the company's plantations and were paid 30,000 LAK (£2.17) per day. In 2009, the household earned around 17,000,000 LAK (£1,229.21) from hiring themselves out as labourers in the company's plantations accounting over 90 per cent of the household's total income. In 2009, the household spent 3,000,000 LAK (£216.92) buying 1.5 tons of rice. Mr Oun noticed that since the rubber company came to the area in 2007, there has been a dramatic increase in demand for wage labour in the area. Before the arrival of the Chinese rubber company, his household could get paid only 100,000 LAK (£7.23) per year from wage labouring in paddy fields owned by Tai villagers in Burma. He noted that although the company had taken lots of land from villagers, it had also brought more opportunities for villagers in terms of wage labouring[78].
>
> (Research diary based on an interview with Mr Oun, Kaem Khong village, 9 March 2010)

The story from Kaem Khong highlights the increasing opportunities for villagers to earn cash from being wage labourers, which is a direct outcome of the rubber boom. Kaem Khong's villagers have

[78] All currency conversion in this section is based on the currency rate as at 31 December 2009 (http://www.oanda.com/currency/converter/).

the highest opportunity to get hired because the Chinese rubber company has set up a large size plantation in a very sparsely-populated area. Indeed, villages in this area cannot supply sufficient labour to the rubber company. The company has to bring villagers from other areas including villages near the town of Long district or even from Luang Prabang and Udomxay provinces. The arrival of the rubber company in the area provides a new and important source of cash for Kaem Khong's villagers. In 2009, household average income contributed by wages was 9,183,000 LAK (£663.99) compared to only 275,000 LAK (£13.95) before the establishment of the company's plantations (see Table 7.6).

Table 7.6 Average household annual income from wage labouring in each village, 2009

Village	Number of surveyed household involved in wage labouring	Average income (GBP/household)
Don Tha	10 out of 22	14.10
Houay Luang Mai	15 out of 25	30.37
Kaem Khong	18 out of 18	663.99
Pha Lad	28 out of 31	110.34

Source: Fieldwork, 2009-2010

Pha Lad's villagers can also access weeding jobs in the company's plantations which are located in Chor Pan village, which is around half an hour's walk from Pha Lad village**.** However, as there are many villages located in this area and the plantation size is smaller than in the Kaem Khong area, the opportunities in Pha Lad are not as great as they are for Kaem Khong's villagers.

In Houay Luang Mai, most of the rubber plantations in the surrounding area belong to local investors. There is no company with a large plantation in the area. Villagers hire labour out to the rubber plantations of lowland Lue or Yao people. Some villagers from the poorest household category also work in the paddy or cash crop fields (e.g. in watermelon fields) of Lue people. Among the less poor household group, only one out of eight surveyed households indicated that the household's members were involved in wage labour in 2009.

In Houay Luang Mai, the opportunities to get hired are generally lower than in Kaem Khong and Pha Lad villages. Wage labour plays a less important role in household livelihoods as villagers still have

other livelihood opportunities, especially those from cash crop production. The exception is in the case of two households from the poorest category who do not grow sugarcane. Mr Ler is the poorest Akha; he has neither paddy field nor does he engage in cash crop production. He and his wife usually hire out their labour to work in both the rubber plantations of Lue or Yao people, and in the paddy fields of the lowland Lue. In 2009, the household gained 1,800,000 LAK (£130.15) from wage labouring which contributed one-third of the household's total income (interview, Mr Ler, a 40-year-old Akha, 17 November 2009). Another household which is heavily reliant on wages is that of Mr Ya Tu. In 2009, the household gained 3,600,000 LAK (£260.30) accounting for almost 85 per cent of total household income. However, most of the cash the household earned came from Mr Ta Yu's work as a full-time staff member in a guesthouse owned by a Lue from the town of Sing. Thus, for this household, rubber did not really increase the opportunities for productive employment (interview, Mr Ya Tu, a 27-year-old Akha, 26 December 2009).

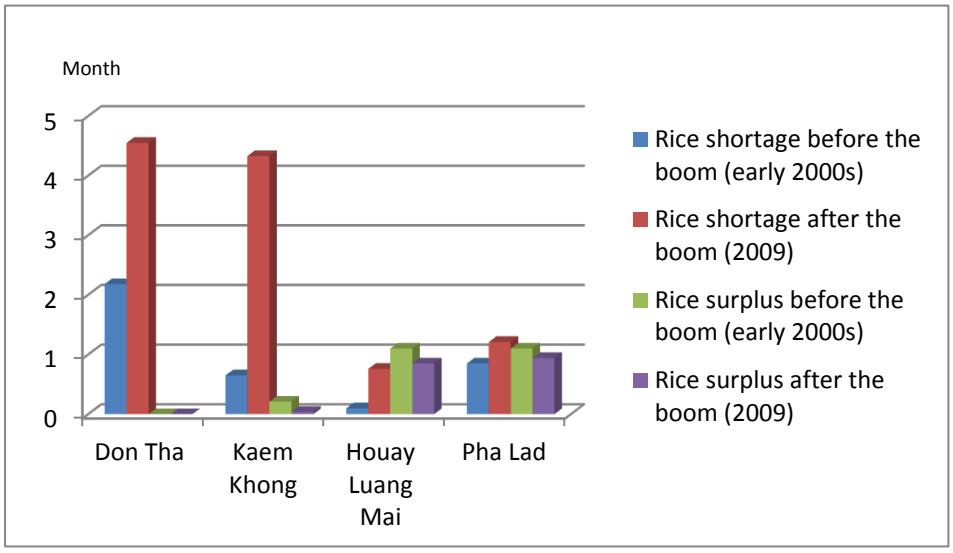
In Don Tha, though labouring opportunities increased with the expansion of rubber plantations, villagers' opportunities were still fewer than for people in Kaem Khong and Pha Lad. This is because of the patterns of rubber investment in Nalae. With the exception of the Xiang Jiao Rubber Company's demonstration plantations which covered an area of 320 hectares, rubber plantations in Nalae are under smallholder management, either through villagers' own investment or in the form of a contract farming system. These plantations are, therefore, mostly looked after by the owners. Additional labour is required only when household labour is not sufficient. In 2009, Don Tha's average annual income from wage labouring was 195,000 LAK (£14.10) per household which was the lowest among all the study villages. Kaem Khong's villagers could earn significantly higher income from labouring than households in the other villages could earn from the same activity (approximately 47 times, 21 times, and 6 times higher than households from Don Tha, Houay Luang Mai, and Pha Lad respectively).

In a context where traditional livelihood activities can no longer deliver a sustainable livelihood for uplanders, the emergence of wage labouring opportunities provide some hope to villagers for their survival while waiting for their rubber to mature. However, opportunities vary in each area. On balance it is only Kaem Khong's villagers who live in the least densely-populated area, near large-scale plantations, who have access to sufficient opportunities to meet the livelihood shortfall that the expansion of rubber has engendered. This raises a wider point and question: what is the future of upland villagers' livelihoods in the context of the rubber boom? This will be discussed in the following section.

7.5.3 Assessment of the past, looking to the future

The previous two sections have showed how rubber expansion into the uplands has affected upland livelihood activities. The vast majority of households in the study villages could not access paddy fields and have to make their living from shifting cultivation. Rapid transformations of the upland landscape, which was formerly dominated by forest and upland agricultural land, into boundless rows of rubber trees have no doubt had profound effects on people whose livelihoods were heavily reliant on the forest and shifting cultivation. As discussed in section 7.5.1, the arrival of rubber trees has resulted in shorter fallow periods which inevitably affect upland rice yields. This situation has led to increasing periods of rice shortage in the uplands. Figure 7.2 shows the current situation of rice surplus and shortage in the study communities.

Figure 7.2 Rice surpluses and shortages in the study communities, early 2000s-2009.



Source: Fieldwork, 2009–2010

As shown in Figure 7.2, since rubber has expanded into their settlements, villagers from Don Tha and Kaem Khong villages have had to endure longer rice shortages. The variation in degrees of rice shortage among the four upland communities is mainly related to the availability of paddy fields in each village. Most of the villagers from Houay Luang Mai can access paddy fields and thus they faced rice shortages for only a short period each year. In Pha Lad village, the situation of rice shortage was not very serious in 2009 because the remaining upland agricultural land was relatively large and some households could also grow rice on their newly-cleared paddy fields. There are no paddy fields available in Don Tha and Kaem Khong villages, however, and thus villagers have to rely only on upland rice cultivation. A rapid decrease in upland agricultural areas and a decline in the fertility of

the remaining (but shrinking) land base have caused rice shortages in Don Tha and Kaem Khong villages to extend to over four months each year.

The rapid expansion of rubber trees has also affected the availability of food in the uplands in other ways. Food which was partly available in the forest and swidden fields has now decreased and villagers have to buy more from the market, requiring more cash. However, neither NTFPs nor livestock, which used to be the primary sources of household income, can generate sufficient cash to meet this need. The arrival of rubber trees has led to a sharp decline in the number of NTFPs, as outlined above. The possibilities for uplanders to have cattle have also weakened. Thus the boom in rubber has pushed uplanders into a more vulnerable situation. They are, it could be said, facing an existential squeeze: declining availability of food is causing villagers to turn to the market to meet their needs; but a concomitant decline in cash generation from NTFPs and livestock is also compromising their ability to meet this shortfall through market exchange.

Some officials consider that rubber development in Luang Namtha may bring more jobs for people in areas where employment opportunities are currently limited (research diary, Head of the Luang Namtha PAFO, 26 October 2009; see also Vientiane Times, 29 July 2011)[79]. It is undeniable that the arrival of rubber has brought some more jobs for uplanders (as shown in Table 7.6). Narratives from Kaem Khong village highlight that without working on the plantations of the Jundai Company, many households would not have rice to fill their cooking pots. However, employment opportunities are available only in some areas. Furthermore, even in areas where there is high demand for labour, there is still a big question as to how far this emerging livelihood activity can provide livelihood sustainability for the upland populations over the long term.

Baird (2010: 22), while he notes that moving away from the farm is not always a problem as it can in many cases provide better lives and living than staying on the farm, points to the differences between people who *choose* to move away and those who are *forced* to find alternative livelihoods to survive. While rural residents in some areas have chosen to diversify their livelihoods into non-farm work (see, for example, Rigg 2001; Rigg 2006b), this research shows that a precipitate move to off-farm work, such as was the case for many villagers in Kaem Khong, was not a choice, rather a *necessity*. Such distress de-agrarianisation may have begun in the Lao uplands but its potential to sustain the livelihoods of uplanders remains uncertain (this issue of distress de-agrarianisation will be returned to in Chapter 8). It is clear that there is considerable demand for cheap labour largely

[79] *Vientiane Times*, "Rubber factory construction underway in Luang Namtha", 29 July 2011.

drawn from upland communities to work in Chinese rubber plantations. However, a question is whether this demand will be long-term. Today, there is concern among Lao officials over the limited labour demand on rubber plantations when trees have matured (Syvongxay 2012), leading to questions over the sustainability of such work and therefore the livelihoods that are underpinned by it.

Investors tend to view Lao peasants as lazy and undisciplined with an unwillingness to work hard. Thus they prefer to import Chinese workers to work in their plantations rather than hiring 'undesirable' Lao people. While there is a rule requiring investors to employ local labour, it is questionable how far the regulation can be (and needs to be) implemented. Previous studies on large-scale plantations in the southern region of the Lao PDR (Laungaramsi et al. 2008; Baird 2010) reveal a volatile employment situation. The Deputy Head of the Luang Namtha PAFO also expressed his worry on this issue: "we hope investors will employ our people. But we are not so sure. When rubber is mature, they may claim that our people do not have the knowledge and skills required for tapping rubber. They may claim that they need to import Chinese people to work for them"[80] (interview, 24 September 2009). High labour demand thus does not guarantee that Lao uplanders will be employed. This raises concerns over the optimistic views among those who consider large-scale agricultural development as a vehicle to generate employment opportunities and, thus, alleviate poverty for rural residents (Deininger et al. 2011).

Both villagers and officials also hoped that the lives of upland populations would be better in the near future and that this would occur because of the contribution of rubber to rural livelihoods. At the time that the fieldwork was carried out in the four study communities, the process of transformation was still – and inevitably – on-going. In a real sense, the process of agrarian transition is never 'complete'. At the time of the field work, rubber was not generating income for farmers and thus a clear picture of the contribution of rubber in the study sites could not be captured. However, drawing on the current situations that uplanders were facing, trajectories of transformations may be roughly predicted by looking at the *possibilities* of future transition paths, as shown in Table 7.7

[80] Chinese large scale investment in rubber plantations has brought a concern among local people that there will lead to an influx of a large number of Chinese workers coming to work in the Lao PDR. This may lead to the destruction of the Lao way of life and culture (Woodman 2011).

Table 7.7 Possible future scenarios of transformations in the study communities

	Both rubber production and rubber prices remain buoyant	**Either rubber production or rubber prices are depressed**
Baan Houay Luang Mai	- Rubber will be the main source of income for most households. - Some households (mainly less-poor households) will also earn cash from sugarcane. - Collecting NTFPs will decline rapidly. - Households with paddy will be unlikely to face rice shortages. - Shifting cultivation will decline due to limited availability of agricultural land; households without paddy may decide to stop practicing shifting cultivation and use cash generated from rubber to buy rice. - While most of the households will earn profits from rubber, some will earn more than others. Thus it is likely that social differentiation within the village will significantly increase. Pioneer households who voluntarily settled in the area first and have been able to access paddy land accumulated wealth from their paddy land to establish large rubber holdings will earn more profits than households which were forcibly relocated by the state and do not have access to paddy and in general have much smaller rubber holdings.	- For the group of less poor households, sugarcane will be the main source of household income. - Collection of NTFPs will decline but villagers, especially poor households, will have to continue with this activity. - Households with paddy will still have rice to eat. - Land available for shifting cultivation will decrease and thus yields will drop. However, households without paddy will face rice shortages and may lack cash to buy rice. - Poor households may sell their labour but this is unlikely to be sufficient to provide sufficient cash to make a living. - Land loss may be occurring when poor households need cash but cannot find alternative livelihoods. - Differentiation within the village will exist but it will be determined largely by villagers' ability to access agricultural land (especially paddy), not by rubber. Internal differentiation may be at a lesser degree than a situation where rubber production and prices remain buoyant.

Table 7.7 Possible future scenarios of transformations in the study communities *(continued)*

	Both rubber production and rubber prices remain buoyant	**Either rubber production or rubber prices are depressed**
Baan Pha Lad	- Rubber will be the major source of income for most of the households - Some households will benefit from other cash crop production (but to a much lesser degree to sugarcane production in Baan Houay Luang Mai). - The majority of the village's households will produce rice from combining paddy and shifting cultivation; some households who have recently settled will rely only on shifting cultivation. - Collecting NTFPs may decline and not be attractive for villagers who may find that generating cash from rubber is more attractive. - Wage labouring in Chinese rubber plantations may become an alternative source of income for villagers but this may not be guaranteed as the company may wish to employ Chinese labourers over locals. - Internal differentiation may emerge but at a lesser degree than in Baan Houay Luang Mai.	- The majority of the village's household will combine paddy and shifting cultivation while those who do not have paddy fields will rely on shifting cultivation. Those households with no access to paddy may be at a higher risk of rice shortage. - Some households may earn cash from commercial crops. However, cash crops may not make a great contribution to households' livelihoods. - Villagers will have to continue collecting NTFPs which will be a significant supplement for households. - Wage labouring in Chinese plantations will be unlikely to continue. Villagers may access wage opportunities on lowland farms. But this is unlikely to provide much cash. - Land loss is likely to occur among those poor households who need cash but cannot generate it from the available livelihood activities. - Internal differentiation may occur, especially between households which can diversify their livelihood activities and those who cannot.

Table 7.7 Possible future scenarios of transformations in the study communities *(continued)*

	Both rubber production and rubber prices remain buoyant	**Either rubber production or rubber prices are depressed**
Baan Don Tha	- Rubber will be the main source of household income. - As returns from shifting cultivation are likely to be low, villagers who have rubber plantations may not be interested in continuing with shifting cultivation and instead use cash generated from rubber to buy rice. Villagers who do not have plantations will have to practice shifting cultivation and face shortages of rice. - Cash generated from other cash crops may not occur due to limited availability of agricultural land. - Collecting NTFPs may continue and it will be particularly important for households that do not have rubber holdings. - Some households may be involved in wage labouring in the plantations of the Chinese company or investors from the district centre. Wage labouring will become a significant activity for households who do not have a plantation. However, the opportunities for such employment may not be as high as in Baan Kaem Khong. - Internal differentiation will emerge, especially between households who have a plantation and those who do not. Differentiation is likely to be at a lesser degree than in Baan Houay Luang Mai.	- Livelihoods of villagers will be highly vulnerable as rubber does not deliver on its promise while returning to traditional livelihoods is not possible. - While shifting cultivation is unlikely to provide sufficient rice for households, villagers will have to continue practicing it as the only source of rice available. Rice shortages will be prevalent. Cash generated from other activities may not be sufficient to buy rice to cover the whole year. - Villagers will have to continue collecting NTFPs even while the amount of NTFPs declines. - While demand to secure wage labouring will be high, the opportunities will decreased. - Selling land to outsiders may be prevalent as villagers need cash to buy rice. This will happen to both households with and those without a plantation. - Internal differentiation will be reduced in the context of widespread poverty.

Table 7.7 **Possible future scenarios of transformations in the study communities** *(continued)*

	Both rubber production and rubber prices remain buoyant	**Either rubber production or rubber prices are depressed**
Baan Kaem Khong	- Rubber will be the main source of income for the village's households. - Some villagers may practice shifting cultivation to obtain rice while some villagers may stop practicing it, due to low returns, and use the cash generated from rubber to buy rice. - Villages may access wage labouring opportunities in the Chinese rubber company, but this will be highly uncertain. - Villagers may be involved in collecting NTFPs but income generated from NTFPs may be far behind income provided by rubber. - Internal differentiation may emerge between households which have a plantation and households that do not (such households who have sold their plantation before the rubber can generate income). However, the level of internal differentiation may not as high as that occurring in Baan Houay Luang Mai.	- Like Baan Don Tha, there will be great uncertainty concerning livelihood sustainability of villagers when rubber cannot secure their livelihoods and returning to previous activities is impossible. - Villagers will continue collecting NTFPs but this will not be able to provide the cash they need. The availability of NTFPs will continue to decline. - Villagers may work as wage labour in Chinese rubber plantation but the opportunity to be hired will be highly uncertain. - Villagers will have to continue shifting cultivation even as yields decline. Rice shortages will be common while villagers may find it difficult to generate cash from other activities. - Selling non-profitable rubber plantations to outsiders may be prevalent as the only way that villagers can obtain cash needed to resolve their livelihood crisis. - Internal differentiation may not be high as every household may be in a similar situation.

Officials' and villagers' dreams about the livelihood improvements that rubber can deliver are likely to come true where rubber production is high and the rubber market continues to boom. While the majority of the households will earn profits from selling rubber, not all households will profit to the same degree. Villagers who have large plantations will earn more. By contrast, poor villagers who do not have a plantation or who have sold out their plantation before their rubber has matured will be left behind. Thus, it is speculated, that internal differentiation will increase. The gap between emerging rural classes will be particularly high in the case of villagers in Baan Houay Luang Mai where there is a sharp distinction between those who voluntarily moved to the area when the village was first established and those late comers who have been recently and forcibly relocated and have thus encountered problems gaining access to agricultural land. The history of boom crops is, however, often a narrative of boom and bust (see, for example, Thanh Ha and Shively 2008; Clough et al. 2009). Thus, in case that rubber cannot make its promise, people who are largely reliant on a single livelihood activity and unable to diversify their livelihoods are likely to be highly vulnerable (Ellis 2000a; 2000b). Thus there is ambiguity regarding the potential of rubber to become the major source of economic well-being for the upland populations. Replacement of traditional agricultural practice, which the state views as undesirable, by a mono-crop with no, or limited, availability of alternative livelihood activities may potentially impoverish uplanders instead of alleviating their poverty.

The capability of villagers from each study village to cope with their risks varies among the study villages. Their vulnerability is associated with how far their livelihoods will depend on rubber and the historical settlement of the village which has implications for their ability to access agricultural land in each village. In Don Tha community where rubber will possibly be the only source of household income and well-being of people, villagers may desperately struggle against hunger. Kaem Khong's villagers may be in a better situation than those villagers from Don Tha village if the rubber company continues hiring them for its plantations. However, as discussed earlier, their employment opportunities are highly uncertain. As resettlement villages, villagers from both cannot access paddy fields and have to rely on shifting cultivation to obtain rice. As discussed earlier, shifting cultivation is unable to provide sufficient rice to meet their subsistence needs. Rubber thus represents the means by which they can achieve rice security through its purchase using the cash generated by rubber. If rubber cannot meet this promise, however, villagers will face severe shortages of rice. They will struggle to continue farming but will also not find it easy

to move into other, alternative activities due to the limited availability of non-farm opportunities in the area. Villagers from Pha Lad and Houay Luang Mai villages who can access paddy fields, in general, will possibly have lower risks than villagers from Don Tha and Kaem Khong villages; they are likely to have rice to eat from their paddy fields. A considerable number of households from Houay Luang Mai, who have large areas of paddy, may be able to diversify their farming activities and earn some cash from producing other cash crops for the Chinese market. Though they may face some cheating and market fluctuation (see a similar situation in other areas in Chamberlain 2007: 36), being able to diversify farm activities beyond rubber may minimise their risks. By contrast to paddy owners, the future well-being of villagers who cannot access paddy and thus will have to make their living from a combination of declining shifting cultivation and uncertain rubber may be endangered.

This section has traced how the livelihoods of the upland populations are being transformed in the age of the rubber boom. Fieldwork from four upland communities shows the erosion of upland traditional livelihoods. The arrival of rubber in the uplands has transformed the ways that forest and land were used into a new mode of production aimed at the market. Large areas of forest and swidden land are being transformed to a mono-crop. This rapid change has affected the capacity of uplanders to continue the livelihood activities that they previously made their living from, namely, shifting cultivation, NTFP collecting, and livestock-raising. The fieldwork reveals a new livelihood activity - wage labour - emerging along with the arrival of rubber in some areas. The research records an expeditious increase in the role of wage income on the survival of upland households in some areas. Drawing on an immediate shrinkage of previous livelihood activities and the uncertainty of only a single emerging livelihood, this section has discussed the increasing vulnerability of the upland households. While there is a possibility that uplanders may have improved their well-being from rubber, this section has worriedly discussed the risks of replacement of an upland traditional agricultural system with a ‘modern’ mono-crop. Turning from shifting cultivation to rubber while there is limited availability of alternative livelihoods may unintentionally perpetuate poverty instead of increasing uplanders’ wealth.

7.6 Summary

This chapter has attempted to highlight how the uplands of the Lao PDR are being transformed in the context of spatial and economic integration wrought by the expansion

of rubber trees. The arrival of rubber trees has resulted in a domination of rubber over the upland landscape which, until recently, was a combination of forest and swidden. Though there is a similarity in the direction of land use changes, the degrees of change vary. This variation is associated with how rubber arrived in each community. This chapter has also discussed transformations of the land rights in the uplands. The arrival of rubber trees has successfully established privately-accessed land relations – the system that the state had attempted to establish but at which success was limited. The rubber tree, as the medium for the establishment of new land relations, has suddenly shrunk the area of communal property. Villagers have now claimed private rights over both land used for their plantations and fallow land. While transforming communal land rights to private land is a general trend in the transformations of land relations, different power geometries and the varied strategies of different actors in negotiating over land control in the uplands have resulted in complexities of land rights.

This chapter has also discussed the emergence of new classes in rural Lao PDR. The arrival of rubber trees has provided opportunities for local traders and local state officials who could access financial capital through their social and political capital under the Lao socialist system to accumulate further wealth by making informal deals with poor uplanders who wished to be linked into the market but could not afford it by themselves. The rubber boom has also led to a process of semi-proletarianisation in the uplands when villagers are forced to leave their farms due to the increasing pressure they face from the rubber expansion. Semi-proletarianisation, moreover, has been engendered through the system of contract farming relations between Don Tha's villagers and the Chinese rubber company.

The chapter has illuminated how the livelihoods of the upland people have been affected by the boom in rubber. The rapid expansion of rubber has led to the decline of previously dominant livelihood activities, namely shifting cultivation, NTFP collecting, and livestock-raising. The chapter has also discussed one new emerging livelihood activity that has accompanied the rubber boom: wage labour. While diversification can be an important contributor to building resilient livelihoods, it seems that the experience for many in the hills of northern Lao PDR is, rather, one of growing vulnerability in the context of increasingly fragile livelihoods. The next chapter will bring the empirical data back to key debate and concerns on agrarian studies.

Chapter Eight
Rethinking Agrarian Transformations:
Linking the Lao Experiences to the Literature

8.1 Introduction

This penultimate chapter aims to link the empirical evidence from the fieldwork back to the concerns regarding agrarian studies noted in Chapter 1 and then explored in more detail in Chapter 2. The main purpose of the chapter is to consider how the research offers insights that can build a better understanding of agrarian change. It is important to note that as discussed in Chapter 3, the research process encountered some limitations on the selection of the research sites themselves and, because of the presence of state officials during periods of fieldwork, the methods employed. These limitations have no doubt affected what the research could discover from the study communities. As a result, the findings presented in this thesis are best described as representing a 'partial truth' (Clifford 1986). This 'partial truth' not only applies to the study sites but extends to the question of whether we can read the processes of changes beyond the study sites. That said, the research can make the claim that similar processes and outcomes *may* be occurring in other areas in the Lao PDR. The inability to make generalisations does not imply that the research cannot contribute to the production of knowledge with wider resonances. However, the contribution is not made through generalisation of the findings observed from the four communities. It is rather made via the empirical evidence from the study sites that can have a dialogue with the existing literature and debates developed from previous studies. It is in this sense that the research contributes to the production of new knowledge.

The chapter begins by linking the empirical evidence of agrarian changes observed in the study villages to literature on agrarian transitions in Southeast Asia focussing on a discussion of alternative paths of transition and the role of agriculture in rural livelihoods. The chapter then draws on the experience of transformations of land control to appraise the literature on global land grabs. Evidence from the research is also used to return to a wider discussion concerning the actors in agrarian processes. The chapter then links data from the fieldwork to debates on relations between small farmers and the market. In

particular, it seeks to ask whether the literature that sees smallholders as victims of market penetration still has explanatory purchase. The role of the Lao and Chinese states in rubber expansion in the uplands is used to reconsider state-market relations under conditions of economic globalisation. Finally, the chapter reconsiders how far current literatures and debates resonate or are challenged by this research conducted in the uplands of the Lao PDR. It is important to note that while the findings of my research may make some contribution to wider discussions on agrarian transformations, the particular contexts of the Lao uplands, and the specific political and economic conditions of the Lao PDR and the wider mainland Southeast Asian region demonstrate the 'specificity' of place. Thus both 'generalised' and more 'specific' lessons will be considered in the following sections.

8.2 Agrarian transformations in the Lao uplands

One of the challenges faced by scholars who work in agrarian studies is the tension between generalising to sketch out common patterns and processes of transition, and emphasising the particularities of change bounded by specific contexts and conditions (Hirsch 2011: 186). This section draws on the agrarian changes under the rubber boom in the four upland communities. It is important to note that the empirical evidence of the transformations used to draw out the discussion in this section was observed at a particular point in the transformation process. Of particular note is that the rubber trees had not matured and were therefore not generating income. Notwithstanding this on-going process, such changes observed in the four research communities could be brought into contact with wider discussions of agrarian and rural transformations in Southeast Asia, seeking to identify both the specific nature of change in the Lao context and those similarities shared with other areas.

8.2.1 The paths of agrarian transition in the Lao uplands

The fieldwork, while recording different trajectories of change in each research site, also observed a common pattern, namely a transition from largely semi-subsistence to increasingly market-oriented production systems. Market integration, of which rubber is a major driver, highlights the influence of global market relations in re-shaping agrarian situations in the frontiers. The spread of rubber trees in the uplands resonates with the process of agricultural intensification and expansion proposed by De Koninck (2004).

Agricultural intensification takes place through an increase in agricultural productivity generated by changing land use from low productivity swidden agriculture to – it is surmised – high productivity rubber. The market also re-shapes agrarian situations in the frontiers through a process of agricultural expansion where rubber has also led to an opening of new agricultural land. While observing a significant role of transnational capital in agricultural expansion and intensification in the Lao uplands, the research also records the role of uplanders in converting land used from traditional agriculture to a commercial mono-crop.

Previous studies on agrarian transition on the frontiers note the connection between agrarian expansion and territorial expansion and control (Uhlig 1988; De Koninck and Déry 1997; White 1999). Scholars, such as Uhlig (1988) and White (1999), consider agrarian expansion as a political tool of the state designed to maintain national security; agricultural development in these sensitive areas not only helps the state to expand its power and authority over space and people but also prevents populations in these areas from taking sides with the 'enemies' of the state. Current agrarian expansion in the uplands of the Lao PDR, while it may be a political tool for the state to exercise its power over the frontiers, has little, if anything, to do with national security. While the fieldwork shows the coercion that lies behind the paths of agricultural and territorial expansion that have been outlined, especially when Chinese rubber companies have employed brutal means to take control over land from villagers, the research also observes the contribution that uplanders themselves have made to this process. Territorialisation taking place through agrarian expansion derives not only from the demands of the state but also "from the demand[s] of the population" (De Koninck et al. 2011: 36 and see below).

Literature on agrarian expansion in the frontiers also records the links between agrarian expansion and the mobility of populations. Derek Hall (2011b: 508-509) writes: "Migration for boom-crop production is thus an enormously important part of the contemporary Southeast Asian agricultural landscape." He summarises three different patterns of migration: i) smallholders' spontaneous migration to set up plantations; ii) 'transmigration' – migration encouraged by the state or private companies to get people involved in the companies' projects; and iii) people's migration to secure work as waged labour in the plantations. Drawing on the experience of Vietnam, De Koninck (De Koninck 1996; De

Koninck and Déry 1997) argues that agricultural expansion is the state's mechanism to minimise the pressure of population in core agricultural areas.

The fieldwork from the four study communities, however, suggests that migration, at least at the time when the fieldwork was conducted, was not a significant process underpinning agrarian changes. Uplanders who are involved in rubber plantations, either through smallholder-owned investment or through contract farming, are in situ villagers who had settled down in the areas before the boom began. Fieldwork in Kaem Khong village observes the arrival of lowland investors who gain control over land in the uplands by making informal deals with villagers (see section 6.3 and section 7.3). However, these investors are not distant migrants; most live in the same district. Only in the Kaem Khong area where large-scale plantations were established by a Chinese rubber company was migration evident. Kaem Khong's villagers mentioned that due to the low density of population in the area, the company needed to bring people from other areas such as Luang Prabang and Udomxay provinces to work on the company's plantations. While the number of migrant labourers was not high[81], it is possible that more migrant labourers, either Lao or Chinese, will be required when the rubber matures. Evidence from my research raises questions regarding Derek Hall's argument that migration for boom crop production is a critical component propelling such agrarian transitions. No spontaneous migration of smallholders occurred. While the state may have encouraged uplanders to migrate from their distant villages to settle closer to 'development' through the resettlement programme, there was no migration sponsored by the state aiming at bringing (or attracting) people to take part in the rubber boom. One possible explanation for the low levels of migration in the study sites is that most of the plantations are under smallholder management, either their own investment, a contract farming system, or informal deals with local investors, but all of a size that can be managed using household labour inputs. Thus only large-scale plantations such as that of the Chinese company in the Kaem Khong area required non-local labourers.

[81] It was a challenge for this research to figure out the exact number of migrant labourers as I could not access the company's manager. Some villager estimated that there were around 50-60 migrant workers (interviews, Mrs Koy - a 40s–year old villager, 28 February 2010) while another villager thought the number might be close to a hundred (interview, Mr Nu – a late 30s villager, 9 March 2010).

Current agrarian changes in the Lao uplands also raise questions about the path(s) of agrarian transitions in Southeast Asia. Using Rigg's typology (Rigg 2005b: 180) and applying it to the four study communities, the agrarian situations before the arrival of rubber in all villages fell into the semi-subsistence type. Livelihood sustainability relied heavily on agriculture produced mainly for subsistence; agricultural commercialisation was at a low degree with the exception of some sugarcane farmers from Houay Luang Mai village. While villagers engaged in non-farm activities, such as collecting NTFPs and wage labouring (but at a very low level – see section 5.3), all activities were highly village focused. Post-peasant agrarian characteristics were not evident in any of the study sites. De-agrarianisation had not made its way to the uplands (see section 8.2.2).

The economy of the research communities is moving fast from a semi-subsistence to a market-oriented system stimulated mainly by the arrival of rubber. Swidden and forest areas have been converted to rubber plantations. A new commercial crop requires a high level of inputs, especially in comparison to the previous swidden system, and is closely tied to the global market. While there are plantations run by transnational investors, most of the villagers have attempted to get involved in rubber either through their own investment, contract farming relations, or informal deals with a local investor, with the expectation that rubber plantations will be their main sources for sustaining their livelihoods. There are signs of the emergence of rural entrepreneurs who have the means to transform their political capital into economic capital in the context of the rubber boom (see section 7.4). This process might be seen resonate with Rigg's (2005b) professional agrarian type. The trajectories of agrarian changes in the study villages, however, are not likely to move toward a post-productive or neo-peasant type. The particular contexts of Lao economic development do not offer great opportunities for upland households to make a living from external farm activities. Current agrarian transformations cause villagers to become increasingly dependent on rubber production and the market. If there is a crisis in rubber production or in the market, livelihoods of upland households will be more vulnerable as they cannot return to their previous activities. This is likely to create more landless farmers as those who have become indebted will have no choice but to sell their rubber land. These displaced small farmers will have to rely on wage labouring in others plantations even, perhaps in their previous plantations, in combination with agriculture but on a small scale. By contrast, a relatively small number of villagers who can move to other occupations and do not rely only on rubber will be in a better position. Some of them will not only survive in

such a rubber crisis but will be able to accumulate further wealth by absorbing the land of unsuccessful rubber farmers. Agrarian changes in the study villages are thus transforming (some) villagers from semi-subsistence to professional farmers, skipping the post-peasant stage. There is the high possibility that the rapid transformations outlined in earlier chapters will create a class of Rigg's remnant smallholders among upland households, without the stage of neo-peasant.

The evidence from my research thus offers alternative paths of agrarian transition in a late-comer country in the expansion of global capitalism. The paths of transition do not follow the sequence outlined to capture transformations that have occurred in the parts of the region which have been long engaged in the global market (such as the one proposed by Rigg) although some common characteristics can be observed. Agrarian changes in the Lao uplands raise concern over the necessity to consider the specific contexts and conditions of the transitions taking place in a particular place which may not follow a 'general' trend. The following section will consider another general trend of agrarian transitions in Southeast Asia, de-agrarianisation, looking at the role of agriculture in rural livelihoods in the Lao upland frontier.

8.2.2 The role of agriculture in rural livelihoods

The World Bank's *World Development Report 2008: Agriculture for Development 2008* (World Bank 2007a: 26) records that in 2002, three out of four inhabitants in the global South lived in rural areas and their livelihoods depended either directly or indirectly on agriculture. The report observes a general trend in the growth of non-agricultural sectors, especially in Asia (World Bank 2007a: 26). While the report does not focus on Southeast Asia, it reflects a general trend of agriculture in the region through its typology of the "three worlds of agriculture for development"[82]. Cambodia, Indonesia, Thailand, and Vietnam fall into the category of transforming countries. Malaysia and the Philippines are classified as urbanised countries. Only the Lao PDR falls into the category of agriculture-based countries (World Bank 2007a: 5, figure 2).

[82] Based on the role of agriculture in economic growth and poverty reduction, the report classifies the countries of the global South into three categories: agricultural-based, transforming, and urbanised countries.

The declining role of agriculture in the livelihoods of people in Southeast Asia has been well-recognised. An extensive literature on agrarian and rural studies reveals that agriculture has become only one component, even a small component, in generating the means of living for many rural residents (Kelly 2000; Rigg and Nattapoolwat 2001; Thompson 2004; McKay 2005; Thanh et al. 2005; Rigg et al. 2008; Limkriengkrai 2010; Gödecke and Waibel 2011). Rigg (Rigg 2001; 2006b; Rigg and Nattapoolwat 2001) conceptualises rural transformations in Southeast Asia as a process of 'de-agrarianisation', where the livelihoods of rural families are diversified beyond agriculture and rural space; for many rural households, non-farm activities have become the major source for sustaining their living.

It is at this point that I would like to bring in data from my research in the upland communities in the northern region of the Lao PDR – a country classified by the World Bank (2007a: 5) as an agriculture-based country – to reflect on the discussion of the role of agriculture in rural livelihoods.

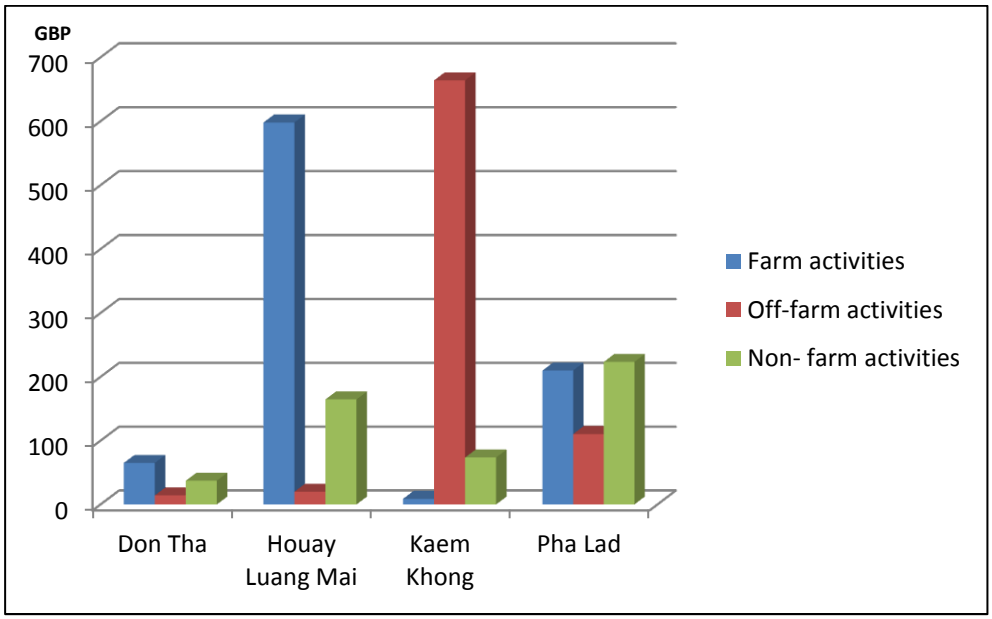
Data from my research (see Table 8.1 and Figure 8.1) support the argument that rural livelihoods are now not attached only to agriculture. The research notes an impressive number of households who were involved in off-farm and non-farm activities in all the study communities. Agriculture is no longer a single activity providing a means of living for rural people, even those who live in this very remote corner of the world. While all households reported that they were involved in agriculture in 2009, agriculture did not make a great contribution to household income, with the exception of the households in Houay Luang Mai. This was associated with the current agricultural system of the study villages which was still dominated by semi-subsistence production (their rubber plantations were not producing rubber latex yet; the exception was villagers from Houay Luang Mai who had been intensely engaged in market-oriented production [sugarcane] for some time). At the time of the fieldwork for this research, agriculture was locally considered as fundamental to sustaining people's livelihoods; it was important not because of the income it contributed to the households, but rather for the rice it provided. Rice cultivation, either dry-rice or wet-rice system, still played a crucial role in ensuring that villagers would have some rice to put in their pot.

Table 8.1 Percentage of surveyed households involved in each livelihood activity, 2009

	Farm activities	Off-farm activities	Non-farm activities
Don Tha (n =22)	100	45.5	81.81
Houay Luang Mai (n=25)	100	56	96
Kaem Khong (n=18)	100	100	94.45
Pha Lad (n=31)	100	90.32	80.65

Source: Fieldwork, 2009–2010

Figure 8.1 Average income of surveyed households by livelihood activities, 2009



Source: Fieldwork, 2009-2010

Taking a close look at household income, there was only Kaem Khong village where household income generated from off-farm work was far greater than from farm activities. In Houay Luang Mai village, agriculture still made a great contribution to household income, far more than non-agricultural activities. Farm activities were also a major source of income for villagers from Pha Lad village where off-farm and non-farm activities also made an impressive contribution. It is worth noting that while the overall income generated from non-farm activities in Pha Lad was impressive, this figure was disproportionately linked to the income of one household which was a NTFP collector (accounting for around 50 per cent of the village's overall income from non-farm activities). In Don Tha, farm activities

contributed to household income at a similar level to off-farm and non-farm activities, which was also significantly less than from the other communities.

These findings seem to confirm a common trend in agrarian transformations in Southeast Asia: processes of de-agrarianisation which were obvious in the case of Kaem Khong village. De-agrarianisation found in my study communities was quite different from the processes taking place in some other Southeast Asian countries where de-agrarianisation is likely to be considered as an 'opportunity' for many rural households. For instance, a farmer from a village in northern Thailand in Rigg and Nattapoolwat's study (2001: 956), who had been a farmer for all of his life and owned quite a large area of land, had invested in educating his children so that his children would be able to 'escape' from agriculture. Moving out of farm activities is about 'choices', for the better life of a farmer's children.

De-agrarianisation observed in my study sites was more about 'distress' processes; this was particularly apparent in the case of involvement in off-farm work among Kaem Khong's villagers (see section 7.4.2 and section 7.5.2). The differences in the de-agrarianisation processes taking place in my study communities in the uplands of the Lao PDR and some other parts of rural Southeast Asia (see Rigg and Nattapoolwat 2001), are linked to the different contexts of rural development and the links between urban and rural spaces in the Lao PDR and other countries in Southeast Asia. For example, Thailand's economic development, arguably, provides opportunities for rural-born populations to out-migrate from their village and work in urban areas. Moreover, for those people who do not leave the village, there are opportunities to access off-farm or non-farm work such as through rural employment, trading, and rural industries (Rigg and Nattapoolwat 2001; Limkriengkrai 2010).

Taking a look at my research, in 2009, the non-farm activities that villagers were involved in were small-scale trading, NTFP collection and handicrafts, while off-farm activity was wage labouring in, mainly, rubber plantations. However, there was variation in the degrees to which households from different villages could access off-farm and non-farm activities. Trading was available only in the areas which were close to the market or town. Even here, however, the scale of trading was limited by the purchasing power of buyers in a small market. This did not allow trading to generate much cash for households. Thus villagers from Houay Luang Mai who lived close to the Chinese market could generally gain more cash than Don Tha's villagers who could only access the small market of Nalae district. Very

few households from Pha Lad village traded, and only one household from Kaem Khong village was involved in trading.

A number of households from each of the study villages were involved in wage labouring. However, this did not make a great contribution to household income for villagers from Don Tha and Houay Luang Mai villages. In Pha Lad village, while a large proportion of household income was generated from wage labouring, agriculture still made the greatest contribution to household income. In Kaem Khong village, the contribution of wage labouring to household income was far more than other activities, including from agriculture. While there was demand for wage labour in the agricultural sector in the areas close to all the study communities, permanently heavy demand was available generally only in the areas near the Chinese rubber plantations. Only villagers from Kaem Khong and Pha Lad villages were able to access these opportunities. While de-agrarianisation is attractive for some rural residents, especially teenagers, in other regions of Southeast Asia (Mills 1997; Kelly 2000; Rigg 2001; Rigg and Nattapoolwat 2001), de-agrarianisation is not yet an attractive proposition for villagers in my study villages.

The limited availability of off-farm and non-farm work in the uplands means that agriculture remains attractive to uplanders. The view of one young Akha from Houay Luang Mai who was also one of the very few villagers who had had the chance to study at a secondary school illustrates why agriculture is still important for uplanders:

> "Here is different from Thailand. There is no factory. Selling things in the Chinese market is good but we do not have savings from it. We got 80 Chinese Yuan, we spent almost all we got, or even more, on buying things. It is only by selling rice and sugarcane that we earn large amounts of cash. My rubber will produce latex in the next few years. We then could earn from rubber, and hope its price will not drop. It is these things [farm activities] that keep our lives going. If we do not have these things, we have nothing."
>
> (Interview, Ar-Jo, a 21-year-old Akha man, Houay Luang Mai village, 24 June 2010)

His view reflects how far agriculture is still relevant for rural people's lives. The arrival of rubber trees while the traditional production system is in decline and non-farm and off-farm work has limited potential to bring well-being for people has led agrarian

transformations in another direction: agricultural intensification and expansion in the uplands. Over the past few years, villagers have sought to invest more in agriculture than they used to, especially through rubber trees.

> "Shifting cultivation is important. But there is uncertainty. We got plenty in some years but less in another year. Old forest [natural forest] or long-fallow forest has become rare. We are likely to get less and less rice from it. If we do not have things to sell, we will be badly off. I heard people saying that rubber is good. People in China could earn lots from rubber. Rubber is also a long-term investment. It is good for not only me but also my children. I am an old man and do not know when I will die. But my children will still be here. I have to leave something for them before I die. I set up the plantation not only for myself but *for the future of my children*. They will have rubber to sell and earn cash to buy rice and other things. They can raise their kids from the plantation I have set up."
>
> (Interview, Mr Phu Thueng, a 52-year-old Kui, Kaem Khong village, 10 March 2010)

Mr Phu Thueng's view that rubber trees will be the future of his children was shared by villagers in all the study villages. This hope reflects the fact that agriculture is still considered an important means for sustaining livelihoods not only for the adult generation but also for their children.

The agrarian situation in my study villages also provides evidence countering Rigg's (2006b) proposal on the de-linking of land and rural livelihoods. Rigg (2006b) observes an increasing de-linking between the sustainability of livelihoods of rural people and agriculture, thus also a de-linking of land from rural livelihoods. He argues that "not only are non-farm activities becoming central to rural livelihoods but also that an increasing number of rural households have no farm commitment to farming whatsoever" (Rigg 2006b: 181). Rigg rightly argues that landless people and the poor are not always the same; landless people are not necessarily poor. This raises the point that redistribution of land, together with other mechanisms for agricultural improvement, may not be able to resolve rural poverty as those people who benefit from the policies may not be the poor. Rigg's (2006b) proposal is likely to be pertinent in contexts where agriculture is in decline and there is availability of non-farm work for rural residents. The situation found in my study communities is different

as non-farm work is very limited. Agriculture is still significant and therefore land is also still very relevant. In the areas where non-farm work is limited, any policies or rural development projects encouraging people, either directly or indirectly, to lose access to land would lead to an increase in the livelihood vulnerability of rural populations.

The fieldwork in the four upland communities discussed here tells us about the non-linear direction of agrarian transformations. At the period of transition from semi-subsistence to market-oriented production systems in the uplands, the research observes the co-existence of both processes of distress de-agrarianisation (which takes place in different contexts in many parts of rural Southeast Asia) and agricultural intensification and expansion which has been stimulated by the arrival of a new boom crop. It is possible that only one process will exist in the future. For example, if rubber trees can provide sustainable upland livelihoods, people may move back to work only on their farms. By contrast, if rubber does not keep its promise while traditional agriculture is in decline, distress de-agrarianisation might lead uplanders to move on. Table 8.2 summarises the contribution of the research to debates over agrarian transformations in Southeast Asia.

Table 8.2 A brief summary of the research's contribution to debates on agrarian transformations in Southeast Asia

Key debate	The research's contributions
1. Paths of agrarian transitions:	
- Agricultural expansion and intensification in the context of market integration with close links to the state's territorial expansion and control.	- Market integration through rubber has led to rapid agricultural expansion and intensification. Territorialisation through agricultural expansion derives from both the desire of the state and people.
- The link between agricultural expansion and migration for boom crop production.	- Migration is not a significant part of current rubber expansion. There is, however, a possibility of migration, either Lao or Chinese, to work as wage labourers in the Chinese rubber plantations in the Kaem Khong areas.
- A generalised typology of Southeast Asian agrarian transitions proposes a transformation from subsistence to semi-subsistence, post-peasant, professional, neo-peasant, and remnant smallholders.	- Agrarian situations in the study villages are fast moving from semi-subsistence to professional and are likely to move rapidly to remnant smallholders. The post-peasant type did not take place. The neo-peasant type is not likely to occur.

Table 8.2 A brief summary of the research's contribution to debates on agrarian transformations in Southeast Asia *(continued)*

Key debate	The research's contributions
2. De-agrarianisation thesis:	
- The role of agriculture as a primary source of rural households' sustainability is in decline.	- A very high number of upland households have engaged in non-farm and off-farm work while its level of contribution to household income varies.
-De-agrarianisation is considered as an 'opportunity' and a 'choice' for many rural households.	- De-agrarianisation is about distress and 'necessity' and it still has limited potential to provide sustainable livelihoods for uplanders.
- De-agrarianisation is considered as a common trend of rural transformations in Southeast Asia.	- There are double processes of upland transformations: the co-existence of de-agrarianisation, and agricultural intensification and expansion.
- Rural livelihoods are increasingly de-linked from land.	- Land is still relevant for uplanders; poverty levels are still associated with household levels of land access.

Source: Fieldwork, 2009–2010

8.3 Rethinking land grabs and land deals

Literature on land grabs and small farmers' loss of land control is largely based on the experiences of Africa – the region which has recently become a target for agricultural investment due to a prevalent perception of land abundance in the region (Cotula et al. 2009: 59; Deininger et al. 2011: xxxiv table 2). As noted by Borras and Franco (2011), land grabs taking place in other regions may be distinct from the African experience. This section draws on experiences of recent rubber expansion in the Lao uplands to reflect on land grabbing and small farmers' land loss in the Lao PDR. It considers how the experiences of the Lao PDR may contribute to our understanding and knowledge of land grabbing and land 'deals'. The section examines whether, and how, experience of the land rush taking place in other regions resonates with the experience in the Lao uplands and how the Lao experience may be distinctive from other regions. The actors and character of such processes are discussed (see Table 8.3 for a brief summary of the research's contribution).

Table 8.3 A brief summary of the research's contribution to the understandings of land grabs and land deals

Key explanation/ debates	The research's contributions
1. Forms of land grabs and land control - Literature on land grabs largely discusses direct control over land (concession, land lease, and purchasing), and indirect control (contract farming).	- The research revealed some common forms of land grabs and deals (concessions and contract farming) but with some hidden complexities. - While officially there was no land lease in any of the study villages the research reveals land deals which were similar to land lease (under the 1+4 contract farming system). - The research finds small farmers' temporary loss of land control taking place under concession and two forms of contract farming system. However, the 'temporary' loss of land control lasts for a very long time (almost a generation). - The research found small farmers' permanent loss of land. This occurred via informal deals between local investors and villagers.
2. Actors in land grabs and land deals - Common perception that global land grabs and deals reflect wider North- South relations. - Literature on land grabs and land deals largely focuses on the role of powerful actors in the process of land acquisitions, namely transnational organisations, domestic investors and the national state.	- Land grabs and deals in the uplands of the Lao PDR reflected emerging South-South relations. - The roles of powerful actors (investors and the domestic and transnational state) resonated in this research. - The research observed a significant role for smallholders in contributing to land grabs and deals.

Source: Fieldwork, 2009-2010

8.3.1 Forms and strategies of land control and deals in upland Lao PDR

Literature on land grabs addresses direct forms of land control which may be under a concession, long term land leasing, or land purchasing (Deininger et al. 2011; Cotula 2011a). Some common forms of land control were evident in my study villages. However, the fieldwork highlights the complex and diverse processes by which land deals are secured. The nature of rubber trees means that they need to be planted for at least five to seven years to be able to produce rubber latex which may then continue for 30-40 years. Rubber is thus a long-term investment. Securing long term control over land for plantations is therefore essential for investors. My research finds that investors employed different strategies to gain control over land which took the form of both direct and indirect control.

8.3.1.1 Direct control

Gaining direct control over land was preferable for land seekers. My research identified three different ways by which investors gained direct control over land.

Land concession

Achieving direct control through concession was found in the Kaem Khong area where the Jundai Rubber Company was granted permission from the Lao army to use the military's land to establish its rubber plantations. The company could gain control over land and forest previously used by villagers through the auspices of the military who claimed rights over the land and then took it from villagers before passing it on to the company (see section 6.2.2). Support from the military, which is still a privileged organisation in Lao society, permitted the company to take land from villagers without paying any compensation. The concession that the rubber company was awarded by the military highlights the role and power in economic activities of some state organisations, even when this may lie outside the organisation's primary role and responsibilities. The role of the army in land grabbing is not unique to the Lao PDR. Woods (2011) notes the land concessions granted to Chinese investors in the ceasefire zone in the Burma-China borderlands. Concessions given to investors can be seen as a political tool for building a military state; they allow "the territorial expansion of the state agencies' and military branches' authority and power over land and people" (Woods 2011: 748). The role of the

army in land grabbing in Wood's study as well as my own research raises a question about the authority of the state's agencies in development. The privileged status of the army in Lao society, and the relative weakness of civil society makes land grabbing processes in which the army is involved distinctive from processes in countries where the military is less privileged or civil society is stronger; grabbing land through the medium of the military allows land seekers to gain control over land with a lower level of resistance.

Exchange of rubber seedlings for land

Field research in Kaem Khong village reveals one form of land deal which is not well-recognised by scholars: a permanent transfer of land control from villagers to local investors. This form of land deal occurred in the context of the rubber boom where villagers wanted to engage in the boom but were not in a position to set up the plantation themselves. Their demands for capital were met by local investors who had the capital, but lacked the land. An informal deal between them was established with the result that land was permanently transferred to outside investors (see section 6.3). While some officials and villagers themselves considered this form of land transaction as an informal contract system between villagers and an investor, I consider this deal to be another form of land loss but through villagers' voluntary cooperation. This is a land deal which permanently transferred villagers' land to outsiders with little recompense. While this form of land loss was not on the same scale as land being seized by the military to pass on to Chinese investors (see above), the majority of Kaem Khong's households (16 out of 17 surveyed households) were involved in such informal land deals. Moreover, this form of land deal was not unique to Kaem Khong village; it could be found in every district in Luang Namtha as well as in other provinces. Different groups of people were involved in this form of land deal, including local traders, better-off smallholders, and local officials. The areas of land being transferred to land seekers were individually small but collectively they amounted to a considerable transfer of land control and ownership away from upland peoples.

'Land lease' from the village

Direct control over land in the form of land lease was found in Pha Lad village in Long district. This form of land acquisition was referred to by Long district's officials and villagers as the 1+4 contract farming system, and it involved the Kunming Rubber Company and the village. Villagers were forced to provide 100 hectares of the village's land for the company to set up a plantation (see also section 6.2.2). In return, the village would receive 30

hectares of plantation three years later. The village would then take responsibility for this share of land, and gain the benefits. While this form of land acquisition is officially called contract farming, I consider it to be a form of 'land lease' between the company and the village in which the company provided inputs (seedlings and labour) for the 30 per cent of the total land it obtained in the first three years as the rental. This system has resulted in long-term exclusion – over a period of 35 years – of villagers from 70 hectares of land.

8.3.1.2 Indirect control over land: contract farming

Indirect control over land was observed in Don Tha village, where villagers were involved in the 2+3 contract farming system with the Xiang Jiao Rubber Company. Contract farming is the preferred form of market-based agricultural development; it is usually considered as a 'better' arrangement for smallholders in comparison to concessions as land is not taken from smallholders (GoL 2006: 93). However, the contract between villagers and the rubber company extends over 45 years and villagers have de facto lost control over their land during this period. The company, in contrast, secures (in)direct control over land for an extended period. Taking control over land through such a contract farming arrangement becomes an alternative strategy which guarantees investors' security over land and yet prevents a wave of resistance from smallholders as it does not make people feel that their land is being seized by investors. In a context where villagers wished to participate in the boom crop but lacked the capital to invest, this form of land control was welcomed by the majority of Don Tha's villagers, who believed that the deal would allow them to be linked to and gain from the boom. Under this form of agrarian relations, the rubber company could take control not only of the land used for the rubber plantations but also the labour demanded for the plantations. Should rubber prices decline, villagers cannot turn the land to other crops and they still have to contribute their labour inputs for the plantations as long as the contract continues. Thus the contract farming system secures both land and labour control for the investors.

Literature on land grabs and small farmers' land loss focuses on the control over land by investors through the purchase of land, the long-term leasing of land, concessions, and contract farming. The forms of land grabs observed in this research highlight the fact that land grabbers choose a variety of strategies to gain control over land. Some investors have taken full control over land through securing concessions (e.g. the Jundai Rubber Company in the Kaem Khong area), through a contract farming system which operates on the basis of

a long- term lease (the Kunming Rubber Company in Pha Lad), or by providing rubber seedlings to gain land from villagers (as in Kaem Khong village). Other land seekers have taken indirect control over land through contract farming relations, as occurred in Don Tha village. The research also highlights the issue of scale when it comes to land deals. The literature on land acquisitions largely discusses the rush for land as part of large-scale investment projects. For instance, the International Institute for Environment and Development's (IIED's) report prepared by Cotula and colleagues (Cotula et al. 2009) concerns itself only with projects covering an area of 1,000 hectares or more. The data from my research however points to the role of land deals on a much smaller scale. Most local investors who provide rubber seedlings in exchange for land from villagers do not have sufficient political and economic power to seek formal permission for large-scale investment. Instead they operate below the radar of the state, largely hidden from observation. Some of these land seekers could – in local terms – secure access to large areas of land. For instance, a Lue lady in Sing district obtained around 30 hectares of land while one state official secured around 40 hectares of land through such a land deal (see section 7.4.1 for details). Though the scale of villagers' land loss was much smaller than the areas of land being seized by rubber companies, the fact is that it remains permanent land loss with major implications for villagers' access to agricultural land in the long term, and therefore for the future of small farmers' livelihoods. This form of land deal is common in Luang Namtha province and yet has been largely ignored in the literature to date. The risks connected with this form of land deal highlight the need for scholars to focus on land deals beyond the high profile, large-scale land grabs; there are low visibility land deals which also bring risks to small farmers.

8.3.2 Actors in land grabs and land deals

There is a general perception that the global land grabs and land deals occurring in the global South are spurred on by a rising demand for large-scale land for agricultural investments from the global North (McVeigh 2011). Research on land grabs, however, reveals that actors from non-northern countries are also increasingly involved in seeking farmland deals in the South (GRAIN 2008; Von Braun and Meinzen-Dick 2009; Hall 2011). Current literature largely discusses the search for the means to gain control over farmland abroad by investors seeking to secure food and energy supplies (Cotula et al. 2008; GRAIN 2008; Borras and Franco 2010b; Borras and Franco 2012). Taking the rubber boom as a

reflection of such land grabs and deals, demand for farmland to produce an agricultural commodity for export was a key driver of the rush for land in the Lao PDR. However, neither food production nor biofuel production was the target of land grabs in the study communities, as well as in most of the northern uplands, rather it was rubber. However, the research finds that the North-South model of land deals is not applicable to the Lao PDR. Land acquisitions for investment in rubber in the four study communities were driven by China's demand for rubber products. Chinese rubber companies were involved directly in rubber investment projects in three out of the four study communities. The plantations invested by villagers themselves were also a response to demand from the Chinese market. Taking a look at the broader picture of land deals in the Lao PDR through the lens of land acquisitions for rubber investment in other parts of the country (Laungaramsi et al. 2008; Hicks et al. 2009; Baird 2010) also suggests that the rush for farmland in the Lao PDR is driven by the country's neighbours. The South-South character of land grabs and land deals taking place in the Lao PDR reflects the status of the county in the context of the GMS. The country is placed at the 'bottom' of a series of relations with its neighbours and the Lao PDR has become a provider of cheap resources for the economic development of its more powerful (economically and politically) neighbours, namely China, Thailand, and Vietnam (see also Barney 2008). The status of the Lao PDR as "a finance-poor, resource-rich country" opens doors for land grabs as this meets the desires of both government and investors; investors obtain cheap farmland while the government views large-scale investment in agriculture as an opportunity to support the country's economic development.

A common perception with respect to land grabs and deals is that transnational corporations and the domestic state are key actors in the process. These two key actors can also been seen operating in the study communities (see Chapter 6). The research also identifies, however, the importance of the transnational state (in the guide of the Chinese state), which indirectly facilitates the land deals in the Lao PDR through its opium replacement programme, which provides subsidies and tax benefits to Chinese investors who invest in rubber plantations in Myanmar and the northern region of the Lao PDR. The research also observes the role of domestic investors; their levels of investment were not always high, and usually relatively small by comparison with the transnational land grabbers (see section 6.3). The fieldwork highlights the significant role played by smallholders in contributing to the land deals and land loss in the uplands. The role of smallholders in land loss is frequently overlooked in the land grabs literature, which tends

to discuss the role of the more powerful actors, namely transnational and domestic investors and the states involved. The villagers from Baan Don Tha and, even more obvious, Baan Kaem Khong where villagers considered it was acceptable to permanently turn their land over and into the hands of outside investors, became surprising stories. Villagers therefore made a decision to get involved in land grabbing. However, it must be noted that their decisions, or agency, to be parts of this process with associated land loss, were far from being free actions. Rather, their agency was developed in the context of the opportunities that existed within the constrained situations they faced. These findings provide a deeper understanding of the modes and mechanisms by which land is transferred and lost in the uplands of the Lao PDR.

8.4 Actors in the agrarian processes

The question of agency is one of the key concerns in agrarian studies. Some literature, especially that taking the political economy approach, highlights the important role of powerful actors and processes at a macro level, namely the state, national or transnational capital, and global forces (Busch and Juska 1997; Whatmore and Thorne 1997). As discussed in Chapter 6, the fieldwork observed an important role played by powerful actors at the macro level in processes of agrarian changes in the uplands. The rubber boom is of course a response to global market forces which have stimulated the desire of both investors and smallholders to invest in plantations. Market actors at a transnational level (Chinese investors) and a domestic level (local investors) also played a crucial role in seeking and securing various forms of land control for rubber investment in the uplands. The research observes how crucial the state was for the spread of rubber trees in the frontiers. The fieldwork records the state's good intention to improve the lives of uplanders through the introduction of rubber. But the research also highlights the violent aspects of rubber expansion in which the state and market actors were involved. The violence of market integration reflected through the lens of rubber expansion was apparent in the case of loss of villagers' land rights and control, the most important means of earning a living as discussed earlier.

Agrarian changes in the uplands are, however, not an absolute outcome of processes and actors operating at a macro level. Though one cannot ignore the forces of the global market and the role of the state and powerful market actors in shaping agrarian situations in the

Lao uplands, trajectories of rubber in the study communities also reflect the 'constrained agency' of uplanders in processes of agrarian transformations. The arrival of rubber in Houay Luang Mai and Pha Lad villages shows that it was not powerful actors like the state or market actors who initially brought about the changes into the uplands but less powerful actors like poor uplanders. The ways in which rubber arrived in these upland communities show that uplanders acted ahead of the state. The evidence is clear in the case of rubber expansion in Houay Luang Mai. The boom began in 2005 which was a year before the provincial governor encouraged Luang Namtha's farmers to plant rubber through the 'one family one hectare' rubber tree policy. The policy had almost no influence on the decision of villagers to plant rubber: "Before we got the letter from the district governor encouraging us to plant rubber trees, we had already set up the plantation. We had done it before the government told us," said Mr Jon (a 38-year-old Akha man, interview, 16 December 2009). Many villagers did not even realise that they were being encouraged by the government to plant rubber. The fact that villagers from Pha Lad village asked the state and the EU development programme to take them to visit rubber farms in Xishuangbanna also shows villagers' key role in initiate the process. In general, it was ordinary people who caught the boom before – and faster than – the state. Uncle Boonmee, a Lue farmer from Long district who planted 20,000 trees (approximately 45 hectares) mentioned that when he first set up his plantations, rubber was new for everyone including the state officials who often visited him to see what the rubber looked like (research diary based on interview with Uncle Boonmee who is in his early 60s, 10 February 2010). The rubber expansion in most of the study villages seems to be in accordance with the following statement said by a senior lecturer from the National University of Laos about rubber expansion in the Lao PDR:

> "It was strange, not like other crops. It [rubber] has come on its own. It was not in the plan. The government promoted corn, cassava, sesame, peanut, chilli and many other crops but not rubber. It has arrived by Chinese and by villagers. The government's awakening to rubber came after villagers who had already started. The government then promoted it but far behind on villagers."
>
> (Interview, Faculty of Agriculture, National University of Laos, 8 September 2009)

This evidence urges us to reconsider processes of agrarian transformations in the Lao PDR, which are not only shaped from 'above' but also significantly from 'below'. Less powerful uplanders have made great contribution to agrarian changes in the Lao uplands not only by accelerating the connections of the uplands to markets but also by establishing new

land relations. The establishment of private rights over fallows and plantations was not much influenced by powerful actors like the state or the World Bank. Rather, it was less powerful uplanders who, under the new contexts of market integration, have established new land relations. The research also observes that, while land loss has become a crucial concern among villagers, villagers themselves have made a contribution to land loss. This was apparent in the case of Kaem Khong's villagers who transferred land to local land grabbers in exchange for rubber seedlings (see section 6.3 and section 8.3.2).

The trajectories of rubber and agrarian changes in the study villages warn against the assumption that agrarian changes are determined by powerful actors alone. The findings from my research resonate with similar issues of agency of smallholders in agrarian transitions taking place in the Central Highlands of Vietnam (Tan 2000), cocoa in Sulawesi (Li 2002a), rubber in China's Xishuanbanna (Sturgeon 2010), and oil palm in Sumatra (McCarthy 2010). There was no doubt that the agency of the villagers was not developed free from the social and economic constraints they encountered, especially the Lao state's policies of land enclosure through the implementation of the resettlement programme and stabilisation of shifting cultivation. It is unlikely that villagers' decisions and actions in engaging with the expansion of rubber would lead to challenges or resistance to the existing power structure. However, the villagers were not sitting passively waiting for the state or the market to entirely determine their futures. Rather, their 'constrained agency' was being exercised through their active engagement in choosing particular ways to make a living from the opportunities available to them and in the context of the constrained conditions they encountered. The villagers themselves had different capacities to act or shape their own lives. That said, the villagers possessed various levels of agency potential. The sense of agency of the villagers observed from the research sites reminds us of the point stressed in the 'everyday international political economy' literature about the agency of people to "shape their own lives and others around them and beyond them whether or not they are resisting power"(Hobson and Seabrooke 2007: 15). It was true, of course, that villagers could not always shape their lives as they would have liked, but they were far from powerless in this regard. The role of smallholders in the rubber boom shows that "no agent is either entirely powerless or purely 'confined' within a structural straitjacket for there is always a space, however small, for the expression of agency" (Hobson and Seabrooke 2007: 14). My research highlights the necessity of not over-estimating the actors and processes at a macro level as well as not overlooking the active

role of people at a local level in shaping and reshaping social processes. The active role of smallholders in bringing about or contributing to agrarian restructuring in the Lao uplands also raises another important point regarding relations between smallholders and the market which will be discussed in the following section.

8.5 Rethinking the links between smallholders and the market

Relations between smallholders and the market have long been discussed. Marx (1995), in his analysis of the development of capitalism in rural areas, speculated that peasants would be eliminated through a process of primitive accumulation. Peasants and smallholders are thus supposed to resist the market and capitalism. In his study of a rice-farming village in Malaysia, James Scott (1985) observes peasants' resistance to the coming of capitalism as it destroyed traditional values of a peasant community and increased differentiation among villagers. This view which sees capitalism and the market as 'threats' to a peasant community is also found in studies of rural villages in Thailand (see, for example, Nartsupha 2000). This position of market pessimism is, however, being increasingly challenged as it tells only a partial story of relations between the market and people (Rigg 2006a) or it fails to realise the potential of smallholders as agents of (or contributors to) the changes that they are seen to resist (Tan 2000; Hall et al. 2011; D. Hall 2011a). This section aims to explore how the market is viewed by small farmers in the Lao uplands, and to ask the question: what are the links between the market and social differentiation.

8.5.1 Do smallholders always oppose the market?

Data from my research (see section 6.3) raises a question about the perception that smallholders are supposed to 'resist' the market. My research shares similar findings with some previous studies (for instance, Tan 2000; Li 2002a; Walker 2004) that rather than opposing it, villagers welcome the arrival of the market. Villagers see the market as an opportunity. The villagers' perception of the market as an opportunity is obviously seen through the lens of rubber expansion in the uplands. Rubber was welcomed by villagers in all of my study villages. In Don Tha village, while some villagers were hesitating to plant rubber trees for the Chinese company under the contract system of relations, the majority of villagers expressed their willingness to participate in the project. In 2007, the second year that the company had been promoting rubber trees, demand for rubber seedlings by villagers exceeded the company's ability to supply the trees. Some villagers expressed their

great disappointment at the shortage of seedlings (interview, Pong, a 59-year-old man, 6 December 2009).

The desire to participate in the market by villagers in Kaem Khong was also strong. Poor villagers who were not able to set up their own plantation exchanged some parts of their land for seedlings with outsiders. They considered this as one way of preventing them from being left behind. It was the Pha Lad's villagers who asked the local state and NGOs to organise a study tour to the rubber-farming communities in China. The agency of villagers from Houay Luang Mai and Pha Lad was also obvious. It was the villagers who initiated the bringing of rubber trees to the village. Villagers were quick to respond to the rubber boom in the area. Villagers set up their own plantation, which is relatively large, without any support or encouragement from the state or from investors. That said, it is important to note that there was some resistance to rubber expansion from some villagers in Kaem Khong and Pha Lad villages. A few villagers resisted the Chinese rubber companies taking land from them. Their resistance, however, was not resistance to the market per se, rather resistance to the ways in which the market operated.

While villagers in all the study villages saw the market as an opportunity that would bring better lives, there were slight differences in villagers' views of the role of the market. In general, the market was considered as a means for villagers' further accumulation in Houay Luang Mai, especially less poor villagers. This is quite different from some of Pha Lad's villagers and the majority of villagers from Don Tha and Kaem Khong villages who saw the market as an opportunity to survive, rather than to prosper. This is linked to differences in current livelihoods in each study village. While most villagers from Houay Luang Mai did not face rice shortages, some villagers from Pha Lad and most villagers from Don Tha and Kaem Khong villages struggled with a lack of rice. Unavailability of paddy and limited access to swidden fields caused uncertainty in the lives of villagers. In a context in which alternative livelihoods were still limited and could not provide for villagers' well-being, rubber was seen as the new hope to lift them out of the hardship they were facing.

8.5.2 Market and differentiation

Data from my research supports Rigg's (2006a) position that market relations in the countryside are not one-sided. There may be both 'opportunities' and 'threats' to rural communities. My research notices a sign of differentiation both between different study

Picture 8.1 Houses of villagers of different economic status, 2009-2010

Village	Poorest household	Poor household	Less poor household
Houay Luang Mai			
Pha Lad			
Don Tha			
Kaem Khong			

Source: Fieldwork, 2009-2010

villages, and among households within the same village. Picture 8.1 shows the houses of villagers of different economic status. Houses owned by the poorest households were generally equivalent across the four settlements. There was no major difference between houses of the poor households in the four communities. By contrast, a crucial difference was evident among less-poor households. Some villagers from Houay Luang Mai and Pha Lad villages had strikingly better houses than the less-poor households from Kaem Khong and Don Tha villages. Taking rice shortage (see Figure 7.2), which is often recognised by villagers as an important indicator of poverty, into consideration, villagers from Kaem Khong and Don Tha villages were also poorer than those from Houay Luang Mai and Pha Lad village.

Houay Luang Mai and Pha Lad are the communities with more intense levels of market integration compared Don Tha and Kaem Khong villages. This set of data implies that there is a correlation between levels of market integration and poverty and differentiation in the uplands. For market optimists who have faith in market integration as a motor for development, most notably the World Bank (see, for example, WB 1996; WB 2001; WB 2007a), they would see this as evidence of the positive effect of the process of market integration. However, market pessimists would point out that internal differentiation was greater in the communities with intense market links (Houay Luang Mai and Pha Lad villages). They might thus conclude that the differentiation and poverty prevalent in the uplands are an outcome of market penetration. Things are not so simple, however. To get a true picture of relations between the market and differentiation in the research settlements, it is necessary to consider the historical contexts of the villages to gain a better understanding of how the current differentiation links to past conditions.

Market integration has some significant implications for the levels of differentiation but we cannot hold it solely responsible. Differentiation in my research sites is rooted in the histories of village settlement and access to agricultural land, especially paddy fields. Among the study villages, only Houay Luang Mai village, which is the 'richest' village, has been settled in its current location for more than 20 years. It is also the only village that was first settled by villagers without force from the state. The other three study villages, in contrast, are new resettlement villages which were 'convinced' by the local state to relocate from their previous locations which, in the eyes of the state, were located 'out of the reach of development'. While villagers from Don Tha, Kaem Khong, and the majority of

Pha Lad struggled to access paddy in their new settlements, the pioneers of Houay Luang Mai could access relatively large areas of flat land which could be developed for their paddy and later for sugarcane. Many households from Houay Luang Mai could gain sufficient rice from working only on their paddy fields, thus abandoning shifting cultivation. Paddy also provided a rice surplus for many of Houay Luang Mai's households, permitting them to accumulate wealth. Some villagers from Pha Lad were able to gain access to paddy but over smaller areas than the villagers from Houay Luang Mai. Moreover, rice productivity was low due to the inadequate water supply. The majority of villagers thus combined wet-rice paddy with upland dry-rice cultivation. An abundance of forestland in the areas allowed them to be able to access land for cultivating upland rice, making their lives not too tough.

Don Tha's villagers, as a new settlement area that was not 'empty' prior to settlement, could not access paddy and had to rely heavily on shifting agriculture. For Kaem Khong's villagers, while they were able to access flat land, a lack of water supply prevented them from using it for wet-rice cultivation. Only shifting cultivation could provide rice. However, shifting agriculture is a highly uncertain system. This uncertainty resulted from both the increasingly limited access to forestland arising from the state's policies, and from natural disasters. Don Tha's and Kaem Khong's villagers rarely generated a rice surplus. Limited alternative livelihoods also made their lives more difficult. Considering the villagers' definition of poverty which is linked to the ability to have sufficient rice to meet their needs, villagers from Don Tha and Kaem Khong villages were 'poor' before they were integrated into the market. In contrast, Houay Luang Mai villagers were 'rich'. Pha Lad's villagers were in between these 'poor' and 'rich' categories. This evidence warns against automatically jumping to a conclusion that differentiation among 'the rich' and 'the poor' was because of the penetration of the market. These particular conditions in the villages show that differentiation was rooted in the uplands through each village's historical settlement and patterns of land access existing even before the uplands were deeply connected to the market and, certainly, before the arrival of rubber.

This does not, however, imply that the market does not have any influence on the increasing gaps between the rich and the poor. We need to look carefully at how the market works in particular contexts at particular times in regard to the particular histories of villages and households. Taking a close look at the four study communities, while there was differentiation before market integration, it was the market that widened these gaps.

This is not because the market makes some people poorer; rather it is because the market cannot provide equal opportunities for everyone. Thus, while some people are well-connected to and benefit from the market, others are left behind.

Data from my research shows that Houay Luang Mai is the village which is intensively integrated into the market due to its geographical setting which is close to the main road, the district town, and the Lao-Chinese border. A new road between Xiengkok to the Pang Thong border checkpoint (the Lao-Chinese border) allowed Pha Lad to be connected to the market although the level of market involvement was far lower than in Houay Luang Mai village. Don Tha and Kaem Khon villages were almost left behind due to difficulties of market access. Only villagers from Houay Luang Mai and, but to a lesser degree, from Pha Lad could be connected to and benefit from producing commercial crops for the market. While villagers from Don Tha and Kaem Khong villages still struggled to gain access to rice to put in their pots, villagers from Houay Luang Mai and some from Pha Lad were able to accumulate wealth.

Differentiation within villages which is prevalent in an era of market integration is also rooted in the historical settlement and ability to access agricultural land of each individual household. Taking a look at differentiation in Houay Luang Mai – the village which is 'richest' among all the study villages but which also has wide gaps between the 'rich' and the 'poor' – the households which fell into the category of 'less poor' were the first group of villagers who moved into the area and managed to reserve large areas of flat land which were 'abundant' at the time they first moved. In contrast, villagers who came to the current location later, especially those who were recently 'convinced' by local officials to leave their old village, tended to fit the category of 'poorest'. The newcomers could rarely access paddy and, for some, even swidden fields for growing upland rice. Lack of agricultural land, which is still a significant means of production not only to obtain rice to eat but also to be able to produce commercial crops, prevented newcomers from accumulating wealth. The pioneers, in contrast, have access to large areas of land, allowing accumulation under conditions of market integration (see Box 8.1). Data from my research thus warns against a conclusion that differentiation in rural areas automatically resulted from the market or from external forces without a careful consideration of the particular contexts of the community (Li 2002a).

Box 8.1 The market and differentiation: stories from Baan Houay Luang Mai

The story from a less poor household: Uncle Ponu

Uncle Ponu is a 56 year-old Akha who is one of the well-off villagers, by villagers' standards. He was one of the first settlers who moved to Houay Luang Mai around 20 years ago. Uncle Ponu was able to reserve around three hectares of flat land which was later developed in to the family's paddy. In the early years, the family grew both wet-rice and dry-rice in order to produce sufficient rice to meet the family's needs. Three years later, Uncle Ponu stopped shifting agriculture as he was able to produce a rice surplus from his paddy land. In the mid-1990s, he began selling rice to a trader from a Lue village who then exported it across the border to China. In the late 1990s, commercial crops such as maize, sesame, and peanut were introduced to the village through a lowland middleman. He grew corn on an area of 0.2 hectares but he could not earn much cash from corn in comparison to selling his rice surplus. Due to the unimpressive return from corn, the family grew it for only one season. Around 2000, Uncle Ponu was introduced by a Chinese investor to sugarcane. He planted the crop on around 0.3 hectares of the family's garden land. The return from sugarcane was much more impressive than from other crops. In 2003, with an introduction from another Chinese investor, Uncle Ponu turned around 1.5 hectares of his paddy land over to sugarcane plantation. Only one hectare of his paddy fields was left for rice cultivation which was just large enough to produce sufficient rice for the family's consumption needs. While the family could still earn cash from selling surplus rice, sugarcane became the main source of household income. In 2009, he managed to earn almost £740 from selling around 50 tons of sugarcane. The cash generated from sugarcane was around five times more than he had earned from selling rice. Cash from sugarcane allowed him to accumulate wealth and make further agricultural investments. He now owns a two-wheel walking tractor, a rice threshing machine, and a motorbike. He has planted around 3,000 rubber trees on around 6.6 hectares, using his own financial resources. He intends to plant more rubber in the future.

(Research diary based on an interview with Uncle Ponu, and Ar-Jo,
a 21-year-old son of Uncle Ponu,24 June 2010)

Box 8.1 The market and differentiation: stories from Baan Houay Luang Mai

(continued)

The story from one of the poorest households: Sha Pa

Sha Pa, a 37-year-old female Akha, is the mother of five children aged between 7 and 16 years. Sha Pa and her 38-year-old husband, Pu Cha, moved from Houay Laung Kao village to Houay Luang Mai in 2007. The family had access to around 0.2 hectares of flat land at Houay Luang Mai while they were still at their living old village. However, before 2007, they rarely grew wet-rice on the land due to risks of flooding from a nearby river. The family preferred to live in the old village as they could access fallow land for practicing shifting agriculture and most of their relatives were there. In the mid-2000s, Houay Luang Kao's villagers were, however, forced by the Sing district authorities to move out from their village. Sha Pa and her family moved to Houay Luang Mai in 2007 to find that they could not find fallow land to grow rice on. The village's communal land which was supposed to be allocated to new households had already been allocated to Houay Luang Mai's villagers for establishing rubber plantations before Sha Pa's arrival. The family and two other new households who moved from Houay Luang Kao together cleared forest land situated in-between the old and new villages. However, they were then fined by the Sing DAFO. In 2009, the family grew wet-rice on an area of 0.2 hectares which was supposed to give them around 1.6 tons of rice. Unfortunately, there was a flood before the rice harvest was complete. Some rice was damaged. Around 1.2 tons of rice was harvested, which could feed the family only for around 7-8 months. While sugarcane is a major source of income and wealth for the majority of Houay Luang Mai, Sha Pa's family is an exception. The family do not have land for planting cash crops. Sha Pa said that:

> "We see everyone earning a lot from sugarcane. We want to earn as much as them too. But we have just arrived here and no land is left for us. The Chinese asked if we wanted to plant sugarcane. Of course, we do but we do not have any land. We came here too late. We do not even have land to grow rice on. Villagers who came earlier have plenty of land. When the Chinese came, only those who have plenty of [paddy] land could plant crops for the Chinese. The pioneers have a rice surplus. They have cash from sugarcane. They get richer while we have nothing. We do not rice to eat. We do not have cash." (interview, Sha Pa, 23 December 2009)

(Research diary based on an interview with Sha Pa, and Pu Cha, 23 December 2009)

Box 8.1 The market and differentiation: stories from Baan Houay Luang Mai *(continued)*

These narratives reveal the historical origins of differentiation in Houay Luang Mai village today. The family histories of settlement in the current village are the important conditions for Uncle's Ponu current wealth and Sha Pa's poverty as they determine the potential of households to access paddy fields – the most important means of production. While Uncle Ponu was able to accumulate cash from his rice surplus and later sugarcane from his paddy, Sha Pa was struggling to find land for cultivating rice. Limited access to land prevents Sha Pa from connecting to and benefiting from market integration. In contrast, accessing a large area of paddy allows Uncle Ponu to be closely linked to and accumulate wealth from the market.

In sum, data from my research contributes to debates on relations between the market and smallholders. My research findings raise doubts about the views that see smallholders as 'victims' of the market. Differentiation and poverty which are found in all the rural communities are not an automatic outcome of market integration. My research suggests that the differentiation currently existing in upland communities has its roots in the history of each settlement and access to agricultural land by villagers. Differentiation and poverty did exist in the study villages even before the villages were intensively integrated into the market. What the market does is accentuate these gaps. My research also supports the views that smallholders do not always oppose the arrival of the market. Rather the market is welcomed by smallholders either as means of further accumulation or for survival. Table 8.4 provides a brief summary of the research's contribution to this set of literature.

Table 8.4 A brief summary of the research's contribution to debates on the links between small farmers and the market

Key debate	The research's contributions
1. **Smallholders and market integration:** - Market pessimists assume that small farmers resist the market.	- Generally, uplanders expressed their willingness to be connected to and benefit from the market. - There is some resistance to the expansion of the market but it is resistance to the way that the market operates rather than opposing the market per se.
2. Market integration and differentiation: - Market optimists see market integration as the way to improve small farmers' well- being. - Market pessimists view market integration as a major cause of poverty and social differentiation.	- The research finds differentiation both among and within upland communities. Differentiation has widened in the context of increasing market connection. However, such differentiation is not an automatic outcome of integration; rather it is rooted in the particular households' and villages' histories and settlement.

Source: Fieldwork, 2009-2010

8.6 Rethinking the state and market in economic globalisation

In 1996, the World Bank (World Bank 1996) published its annual World Development Report, with the subtitle 'from plan to market'. The report called for a rolling back of the role of the state in economic activities to allow markets to work properly. The report echoed the 'Washington Consensus' in promoting market liberalisation and increasing global market integration. An increase in transnational forces of economic globalisation from the 1990s has aroused intense interest in the relationship between the state and non-state actors in an era of globalisation. Kenichi Ohmae (1995) views the state as having lost its control of national economic activities. The state as the natural economic zone has been replaced by emerging regional economic zones. Susan Strange (1996; 1997) argues there

has been a decline of state power which has shifted to markets and transnational institutions. The collapse of communist states in Eastern Europe and the 'reform' of former socialist countries has led to general perceptions about the demise of the state. Exploring the role and the status of the state and its relationship to the market through the lens of rubber expansion in the Lao uplands, my research observes both *decline* and *continuity* of the post-socialist state in the context of economic globalisation. The research's contribution to these debates is summarised in Table 8.5.

Table 8.5 A brief summary of the research's contribution to debates over state and market relations

Key debate	**The research's contributions**
State and market: competition and cooperation - Some literature considers that the 'reform' in former socialist countries and globalisation have led the rise of the market and the demise of the state.	- The research findings highlight the continuing efficacy of the state; however, it performs differently from how did previously. - The research records both change and continuity of state power. - The research notes the decline of state power in determining and controlling transformations within its political boundary; the potential of the state, to some degree, has been challenged by market forces. - The research highlights the continuing persistent characteristics of the state as a controller of the market and as an agent of the market. This raises doubts about the state-market division. - Globalisation and 'reform', while they may have weakened state power to some extent, have created new channels to enhance state power. - The research also notes to the heterogeneity of the state.

Source: Fieldwork, 2009-2010

8.6.1 Decline of the state

My fieldwork reveals that the power and authority of the Lao state in directing the country's economic development has been challenged, even weakened. As discussed in section 8.4, rubber was not initially in the government's plan. Rubber expansion in the Lao PDR, especially in the borderlands, began without the intention of the Lao state. Previous studies (Diana 2006; Shi 2008; Sturgeon 2010) record trans-border connections as the initial conditions spurring rubber expansion in the borderlands. Trans-border links were also evident in Houay Luang Mai village where all rubber plantations were under smallholder investment, without any support from the state (see section 6.3). Though the local state highlighted its encouragement of villagers in their efforts to plant rubber trees, many had already set up their plantations before they heard about the state's policy. Without the state's encouragement, villagers, who were convinced by the rising prices of rubber products, would still have planted rubber anyway. The relative weakness of the Lao state is shown through its inability to regulate where plantations should be established. Thus, many areas which are not supposed to be used for plantations have been turned over to rubber trees. Rubber expansion in Houay Luang Mai is a case reflecting the primacy of transnational market forces over the state in driving current agrarian transformations within Lao territory. It also reflects how weak the Lao state is in controlling changes within its political boundary. While these findings support some globalist views, such as the arguments made by Strange (1997) and Ohmae (1995), on the demise of the state power, the power of the Lao state has not been replaced by the rising power of global (regional) market. The Lao state has also been involved in the boom, even though its entry may have been quite late.

8.6.2 Continuity of the state

The research observes the existing role of the state in economic development. It is certainly the case that the role of the Lao state in the current era is different from that it performed previously before the 'reforms' introduced from 1986. The fieldwork reveals two different roles of the Lao state regarding the penetration of the market into the frontiers: as an agent and as a controller of the market.

8.6.2.1 The state as a controller of the market

The Lao state was attempting to control the unpleasant manner of the operation of the market. Many projects were approved without consideration of the potential impacts of the investment on both environment and the lives of rural people. The impacts of large-scale rubber plantations, especially under a concession form and rising criticisms of the effects of rapid expansion caused the government to reconsider the direction of rubber development in the country. Ex-Prime Minister Bouasone Bouphavanh announced at a national land meeting on 8 May 2007 that the government "would stop approving land concessions for investors on an indefinite basis, or until a more comprehensive strategy could be devised" (Vientiane Times 2007 cited in Baird 2010: 30). The approval process has been amended. The state at a local level is allowed to approve projects, but only if they are on a small scale.

The role of the state at the local level represents an attempt to control the market and to protect the people from the unintended and often unexpected impacts of the market. This is seen in the policy of Luang Namtha's governor who declared that, as concessions are likely to lead to significant impacts on people's livelihoods, the provincial government would not permit concession projects to go ahead. Thus only contract farming, either on the basis of the 2+3 system or the 1+4 system, would be allowed (see Chapter 5). The Luang Namtha provincial government not only attempted to minimise the negative impacts of the market on its people but also attempted to ensure that the population would benefit from the market. Rubber was integrated into the province's poverty reduction programme. Farmers were encouraged to establish at least one hectare of rubber trees per household[83].

The role of the state in controlling the operation of the market to ensure that market integration provided benefits for 'poor' and 'weak' smallholders from hunger and poverty is most obvious in the case of villagers from Don Tha village in Nalae district (see section 6.2). With the hope that rubber could lift its population out of the poverty, the state at the provincial and district levels encouraged the Chinese rubber company to promote rubber plantations under a contract system to villagers. The local state negotiated with the rubber company over issues such as the villages to be targeted and the conditions of the contracts. The local state, in this way, acted as a protector for its 'weak' and 'simple' people. On the

[83] It is important to note, however, that many farmers had already set up their own plantation before this advice from the state was issued.

other hand, its policies and practices also facilitated the penetration of the market into these communities. Without the local state, the Chinese rubber company would find difficulty in convincing people to participate in its contract farming scheme. Thus, even in an attempt to control the operation of the market, the state has also acted as an agent of the market (this issue is discussed in the following section).

8.6.2.2 The state as an agent of the market

The role of the state was obviously limited in the case of smallholders' plantations. The state, however, played a crucial role in facilitating the expansion of rubber trees to the uplands in the forms of concessions and contract farming relations. Fundamentally, the state was involved through the approval of investors' rubber projects which was considered as an official passport for investors to access land. At the beginning of the boom, approval could be made at different levels of the state, from the district to provincial, to national levels; they could also be granted by a number of different state agencies such as the Agriculture and Forestry Office and the Planning and Investment Office. The research highlights the role of the military in economic activities. Not only did the army 'grant' permission to the Chinese rubber company, but some members of the army and the company worked side-by-side in taking land from villagers. The still privileged status of the army allowed market actors to establish themselves relatively smoothly in the frontiers (see section 6.2.2). In the case of the 1+4 contract farming system in the Pha Lad area, permission awarded by the state at the national level allowed the Chinese rubber company to gain access and control over land for its plantation. A letter from the district authority in combination with the presence of local state officials along with the company's employees was considered by many villagers as meaning they had no choice but to give up land to the company. Without the facilitation provided by the state, the company could not have so easily established itself. The research also observes the role of the transnational state, the Chinese state, in facilitating rubber expansion in frontier areas of the Lao territory. In the context of globalisation, the Chinese state acted as a facilitator of the market not only within its political boundary but also in spaces beyond.

My research suggests that global market forces may shake the status of some state agencies, such as the provincial and district authorities, even while it may reinforce the status of others. My research records that market integration and the 'reforms' did provide new opportunities (and resources) for some state agencies to maintain or expand their

power. The findings from my research support the argument, which is based on the experiences of reforming countries like Vietnam and China (Mora 2004; Gainsborough 2010), on the persistence of the state in the economy. The status of the state in the context of 'reform' and globalisation is neither adequately described by the terms 'rise' or 'end'. The evidence from the uplands of Luang Namtha suggests that marketisation does not automatically mean the fall of the state (and state personnel). The fieldwork also observes the increasing role of the state in the lives of uplanders which has been accentuated even as the Lao PDR has shifted from 'high' socialism to reform. The findings from this research thus support Weiss's (1997; 1998) argument that the view of the powerless state in globalisation is a *myth.*

The fieldwork highlights some similar points to those noted by Sturgeon (2004) about the heterogeneity of the state. Different state organisations have different aims and act differently. The conflicts between Kaem Khong's villagers and the Chinese rubber company were a case in point. Long district authorities allocated the rights to access land to villagers. However, in the context of the rubber boom, the rights of villagers which had been previously recognised were not accepted by the army, another state organisation (see section 6.2). The privileged status of the army in Lao society prevented villagers from gaining protection from other state agencies. This is different from the case of villagers in China recorded by Sturgeon (2004) where people were able to negotiate and gain benefits from the inconsistencies in the state's policies among different state organisations. By contrast, heterogeneity within the Lao state provided more channels for investors to gain access to resources (land) in the frontiers by dealing with different state agencies. It is worth noting that there is also a need to distinguish between the state as an organisation and state officials who sometimes do not act in the interests of the state. Local state officials took a significant part in the spread of rubber through various informal deals in the uplands. Without their status as member of a state organisation, some officials would not have easily accessed land in the uplands.

8.7 Summary

This chapter has used the data from the fieldwork to reflect back on the literature on agrarian transitions in Southeast Asia and global land grabs in order to explore how far current debates in the literature resonate with, extend, or are challenged by the research. By using the rubber boom as the lens to reflect on trajectories of agrarian change in the

region, the research notes processes of agricultural expansion and intensification accelerated by processes of market integration. Evidence drawn from the research shares some characteristics of the generalised typology of Southeast Asian agrarian paths described in section 2.2., that map out the transition from a semi-subsistence to a professional farming system and the possibility of remnant farmers and farming. However, the particular context of the Lao uplands and the country makes paths of transition distinctive. Empirical data were also used to consider how far the concept of de-agrarianisation is applicable to the situation in the Lao uplands. The research highlights distress de-agrarianisation beginning in the uplands and argues that agriculture continues to play an important role, thus, land in the livelihood sustainability.

The research also uses rubber expansion to reflect on debates on global land grabs. It observes the strategies of land control employed by land grabbers, including the control of land through concessions and contract farming arrangements. These forms of land control are similar to experiences of land grabs in other regions, namely in Africa. However, the research also finds some complexities in land control, for example the contract farming arrangements which are similar to a land lease system, or the provision of some capital (rubber seedlings) for villagers in exchange for gaining control over land. The research highlights the possibility that land grabs may be taking place at a small scale, which the land grab literature largely overlooks in the attention it pays to large-scale events. Looking through the lenses of agrarian transitions and land grabs, the research highlights another key contribution to our understanding: the role of less powerful smallholders in contributing to agrarian transitions. This leads to a reconsideration of relations between smallholders and the market. Finally, evolving relations between the state and markets in an era of economic regionalisation and globalisation are also brought to the discussion to investigate the paradoxical dual processes of the decline and continuity of the state in a transition context. This key literature is assessed using the data from the field which tells us how far current debates and literature are applicable to the Lao experience.

Chapter Nine

Conclusion

9.1 Introduction

This chapter draws together the findings presented in the previous chapters. The purpose of the chapter is to return to the original research questions outlined in section 1.2 and to summarise the key research findings in the light of those questions. The chapter then turns to a consideration of the implications of the findings for our understanding of current debates on agrarian transformations in Southeast Asia, global land grabs, and the roles of different actors – including the state – in agrarian processes in a globalisation context. Drawing on the research findings, the chapter also considers policy implications regarding agricultural development and poverty alleviation.

9.2 Key research findings

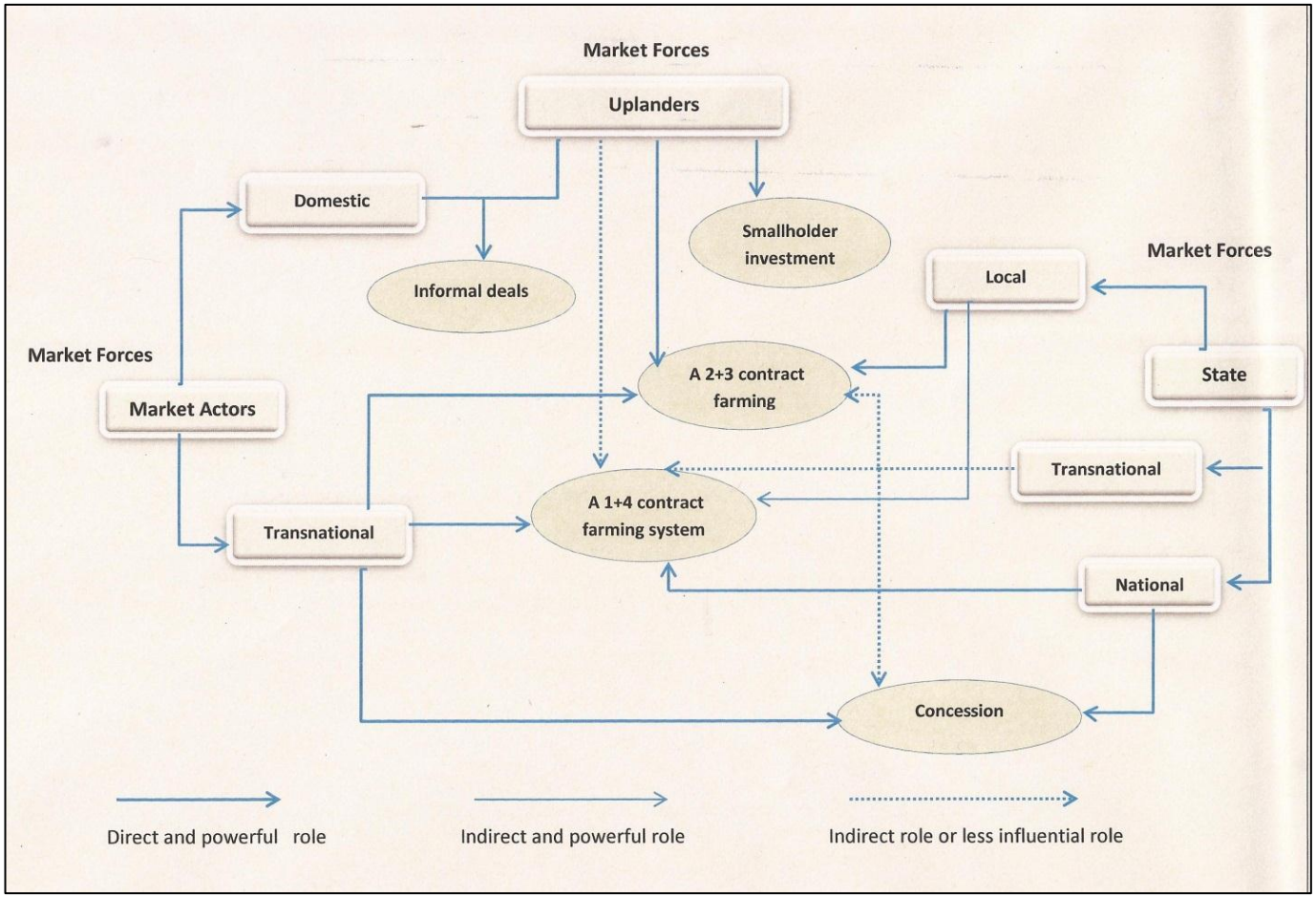
This section discusses the empirical findings of the research in the light of the research questions set out in Chapter 1. The section seeks to summarise two key related issues regarding rubber expansion in the Lao uplands: the respective roles of different actors in the rubber boom, and its impacts on people and settlements.

9.2.1 Actors of the rubber expansion in the uplands of the Lao PDR

Who and/or what are the key actors in the recent rapid expansion of rubber in the Lao uplands?

The answer to this question is provided through fieldwork in four upland communities which are differentially involved in and engaged with the rubber boom. This encompasses various forms of investment, from smallholder to two systems of contract farming, informal deals between villagers and local investors, and concession arrangements. The research outlines how different actors emerging from and operating at different levels have been involved in the rubber expansion. Figure 9.1 summarises the key 'actors', namely market forces, market actors, the state, and uplanders. This summary will now turn to consider each in turn.

Figure 9.1 Key actors in rubber expansion in the Lao uplands



Source: Fieldwork, 2009-2010

(1) The market

Rubber expansion in the study communities, as well as throughout the northern region of the Lao PDR is a direct response to an increasing demand for rubber products in China. Based on the four study villages, we can see market forces playing a significant role in the rubber boom in two ways:

a. Stimulating the establishment of rubber plantations by uplanders:

Market forces stimulated uplanders to get involved in rubber. Stories about the wealth of rubber farmers in China were a main driver for uplanders – as well as lowlanders – to participate in and, hopefully, earn profits from the boom. Villagers' strong desire to have their own plantation was obvious in all the four study villages although their *ability* to establish their own plantation varied. In Houay Luang Mai village, the plantations were entirely set up by villagers, of their own volition and drawing on their own resources, with the stimulation from the market forces. The power of market forces also made uplanders actively participate in the 2+3 contract farming system (Don Tha village) and various informal deals with local investors (Kaem Khong village).

b. Stimulating investment in rubber plantations by other market actors:

Market forces were a key driver for a growing number of market actors who sought to invest in rubber production in the Lao PDR. The research observes market actors at two levels: the domestic and the transnational levels. Domestic market actors are local investors who established informal deals with Kaem Khong's villagers by providing rubber seedlings and receiving land in return (see section 6.3, and section 8.3.1). Market actors at a transnational level are Chinese investors establishing concession plantations in the Kaem Khong area, 2+3 contract farming plantations with Don Tha's villagers, and 1+4 contract farming plantations in Pha Lad village. These transnational market actors were involved in enormous investments in rubber production in the study sites and in the northern uplands more widely. By contrast, domestic market actors invested on a much smaller scale. While market forces are essential, they are imprinted in quite particular ways in a particular place.

(2) The state

While the research highlights the critical role of various market actors in the rapidly transforming upland landscape, market actors cannot work alone. The role of the state in

upland agrarian changes was also obvious. The research observes three levels of state involvement in the rubber boom: transnational, national, and local.

a. Transnational state

The state at a transnational level can be seen reflected in the role of the Chinese state in shaping rubber expansion in the Lao PDR. In particular we can highlight the role of China's opium replacement policy, which has provided subsidies and tax benefits to Chinese investors who invested in agriculture in Burma and the northern Lao PDR. The transnational Chinese state links the necessity to generate the resources needed for China's industrial development with its new role as an aid provider for development in the region. However, the research warns against an overestimation of the influence of the Chinese state in the rubber expansion; the boom was not entirely directed by the Chinese state's policies, and it is important to note the contingencies and limitations within which the Chinese transnational state operates. Transnational market actors (Chinese investors) who invested in rubber production in the Lao PDR were mainly stimulated by the rising demand for and, thus, rising prices of rubber products. Many Chinese investors would have still crossed the border to invest in the northern Lao PDR regardless of the support from the Chinese government's opium replacement programme. The point, perhaps, is that the programme made their investments more attractive.

b. The state at national and local levels

The essential role of the Lao state was not only a matter of approving investors' rubber development projects but also facilitating investors' rubber plantation plans. Among the four study communities, there was only one rubber initiative – in Houay Luang Mai village – that was occurring without the state's direct intervention. Rubber could not have expanded rapidly in the other three study villages without the state's involvement from a national to a local level. Large-scale concession plantations in the Kaem Khong area were a direct result of deals struck between the investor and the state at a national level (in the guise of the military in Vientiane) who granted permission to the Jundai Rubber Company to use military land along the Lao-Burmese border. The army at a provincial level played a crucial role in assisting the company to access not only military land but also land which was previously allocated to villagers, by claiming that it was also the 'military's land'. The company would not have been able to take land from villagers without the backing of the army (see section 6.2).

The establishment of the Kunming Rubber Company's plantations in the Pha Lad area also reflects the state's involvement. The company gained permission from the state at a national level (through the Ministry of Agriculture and Forestry). Approved documents from the MAF became the means by which the company gained access to the state at a local level. The top-down character of the Lao bureaucratic system made it easy for the company to gain the cooperation of the state at the local level; local authorities rarely object to what has been approved by the state authorities at higher levels, reflecting the nature of the operation of the Lao state. The company was provided by the Long district authorities with an official document to be taken to the village asking for 'cooperation' in letting the company establish 1+4 contract farming plantations on the village's land. The presence of local state officials along with the company's staff and attempts by officials to convince villagers of the need to provide 'cooperation' to the company made it difficult for villagers to refuse (see section 6.2). Accessing the state meant the company was able to gain access to the upland village, and access the power of the local state and, thus, it had access to land.

The establishment of the companies' plantations in the Kaem Khong and Pha Lad areas reflected cooperation between the state and the market; the state facilitated investors to gain access and control over land in the uplands. The state clearly acted as an 'agent' of market actors as they sought to expand rubber into the uplands. The research shows that the state also acted, to some degree, in the interests of (some) uplanders. This was clearly the case in the encouragement of the 2+3 contract farming plantations in the Don Tha area by the state at provincial and district levels. The 2+3 contract plantations in Don Tha village reflected two concerns of the state regarding the rubber boom in the region. Firstly, the local state was worried about the impact of the boom on uplanders and especially villagers' land loss under concession plantations. Secondly, the local state considered the potential of rubber to improve the standard of living of the upland populations in a region classified as one of the country's poorest areas. Rubber was integrated into the state's policy on poverty alleviation. The expansion of the 2+3 contract plantations arose from the 'best' of intentions of the local state in its efforts to promote upland development and poverty reduction (see section 6.2). What is not clear, however, is whether the state's best intentions will be achieved in the long run. It is important to note that while intending to act for the benefits of the uplanders by linking people to rubber (and therefore to the

market), the state has become a mediator between uplanders and transnational market actors, allowing a Chinese rubber company to expand its plantation area.

(3) Uplanders

The research, while noting the crucial role of the market and the state in the rubber boom, also notes a significant role played by uplanders themselves as key actors in the boom and current agrarian changes. Uplanders in all the research sites were actively involved in the boom. In Houay Luang Mai, villagers were stimulated by the lesson of the improving lives of rubber farmers in China to set up their own plantations without any involvement of the state or other market actors. Villagers have turned most of the forest and fallow land over to rubber; they were looking to use as much land as possible to grow more rubber trees. The history of rubber expansion in Pha Lad village also shows the important role of uplanders as initiators of the boom when villagers asked local state and development agencies to organise a study tour to the rubber plantations in Xishuanbanna, China. After the trip, although the state could not provide support to them, villagers began setting up their own plantations (see section 6.3).

In the Don Tha area, though the state and transnational market actors played a critical role in the boom, villagers also made a significant contribution to the boom. Most villagers wanted to take part in the company's rubber project, with the hope of earning profits from the boom. Some villagers were disappointed that they could not get rubber seedlings as they had expected. In the Kaem Khong area where the plantations are largely dominated by the company's concession, villagers expressed their willingness to get involved in rubber. They thus welcomed informal deals with local investors even though they had to transfer some land to investors as a return for the rubber seedlings the investors provided to them.

In sum, the research shows that the current rapid expansion in rubber in the upland communities resulted from the interaction between various actors, from powerful state and market actors to less powerful uplanders, operating at different levels. What is worth highlighting is the fact that while we may be tempted to characterise these actors as relatively strong (commercial actors and the state) or weak (uplanders), it is the way in which these actors coalesce in particular ways which is critical in understanding agrarian change in the uplands of the Lao PDR.

9.2.2 Impacts of the rubber boom

This section summarises the impacts of the rubber expansion focusing on two key issues: the transformations of upland landscapes and the livelihoods of the uplanders. It is worth noting that the transformations discussed here were observed from the four study communities at the early stage of transformations under the rubber boom when income from rubber did not start to flow yet. When rubber begins to generate income to farmers, we may observe different stories and trajectories of transitions. Despite the fact that the process is continuing, such transformations have emerged.

To what extent has rubber expansion shaped and re-shaped the upland landscape?

Rubber expansion in the Lao uplands provides material evidence of how the landscape – natural and social - has been re-shaped by recent economic and spatial integration. This study is aware of the dangers of generalising transformations observed from four upland communities. Nonetheless, data from the fieldwork have some resonances which, it is claimed, will have purchase at a wider level.

(1) The upland economy and land use

Data from the fieldwork show that until recently upland communities were mainly dominated by a semi-subsistence economy. Apart from some sugarcane farmers from Houay Luang Mai, most of the village households were involved in market relations only at a low level of intensity. Shifting agriculture was the main economic system, either in combination with paddy rice (in a small area) or as the only agricultural practice. Until the mid-2000s, sloping land in all the study villages was dominated largely by forest and shifting cultivation fields in combination with small home gardens. This landscape is now being transformed by rubber expansion. A significant area of upland rice fields and fallows has been converted to rubber trees. Forest cover in all the study villages has been rapidly reduced to be replaced by rubber, invested by smallholders or outside investors. The arrival of the rubber trees has affected not only how land is being used but also the economy of the upland communities, transforming it from a semi-subsistence to an increasingly market-oriented system (see section 7.2). While shifting cultivation was still practiced in every study community at the time of the fieldwork, this traditional agricultural system is now in decline; limited land access, resulting from a combination of the state's policy on land use along with the transformation of land use from forest and forestland to rubber plantations,

has led to a drop in upland rice production. Some upland households have begun to consider stopping the practice of shifting cultivation altogether.

(2) Land rights and control

Before the arrival of rubber, villagers in all the study communities managed land use through collective rights. Both forest and fallow land in Kaem Khong, Pha Lad and Houay Luang Mai villages were accessed through communal management. In Don Tha village, while land was limited, private rights were not firmly established; land rights and access were managed under collective rights among relatives. The rubber expansion has brought significant changes to land rights and land control by initiating new forms of land relations in the uplands. There has been a sharp decline in the areas of land under collective management. By contrast, large areas of land have come under private land rights. In all the study communities, only forest, which covers a much smaller area than previously, is still under communal rights. Even fallow land is now under private rights.

While transforming land rights from communal land to private land rights was a general trend found in all the study communities, there are complexities in the transformations, as shown in Figure 7.1, regarding the ways in which rubber entered each area and the particular ways in which relations between villagers, the market and the state evolved. The research observes some diversity within the single category 'private land rights'. The fieldwork shows that by claiming private land rights through the establishment of a rubber plantation, villagers can gain land control only when they set up the plantation themselves. Villagers from Kaem Khong village, though they could hold private land rights over the newly-established plantations, had full de facto control over only a portion of that land as the local investors who provided rubber seedlings have claimed control over the remainder. Market relations, in this way, come at a price. In the Don Tha area, while villagers' private land rights over the plantations are well-recognised, villagers have lost full de facto control over land to the rubber company for 45 years.

The establishment of the Chinese rubber plantations in Pha Lad village has led to even more complicated transformations. Some recently privately-claimed land and some of the village's communal land have been taken by the company to set up 1+4 contract farming plantations with the village. The plantations were part of the village's communal land. However, as the village received 30 per cent of the plantation area back three years after the trees were planted and the village then allocated this returned land to the individual

households, rubber has become the mechanism by which land has been privatised. The company's retained 70 per cent of the plantation area is still notionally under the village's communal rights but with the full effective control held by the company for the long term.

In sum, the expansion of rubber into the uplands has established a new system of land rights and land control. Collective (communal) land rights are in decline, with a general trend to private land rights on both newly established rubber plantations and fallows. There are once again, however, complexities in land rights and land control behind this general trend of land privatisation.

To what extent, and how, has rubber expansion affected the lives and livelihoods of uplanders?

(1) Upland livelihoods

The research records the transformations of the upland economy from semi-subsistence to market-oriented in which rubber will soon become the main, possibly the only, cash crop. Fieldwork reveals that while uplanders have been involved in various livelihood activities, agriculture is still the main source for them to earn a living. The significance of agriculture in the four communities relates to the limited availability of on-farm and off-farm work in rural areas of the Lao PDR and the limited mobility of uplanders in seeking alternative livelihoods.

As discussed in Chapter 7, the current rapid expansion of rubber has led to significant changes in the livelihoods of upland populations. The rapid and extensive conversion of forest and fallow land to rubber plantations, either by villagers themselves or by investors, has led to the erosion of former dominant livelihoods which were directly or indirectly reliant on the forest. Decreased fallow areas have resulted in shortening of fallow periods which are now too short to allow weed suppression and rebuild soil fertility. This has resulted in an increase in demand for labour input (especially for weeding) while upland rice productivity declines. Some villagers could not continue practicing shifting cultivation and, at the same time, did not have paddy fields to fall back on. This has led to increasing rice shortages and growing vulnerability, especially for those without paddy fields.

While uplanders could not rely only on shifting cultivation, other former livelihood activities have also shrunk and can rarely provide a supplement to upland households. The research

observes a sharp drop in the availability of NTFPs due to a decline in forest area. Livestock-raising is also no longer possible because of the loss of grass land and villagers' wish to avoid being fined when their cattle destroy rubber trees. Upland livelihoods have, as a result, become squeezed by the rubber boom. While there is an increase in demand for wage labour to work on the rubber plantations, this new livelihood activity is available mainly in the Kaem Khong area, with high risks that their labour may not be needed in the long run. Uplanders encounter a situation where there has been an erosion of their former livelihoods with (almost) no new occupations available to fill the void. While some villagers take an optimistic view that hardship while their rubber is maturing will be followed by a period of plenty when their trees begin producing latex, it is questionable how promising rubber actually is. Uplanders' lives will become worse if there is a crisis in rubber production or prices fall and the rubber boom, while it has brought a new hope, has also increased livelihood vulnerability among uplanders.

(2) Emergence of new classes

Rural classes and differentiation in land access between villages and among members of the village are obvious. The research notes that rubber has, either intentionally or unintentionally, become a tool for people to gain control over land. Villagers in a position to establish large plantations are those who were able to turn their village's communal land over to private control. The research finds that the potential of villagers to make claims over land correlates to the history of village settlement and land access, and levels of market integration before the boom began. In general, villagers from Houay Luang Mai, where villagers had access to large paddy fields and had intensively engaged in the market were able to gain rights over larger areas than villagers from other villages which had limited access to land and a lower level of market involvement (see Table 7.2). These findings suggest that differentiation in land access is not directly caused by rubber expansion; rather it is rooted in the historical contexts and conditions of the uplands. The boom in rubber, however, has widened the gaps and made differentiation more obvious.

The research also highlights the emergence of new rural classes: a rural entrepreneurial class and a semi-proletariat. Rural entrepreneurs are generally those local officials and traders who have been able to access political and economic capital, and can in turn use this for further accumulation through investment in rubber plantations. By providing rubber seedlings to poor uplanders who were attracted by rubber but could not afford to establish

the plantations themselves, these new rural entrepreneurs have been able to gain control over plantations in the uplands which will become a new source for wealth creation in a context of market integration. At the same time, a semi-proletariat class has emerged in the context of the boom in two ways. Firstly, this was through the establishment of contract relations between Don Tha's villagers and the rubber company resulting in a condition where villagers have become contract labourers on the plantations. This was forged under a situation where uplanders wanted to establish plantations but could not do so without the capital provided by investors. Another pattern of formation of a semi-proletariat class occurred in Kaem Khong village when villagers encountered increasing pressure on agricultural land access caused by the loss of land to the Chinese rubber company. This, in combination with the availability of wage employment on Chinese-owned plantations, pushed villagers to enter wage labour work to survive.

9.3 Contribution of the thesis

Much less research has been undertaken in the Lao PDR compared to other Southeast Asian countries. Researching the rubber boom in the uplands of the Lao PDR has provided new empirical data that fill some missing pieces in the jigsaw that contributes to our understanding of agrarian change in a late-comer to global capitalism. It is important to stress, however, that the picture provided in this thesis can only – in its detail – represent the agrarian transformations occurring in the four selected upland communities in Luang Namtha. Generalisation beyond the study sites was not the purpose that the research sought to achieve. As indicated earlier in section 8.1, the thesis makes conceptual and policy contributions by providing empirical data that can be used to speak to relevant debates grounded on previous studies, not by generalising the findings beyond the study sites. These empirical findings in turn contribute to debates of a more conceptual nature as well as with regard to development policy.

9.3.1 Conceptual implications

This research has contributed to several areas of debate in agrarian studies, namely wider discussions of agrarian transformations in Southeast Asia, and more specific considerations of global land grabs, and actors in agrarian processes.

9.3.1.1 Agrarian transformations in Southeast Asia

My research has provided empirical evidence contributing to our understanding of the diversity of paths of agrarian transition in the region. An extensive literature on Southeast Asia's rural transformations exists, often highlighting the increasing links between rural and non-rural spaces and the associated shifts in rural livelihoods (Kelly 2000; Rigg 2001; McKay 2003; Thompson 2004; McKay and Brady 2005). This phenomenon has sometimes been conceptualised through a de-agrarianisation thesis (Rigg 2001; 2006b; Rigg and Nattapoolwat 2001). Certainly, my research has noted that upland households were involved in a range of activities from farm to non-farm and off-farm (see Table 8.1). Thus, livelihoods were not reliant only on agriculture. On this basis it might be assumed that de-agrarianisation has already begun to occur in a very remote area where market relations are new and limited. The fieldwork, however, reveals that household income is still mainly derived from agriculture, with the exception of Kaem Khong's households who were involved in wage labour on the Chinese rubber plantations (see Figure 8.1). While de-agrarianisation may have been taking place in Kaem Khong village, the process differed from de-agrarianisation occurring in other Southeast Asian countries where it is considered in the context of 'opportunities' and 'choices' for rural households (Rigg and Nattapoolwat 2001). De-agrarianisation observed in Kaem Khong village is rather a process of *distress*; villagers have moved to off-farm work not because out of choice but out of the *necessity* to survive when most of their agricultural land has been taken by the army and the rubber company.

Fieldwork in the Lao uplands shows that a full process of de-agrarianisation has not occurred in any of the study villages; this is true even in the case of Kaem Khong village. Drawing on the experiences of current agrarian situations in the study communities where off-farm and non-farm work both within and outside upland spaces is highly limited, agriculture is still an important livelihood activity for villagers. Data from my fieldwork raise doubts that rural livelihoods and poverty are becoming de-linked from land (Rigg 2005b). These findings from the uplands of the Lao PDR highlight issues of both the progress and the state of de-agrarianisation in different places.

While agrarian transformations in the study communities do have some characteristics of de-agrarianisation, the paths of change accord more closely with notions of agrarian expansion and intensification, than with de-agrarianisation. Agricultural expansion and

intensification in the study villages share similarities with transformations in many parts of Southeast Asia's frontiers, especially those recently colonised by boom crops (Tan 2000; De Koninck et al. 2011; D. Hall 2011a; D. Hall 2011b). However, agrarian transformations in the Lao uplands also have some distinctive characteristics. In particular, there is dissociation between agricultural expansion and intensification and migration. While migration is recorded as a crucial part of current upland agrarian change in many of the region's frontiers (D. Hall 2011b), this was not the case in the research sites, at least at the time when this research was conducted. The key implication is that there are complexities of agrarian transformations. While agrarian transformations in the upland Lao PDR may share some commonalities in the movement from semi-subsistence to professional farming and to remnant smallholders as proposed by Rigg (2005b), there are some distinctive characteristics which are more important (see section 8.2). The research finds that, while we may identify some common trends, transitions are never uniform in content or in direction. The fieldwork from the four upland communities confirms this point; while transforming from a semi-subsistence economy, which was dominated by shifting cultivation, to a market-oriented economy with rubber as a new (and only) crop, is common to all the study villages, the transformations taking place in each village are notably different regarding both the internal contexts of the villages and their relations to wider forces and architectures of power. This research argues that broader conceptualisations, though they are important in providing an overview of the situation, may harbour a danger of disregarding the diversity and complexities of changes occurring in rural space. There is a need to look at particular places, contexts and times to generate a deep understanding of agrarian transformations.

9.3.1.2 Global land grabs

Fieldwork in these upland communities of the Lao PDR has also provided an empirical base to consider global land grabs. Using rubber expansion as a reflection of global land grabs, quickly shows that these upland communities do not accord with the general understanding that land grabs are reflective of North-South relations. Current land grabs in the study sites are solely determined by South-South relations in which the Lao PDR is situated at the bottom of the region's unequal power hierarchy. The fieldwork observes both similarities and differences between land grabs in the upland Lao PDR and in other regions. A similarity is found through the direct forms of land control taking place under

land concession and land lease. The research also notes, however, that indirect control over land (and labour) is emerging through the establishment of contract farming relations between investors and villagers. This point is rarely recognised in the mainstream literature on land grabs, which focuses more on direct control. The fieldwork in Kaem Khong village also reveals another form of land deal: informal deals between investors and villagers. This form of land grabbing is usually on a smaller scale than global land grabs. Its relatively small scale makes it less visible although it has resulted in permanent land loss and insecurity of livelihoods among the uplanders affected. Evidence from the study highlights how land grabs can take place on a small scale, by small investors, and with limited visibility. This point is overlooked in the land grabs literature, which tends to focus on large-scale projects (Cotula et al. 2009). Using the rubber boom as a window to understand global land grabs, my research observes that powerful actors, namely the state and a range of market actors, were key in taking control over land in the uplands. The research, however, also highlights the critical role of uplanders in contributing to this process; this point is not widely recognised in the literature on global land grabs as the literature tends to discuss the role of the state and capital in grabbing land from villagers. The crucial role of smallholders in land grabs in my research requires us to look more widely at the actors in agrarian processes.

9.3.1.3 Actors in agrarian processes

The findings from my research contribute to our understanding of actors in agrarian processes. Literature on agrarian studies, especially that developed under the political economy framework, highlights the crucial roles played by powerful actors such as the state, markets, and globalisation in agrarian processes. This view has been critiqued by those adopting an ethnographic approach (e.g. Tan 2000; Li 2002a), which shows that agrarian transformations at a local level are not solely determined by such powerful actors, but also by smallholders.

My research findings support the contentions developed by Tan (2000) and Li. (2002). Evidence from my research, while affirming the significant role of powerful actors - both state and market at domestic and transnational levels - reveal the role of smallholders who in many cases have played a critical role in shaping the transformations that have occurred. These findings highlight the agency of less powerful smallholders in social transformations. The role of smallholders is frequently overlooked, presuming that the transformations

taking place at a local level are an outcome of policies and projects determined at macro level, either global or national.

What it is important to note is that ascribing a critical role to smallholders does not mean that the actions of smallholders are fully free from what may have occurred at a macro level. The fieldwork reveals that the decisions and actions of smallholders are tightly linked to the macro level. It is necessary to look at agrarian transformations as the interactions between actors across levels and localities. This allows us to gain a better picture of how the policies, projects and structural changes actually work in specific places and at specific times; and how the policies at a macro level are shaped or re-shaped by less powerful actors at the micro level.

9.3.1.4 The state in globalisation

My research also provides an empirical basis to contribute to debates on the role and status of the state in an era of globalisation. I argue, following Weiss (1997), against the notion of the powerless state in the globalisation era. The view that the rise of the market and the decline of the state in the context of globalisation depicts a situation of 'competition' between the state and the market, a zero sum game where the resurgence of one will inevitably cause the relative decline of the other. The adoption of the market economy by the government of Lao PDR has not led to the demise of the Lao state. Looking through the lens of the rubber boom, the agricultural structure of the Lao PDR has shifted from one where the national framework was controlled by the 'socialist' state to a global framework where market forces and actors have become key players (see McMichael 1992: 355-359; Kearney 1996: 127-130; Watts and Goodman 1997; Bernstein 2000:36-38). My research shows that while market integration and global forces have certainly affected the status and the role of the Lao state, this is not one where the state has been substituted or replaced by the market. As discussed in Chapter 6 and Chapter 8, both the Lao and Chinese states were significant actors in the expansion of the market. The fieldwork affirms the points made by McMichael (1992) that market expansion cannot be achieved without the state. The still existing role of the state in a transition country like the Lao PDR confirms Gainsborough's (2010) warning, drawing on the experience of Vietnam, about the danger of disregarding the continuing influence of prevailing power structures. My fieldwork observes that the state's involvement in the uplands has become increasingly intense since 'reform'. The findings also suggest the necessity to consider the state as far from monolithic. 'The

state' is many-faceted and the state's agencies operate at different levels with different aims and practices in their dealings with people and places.

9.3.2 Policy implications

The research raises some concerns regarding agricultural development and poverty alleviation in the uplands of the Lao PDR.

9.3.1.1 Risks of mono-crop development

The research notes that bringing the market into the uplands is proposed as the way to resolve the poverty of the upland populations. While various cash crops introduced in the uplands have faced many obstacles, rubber is the first crop which has been welcomed by both the state and villagers thus bringing new hope that it might build better lives for the people. Thus, land which was previously used for semi-subsistence production has been converted to rubber plantations; only small areas of land are now left for traditional agriculture. Thus upland livelihoods will soon be reliant almost only on rubber production and a market system which is beyond their control. This raises the risk that upland livelihoods may have become narrowly based. The experiences of price shocks of boom crops such as coffee in Vietnam or cocoa in Indonesia suggest that a rubber price crisis is distinctly possible. A shortage of agricultural land will not allow villagers to return to their previous production system. The limits of non-farm and off-farm work will push uplanders into a situation where they may be even worse off than they were before engaging in rubber cultivation. The research suggests that, as non-farm is limited, agricultural diversification is needed to minimise the risks for people in a context of market uncertainty.

9.3.1.2 Large-scale agricultural investment and poverty

Drawing on the empirical data from the upland communities, this research questions how far large-scale investment in agriculture will bring better lives to local people. The research reveals the loss of control over land and forest resources of uplanders who have limited power in negotiating with large-scale investors who have better access to political and economic power. The fieldwork reveals the insufficient capacity of the Lao state in setting and enforcing regulations in order to protect uplanders when they encounter powerful land seekers. While some optimistic scholars and policy makers, such as those from the World Bank (Deininger et al. 2011: 19-20) as well as some Lao officials, express the hope that

large-scale investment in farmland will generate employment opportunities for local people, my research suggests this is too optimistic. Rubber expansion may increase demand for wage labour but it does not necessarily mean that such opportunities will accrue to the Lao. Regarding the image of Lao people as 'lazy', both Chinese and Lao investors expressed their keenness to avoid hiring Lao labour to work in their plantations. Local officials who have invested in rubber plantations also prefer to hire Chinese labourers. This raises the spectre of 'double' dispossession; people are excluded both from their rights to use their land and are then also excluded from the opportunity to work on their former land.

The research findings also raise concerns over the role of the contract farming systems which are being promoted by the GoL as a core strategy for the country's agricultural development (GoL 2006). The research finds that the forms of contract farming relations between Chinese investors and uplanders have led, first, to villagers' long-term loss of de facto land control and, second, to investors gaining long-term control over villagers' labour. Taken together, these outcomes lead to greater vulnerability for uplanders in the face of declining rubber prices and low returns from rubber; villagers will not be able to turn land to other crops or to seek work outside the plantations. This highlights how the 'good' intentions of the state may lead to unexpected and negative consequences for the lives of the poor people the state is ostensibly attempting to help.

9.4 Summary

Based on fieldwork conducted in the uplands of the Lao PDR, this research has highlighted the processes, and their outcomes, of recent agrarian transformations in one of the frontiers of global capitalism. Through the lens of the rubber boom, the research has used evidence collected from four upland communities in Luang Namtha province to question and in some respects to challenge how scholars and practitioners have interpreted agrarian transformations in Southeast Asia.

It is important, however, to consider the 'representativeness' of the field sites and therefore the degree to which the study can be 'generalised': can such a small number of upland communities represent a wider body of experience and therefore provide us with more general knowledge about the nature of agrarian transitions? The research has no intention to uncover phenomena from which general statements can be built. That said, the situations observed in the four upland communities can speak to wider debates. The

different trajectories of change between the four study sites suggest that we need to be sensitive to the particularity of context in shaping agrarian situations. Thus a key conclusion is that capital intrudes into rural space and contributes to the re-working of rural livelihoods in quite specific ways, cautioning against 'models' of change.

The research also suggests a number of areas for further study. Firstly, as discussed in Chapter 3, the research could only be conducted in the northern region where rubber expansion has been stimulated mainly by market forces emanating from China. Further studies of rubber expansion from other regions of the Lao PDR where different actors are involved (the Vietnamese, Thai, and local Lao states as well as Vietnamese, Thai, and local market actors) would provide empirical data permitting a comparison of different actors and their effects in terms of rural living and trajectories of rural transformation. Secondly, the study was undertaken between 2009 and 2010 at which time the rubber plantations were not yet producing latex. Thus, further studies carried out when the rubber is mature will shed light on how the rubber market shapes and re-shapes upland space and populations. Will rubber be able to resolve the hunger of uplanders? Will it re-shape new relations between the upland economy and people, and the wider Lao and regional economy space? Thirdly, as mentioned in Chapter 1, the thesis draws heavily on the economic, livelihood, and production aspects of transformation, while social and cultural elements of change are only lightly presented. This leaves room for the further investigation of the social and cultural dimensions of transformation, especially when the outcomes of rubber engagement become more obvious. Will rubber promote further social differentiation in the uplands? How will social cohesion be affected? Will social and cultural capital be affected? And will engagement with rubber lead to new identities in the uplands and the re-positioning of uplanders? All these questions are important and remain to be elucidated.

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Appendices

Appendix 1 A summary of the surveyed villages

Villages	Overview	Advantages	Concerns
Baan Thueng (A lowland Black Tai village, Namtha district)	- The village is located about 10 kilometres from the provincial centre. - Paddy cultivation is the main activity for every household; some could have a rice surplus while others face a shortage of rice. - Some villagers are involved in other activities such as selling their garden produce in a morning market. - Rubber was first planted in 1994 by a few households (by their own investment) who were stimulated by the success of farmers in Xishuanbanna, China. However, most of the rubber trees died in 2000 as a result of bad weather. - Villagers began planting rubber again in 2002-2003 when they saw that villagers from Baan Hmong - the only village where their rubber could survive frost damage in 2000 – managed to make profits from selling rubber latex. - 38 out of 70 households have rubber their own investment) and hope that it will generate high profits for them when it matures.	- Travelling to the village is easy. - The research can be carried out through the Lao and Thai languages.	- The level of rubber engagement is not very high. Some households have a very small plantation. - There is an issue about feasibility as villagers seem to be extremely busy.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Moon (A lowland Black Tai village, Namtha district)	- The village is located about 10 kilometres from the provincial centre. - Paddy cultivation is the main economic activity and most of the villagers do not face a rice shortage. - Villagers began planting rubber in 2002, with assistance from the Luang Namtha PAFO in accessing loans from the Agricultural Promotion Bank). Every household planted rubber (the average is about 1 ha per household). - Some villagers have sold their plantations as they were not able to wait until their rubber trees produced rubber latex (this needs to around 6-7 years after the tree was planted). - Some outsiders (mostly e local state officials) have rubber plantations in the village. - A few households have started tapping rubber and sold latex to a Chinese trader.	- The village is easy to access. - There is no need for an interpreter - The village may provide data about why the villagers do not need to be under the contract system with a rubber company. - The situation may show the role of the state in the agrarian processes.	- Rubber seems to be an additional activity rather than the main activity for the village (even in the future when rubber matures). - Relatively large areas of plantations located in the village are owned by outsiders.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Hmong (An upland Hmong village, Namtha district)	- The village is located only 2 kilometres from the provincial centre. - Villagers started planting rubber in 1994/1996 by learning from their relatives in China. They could access credit from the Agricultural Promotion Bank through the co-operative; now all of them have paid off their debts to the bank. - Every household has planted and started tapping rubber. Villagers have expanded their rubber areas after the first rubber tree was tapped in 2002 and rubber has become the main source of income. - Some households still have their upland rice fields but most of the upland fields have been converted to rubber. The village's headman said that many villagers believe that rubber is better than rice. -This village is considered as a 'model' village for the success of poverty alleviation through rubber. The income they have made from rubber has stimulated the desire of people in other villages to establish rubber plantations.	- The village can provide a picture of the rubber boom and people's perspective on rubber (and other agricultural production) on upland livelihoods. - The village can provide the links between rubber, upland agricultural transformations, and poverty reduction. - It is easy to access the village.	- Several pieces of research have been conducted in this village. - Two studies are being carried out.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Klang (A *Lao Houay* village, Namtha district)	- Upland rice is the most significant livelihood activity of the village. - Villagers have lost about 214 ha of land to a Chinese rubber company that has obtained permission from the government to set up a demonstration plantation. The loss of their land has affected villagers' traditional agricultural system. - Some villagers have their upland fields but some villagers do not have access to upland rice field. Most households face a rice shortage. - Villagers are involved in wage labouring in the plantation (but work availability is limited). - Villagers complain that they have lost land to the company without getting compensation. A DAFO official, however, said that villagers had already got rubber seedlings as compensation. Villagers do not consider the seedlings as compensation as, in their opinion, the seedlings the company provided them are under contract farming relations as villagers from other villages, who have not lost their land, are involved. - There are permanent Chinese workers working in the company's plantations. - Some villagers are opium-addicted.	- It is a very good case providing a picture of how the concession has affected the livelihoods of people (the concession is very rare in Luang Namtha province). -	- It is not easy to travel to the village. - There is a need for an interpreter. - There is one Lao student conducting the research for his Master's thesis in the village.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Ban Dai (A lowland Tai village, Nalae district)	- The village is located along the side of Tha River, opposite the district centre; it can be reached by a long-tail boat. - The majority of the households have paddy fields while some rely on upland rice cultivation. Some villagers, especially those who do not have paddy access, face a rice shortage (from only a few months to as long as 6 months). - Two households started planting rubber in 2005 by their own investment but most of the villagers began planting rubber in 2006 under contract relations with the Chinese rubber company. Every household has a plantation, with a range of 1–3 ha per household. -Some villagers sold their plantation when they needed cash. - The villagers were encouraged to sell their livestock (e.g. buffalos, cows, and goats) when they started planting rubber to prevent their animals destroying rubber trees.	- The village could provide a picture of rubber plantations under contract farming relations, which is the system that the government promotes as the new tool for the poverty alleviation. - The research team could get to the village within 30 minutes from the district centre. - There is no requirement for an interpreter. - Villagers are very friendly and they are likely to welcome the research team.	- The village may not be a good representative ofr Nalae district as it is a lowland village but the majority of Nalae's population are uplanders. - The village can be accessed only via a long-tail boat, raising an issue of safety.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Ban Phu (An upland Khmu village, Nalae district)	- The village is located about 25 kilometres from the district centre and can be reached through a laterite road. - It is one of the district's poorest villages. - Shifting cultivation is the main activity; villagers do not have paddy fields. - 56 out of 82 households face a rice shortage. -Villagers began planting rubber in 2006 under the contract relation with the Chinese company; every household has a rubber plantation though their plantation is not large. - Villagers generally used their previous upland rice fields as a rubber plantation. Some villagers then cleared the forest to grow rice while some villagers use their fallows for shifting cultivation. - Villagers hope that rubber will become their new source of livelihoods. Some villagers consider that they may not need to cultivate rice in the future. - The level of market involvement in this village is very low. Villagers grew corn under a contract relation with the FUF, but only on a very small area. In 2009, the company could not operate in the area, thus villagers do not produce any cash crop.	- The village can be a very good case providing a picture of the rubber expansion and upland transformations, the links between rubber and poverty. -As it is a village of Khmu, the majority of Nalae's populations, this village is likely to be a better case than Baan Dai.	- There is a concern over getting access to the village due to its setting. - There is a need for an interpreter.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Don Tha (An upland Khmu village, Nalae district)	- It is a resettlement village located around 2 kilometres from the district centre. - Villagers cannot access paddy fields. Their livelihoods are heavily reliant on forest and shifting cultivation. - Villagers usually face a rice shortage and many households have experienced a longer period of rice insufficiency since they have set up the rubber plantations. - Villagers grew some cash crops (corn, peanuts, and sesame) under a contract relation with the FUF but, due to limited land, they could only produce a small amount. - Villagers said they were encouraged by local state officials to plant rubber as an alternative to their shifting cultivation which will not be allowed from 2010. Most of the villagers have a rubber plantation under the contract relations with the Chinese rubber company. - Villagers expressed both their hope and worries about their future which will be more reliant on rubber. - Some villagers work as a wage labourer in the rubber plantations of people from town (usually state officials).	- The village could provide a good picture of agrarian changes brought about by rubber. - The village could be a case reflecting relations between rubber, upland agriculture and upland poverty. - The village's experiences could reflect the links between the state and the market in upland transformations. - It is easy to get to the village. - Most of the villagers could communicate in Lao/Thai. So, there is no need for an interpreter.	- The field research is not likely to be carried out before December as villagers are busy harvesting their upland rice. Most villagers stay overnight at their rice fields during the harvest season.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Na Mai (An upland Akha village, Sing district)	- It is a 33-household resettlement village (first settled in its current setting in 1994). - Some villagers can access paddy fields but most villagers still rely on shifting cultivation. - The villagers are involved in cash crop production; they plant sugarcane under a contract relation with Chinese investors. Sugarcane is the main source for villagers' cash. - The villagers started their own rubber plantations in 2004 with the assistance of their relatives from China (the success of their relatives in China who have made profits from rubber trees was the significant inspiration for the villagers to set up their plantations). - Villagers have increased their planted areas every year using cashed generated from sugarcane. Every household has a rubber plantation. The headman estimates that the village's total planted areas were around 2000 ha in 2009. - Some households faced a rice shortage when they turned their upland rice fields over to rubber as they do not have enough land left for shifting cultivation. However, the villagers hope that this problem will be resolved when their rubber matures and they can sell the produce.	- It can be the case highlighting the links between trans-border connections and rubber expansion in the Lao PDR. -It can be a case reflecting people's views on market integration.	- There is a concern about travelling to the village. - There is a requirement for an interpreter.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Na Kao (An upland Akha village, Sing district)	- This 62-household resettlement village moved from a village located near the Lao-Chinese border to the current area around 1993. - Paddy rice and upland dry rice are the main economic activities of the villagers. Villagers mention that they have faced a rice shortage for a longer period since the arrival of rubber. - Villagers also grow sugarcane for a Chinese company. -The success of their relatives in China was the inspiration for the villagers to set up their plantation. The villagers hope that they will make high profits from rubber like the Chinese farmers. - A few households set up the plantations in 2003 but most of the households started their rubber plantation in 2004. In 2009, there were only a few households that did not have their own plantation. - Most households set up the plantation with their own investment but there is also a contract system (a 1+4 system) between a Chinese company and the village. Some villagers are not happy to let the company establishing the plantation but they cannot oppose it. The village will get 40 per cent of the profits. Villagers are still not clear how the profits the village makes will be managed.	- It may reflect the links between trans-border connections and rubber expansion. - It may reflect the role of transnational capital and the state in the boom in the village.	- There is a concern about potential impacts on research subjects. - There is a concern about travelling to the village.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Yao (A Yao village, Sing district)	-It is a 46-household Yao village located around 10 kilometres from the district centre. - Most of the households have paddy fields and many can have a rice surplus. Villagers also plant sugarcane under a contract relation with Chinese investors. -One household first planted rubber in 1995, with the assistance of the Chinese and Yao people in China. This household has started tapping the rubber in the last 4 years. The household members reported that rubber has brought better lives for them. - Other households set up their plantation in a few years later but the number of rubber planted areas increased rapidly in 2003 and 2004. In 2009, every household had a rubber plantation, an average of 9 ha per household. All plantations were under smallholder investment. - Villagers hope that they can earn high profits from rubber. However, they express their concerns over the price of rubber produce in the future. - Some villagers established informal deals with their relatives in other areas (such as Bokeo province) by providing rubber seedlings for their relatives and got some rubber plantations and land as a return.	-It is easy to get to the village. - There is no need for an interpreter. -It provides a case reflecting the active role of small farmers in rubber expansion. - It provides a case reflecting the links between cross-border connections and rubber expansion. - It provides a case reflecting the potential of small farmers in an attempt to transform themselves to the status of rural entrepreneur.	- Yao is not the main ethic group in Sing district.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Daen (An Akha village, Sing district)	- It is a resettlement village located near the Lao-Chinese border (about 18 kilometres from the district's centre). - The majority of households cannot access paddy. Thus shifting cultivation is still important for them. - Villagers have been involved in growing sugarcane under a contract relation with a Chinese trader since since the late 1990s. However, large areas of land which was previously used for sugarcane has now converted to rubber. - Villagers first planted rubber in 1997 with the inspiration from seeing the improvement of the lives of uplanders in China. However, most of the trees died in 2000 after heavy frost. The trees which have survived first gave rubber latex in 2003. Rubber produce is collected by Chinese traders. - From the early 2000s, rubber planted areas have significantly expanded. Some villagers can set their own plantation while others plant rubber under informal relations with Akha from China who provide the capital needed. - Around 200 ha of the village's communal land were taken by the Homeland Security Office at a provincial level who then passed land on to a Chinese rubber company. Villagers cannot oppose land seizure.	- It provides a case reflecting the links between cross-border connections, the state and rubber expansion. - It provides a case reflecting the role of the state in the penetration of the market in the frontiers. - It provides a case of the rubber expansion from different forms of investment (smallholder, informal deal between villagers and Akha from China, and a concession).	- There is a concern about potential impacts on research subjects. - There is a concern about travelling to the village. - An interpreter is needed.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Houay Luang Mai (An Akha village, Sing district).	- It is a resettlement village located close to the main road linking a town of Sing district and the Lao-Chinese border. - Some villagers, mostly those who moved to the current setting in the mid 1980s, can access paddy fields and some can have a rice surplus. Villagers who just relocated in the 2000s cannot have paddy fields and have to rely on shifting cultivation; many of them still face a rice shortage. - Villagers are intensively involved in the market. Many households have planted sugarcane under a contract relation with a Chinese investor. Villagers also often take NTFPs and their garden produce to sell in a market in China. - Villagers first set up rubber plantations in the early 2000s with their own investment. Most of the households have a rubber plantation.	- It can provide insights contributing to the debates on actors in the agrarian processes. -An intense level of market integration in the village provides good sets of data for comparison to those villages with a lower degree of market integration. - The pattern of investment in the village may prevent any potential impacts on research subjects.	- An interpreter may be needed to interview older villagers.

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Pha Lad (An Akha village, Long district).	- It is a resettlement village located near R17B which links Long district to Sing district and China. - While some villagers could access paddy fields, shifting cultivation is still important for the majority of the households. Around 30 out of 73 households face a rice shortage (about 3-4 months each year). - Villagers have begun involved in commercial crops but their produce is still very low. - NTFPs were the main sources of income for the villagers. - Villagers began planting rubber in the mid 2000s after they came back from a study tour to rubber plantations in Yunnan province (villagers asked the local state and NGOs to organise the study tour for them). - Some villagers set up a rubber nursery aiming to provide a supply of rubber seedlings. - There is a 100-hectare plantation of a Chinese rubber company established under the 1+4 contract relation. Some villagers said they had never agreed but they could not reject the company's proposal. - Some villagers said they have faced more pressures on accessing agricultural land as land has been taken by the company. - Some villagers are involved in wage labouring in the company's plantation.	- It can provide a case contributing to the debates on actors and agency in the agrarian processes. - The 1+4 contract system in the village may provide evidence about different impacts of the rubber boom on people's livelihoods compared to other forms of investment. - The village is easily accessible.	- There may be a need for an interpreter to interview elder villagers. .

Appendix 1 A summary of the surveyed villages *(continued)*

Villages	Overview	Advantages	Concerns
Baan Tao (an Aka village, Long district)	- It is a resettlement village located on the R17B. - Shifting cultivation is still the main agricultural system. A rice shortage is not uncommon. -Some villagers have set up sugarcane plantation under a contract relation with a Chinese investor but only on a relatively small area. - Other sources of income are NTFPs and wage labouring, mainly in the Chinese rubber plantations. - Villagers established their own plantations in 2006. - The village also allowed the Chinese company to set up a plantation under the 1+4 contract system. - Some villagers said that they did not want to give land to the company as they wanted to secure land for their upland rice cultivation or for their own investment. But they could not refuse the company's project. - Some villagers said they allowed the company to set up the plantation because the company will provide a road to their agricultural fields.	- It may provide data for understanding actors in the agrarian processes. - It may be a good example for a comparison between the investment under smallholders and the 2+3 contract systems.	- An interpreter is needed to interview older people. - Gaining access to the village is more difficult than Baan Pha Lad.

Appendix 1 A summary of the surveyed villages *(continued).*

Villages	Overview	Advantages	Concerns
Baan Kaem Khong (a Kui and Lahu village, Long district)	- It is a resettlement village located along the Mekong River, difficult to access. - Villagers could not access paddy thus shifting cultivation is very important for their livelihoods. - Due to the geographical setting of the village, the village's involvement in market is very low. - Villagers earn cash from selling NTFPs but this is in decline. - In 2009, villagers began working as wage labourers in the Chinese rubber plantations. This has become an important new source of income. - Villagers have set up rubber plantations under informal deals with a local investor. - Large areas of land in the areas have been given to a Chinese company's rubber plantations by the Army. Villagers, though they had been allocated land use rights by the local state authorities, were forced to give up their land. - Many households face a rice shortage more than 6 months per year. - Some households stopped practicing shifting cultivation due to the low fertility of available land.	- It may provide good evidence about the role of the state (from different agencies) and its relations to the market and people in the agrarian transformations. - It may be an interesting case for a comparison of the impacts of rubber expansion between the concession system and other forms of investment.	- Gaining access to the village is difficult. - An interpreter is needed.

Source: Fieldwork, 2009-2010

Appendix 2 Summary of missing data

Village	No of HHs	number of missing data										
		No of members	No of labourers	Livestock					Rice Sufficiency			
				pigs	chicken	ducks	cows/buffaloes		rice shortage (months)		rice surplus (tons)	
							BF rubber	2009/2010	BF rubber	2009	BF rubber	2009
Houay Luang Mai	25	0	0	0	0	0	0	0	0	0	0	0
Pha Lad	31	0	0	2	2	2	3	2	2	2	1	0
Don Tha	22	0	0	0	0	0	1	1	0	0	0	0
Kaem Khong	18	0	0	0	0	0	0	0	1	0	2	0

villages	No of HHs	number of missing data										
		agricultural land			cash crop production							
		paddy	swidden	rubber	sugarcane		corn		passion fruit		sesame	
					areas	produce	areas	produce	areas	produce	areas	produce
Houay Luang Mai	25	0	0	0	0	0	25	25	0	0	0	0
Pha Lad	31	1	1	0	0	0	31	31	0	0	0	0
Don Tha	22	0	1	0	0	0	22	22	0	0	0	0
Kaem Khong	18	0	0	0	0	0	0	0	0	0	0	0

Appendix 2 Summary of missing data *(continued)*

villages	No of HHs	number of missing data							
		upland rice cultivation						paddy 2009	
		BF rubber			2009				
		areas	Fallow periods	produce	areas	Fallow periods	produce	areas	
Houay Luang Mai	25	0	0	0	0	0	0	0	0
Pha Lad	31	1	0	1	0	0	0	0	0
Don Tha	22	0	1	2	0	0	0	0	0
Kaem Khong	18	0	1	1	0	0	0	0	0

villages	No of HHs	number of missing data									
		income									
		rice	sugarcane	corn	sesame	other crops	livestock	NTFPs	trading	wage	handicraft
Houay Luang Mai	25	0	0	0	0	0	0	0	0	0	0
Pha Lad	31	0	0	0	0	0	0	0	0	0	0
Don Tha	22	0	0	0	0	0	0	0	0	0	0
Kaem Khong	18	0	0	0	0	0	0	0	0	0	0

Appendix 3 A list of the 'elite' interviewees and informal meetings

Organisation	Position/Role	Date of interview
State agencies at the national level:		
The National Agricultural and Forestry Extension Service (NAFES)	Agricultural extension officer	9/09/2009
Department of Forestry, Ministry of Agriculture and Forestry	Senior officer	10/09/2009
Department of Agriculture, Ministry of Agriculture and Forestry	Senior officer	10/09/2009
Agriculture and Forestry Policy Research Centre, National Agriculture and Forestry Research Institute (NAFRI)	A policy researcher	11/09/2009
Research Division, The National Land Management Authority (NLMA)	Senior officer	15/07/2010
State agencies at the provincial level:		
Luang Namtha PAFO	Head of the PAFO (informal meetings) Deputy head of the PAFO Forestry officer	26/10/2009; 29/01/2010 24/09/2009; 3/12/2009 24/09/2009
State agencies at the district level:		
Long district:		
Long DAFO	Deputy head of DAFO DAFO senior official	1/02/2010 1/02/2010; 11/02/2010
Namtha district:		
Namtha DAFO	Senior officer	24/09/2009
Nalae district:		
Nalae DAFO	Deputy head of DAFO Senior official Official Forestry official	25/09/2009 31/08/2010 29/08/2010 05/12/2009
Nalae District Office	Senior official	30/08/2010

Appendix 3 A list of the 'elite' interviewees and informal meetings *(continued)*

Organisation	Position/Role	Date of interview
State agencies at the district level:		
Sing district:		
Sing DAFO	DAFO senior officials	20/12/2009
	Forestry official	29/12/2009
	Agricultural extension official	23/06/2010
Sing District Office	Deputy governor	26/06/2010
	Sing ex-governor (informal meeting)	26/06/2010
Sing Planning and Investment Office (PI)	Deputy head of Sing PI	25/06/2010
Sing Land Management Authority Office (LMA)	Deputy head of Sing LMA	25/06/2010
Business organisations:		
Luang Namtha Province:		
Friends of the Upland Farmers Company	The company's founder	12/08/2010
Long district:		
Rubber investment (local)	Local Investors who provided rubber seedlings for villagers in exchange for land	
	- Lue investor	10/02/2010
	- Tai *Daeng* (Red Tai) investor	11/02/2010
A Chinese rubber company	A member of the company's management team	11/02/2010
Agricultural investment under a contract system	Lue-Chinese investor who promoted villagers growing pumpkin under a contract system of relations)	11/02/2010
NTFP trade	A NTFP trader	10/03/2010
Nalae district:		
Rubber investment	Two local investors (ethnic Lao) who provided rubber seedlings for villagers in exchange for land	28/10/2009; 6//12/2009

Appendix 3 A list of the 'elite' interviewees and informal meetings *(continued)*

Organisation	Position/Role	Date of interview
Business organisations: ***Sing district:***		
Rubber investment (local)	Two investors (ethnic Lue) who provided rubber seedlings for villagers in exchange for land	22/12/2009; 23/06/2010
Rubber investment (joint investment between Lao-Chinese partners)	Lao partner who was responsible for documentary work and seeking land for the investment	25/06/2010
Rubber investment (non-local)	- Two Lue-Chinese investors who promoted villagers planting rubber under an informal contract system. - One Lue-Chinese investor who provided rubber seedlings for villagers under a formal contract system of relations	24/06/2010 29/06/2010
A Chinese restaurant and guesthouse	- Owner of a Chinese restaurant and guesthouse where Chinese investors gathered for meals and business dealing.	2/07/2010
A Chinese nightclub	-Owner of a Chinese nightclub	3/07/2010
Others (NGOs and academic): Faculty of Agriculture, NUOL	Associate Professor	8/09/2009
Faculty of Forestry, NUOL	Associate Professor who has conducted research on forest and land management, land use policy	11/09/2009
The International Union for Conservation of Nature (IUCN), Lao office	Business and Biodiversity Officer	14/09/2009
The Norwegian Church Aid (NCA)	A senior member of staff	04/02/2010

Appendix 4 An overview of Long, Nalae, and Sing districts

	Long district	Nalae district	Sing district
Geography[84]	- Mountainous areas account for 75 per cent of the district's total area. Around 1,500 ha of land can be used for paddy.	- Mountainous areas account for around 98 per cent of Nalae's total area, leaving only two per cent of flat land along the river Namtha for wet-rice cultivation.	- Mountainous areas account for around 85 per cent of the district's area. However, Sing is one of the two districts of the province (the other being Namtha district) which has large areas suitable for paddy (almost 5,000 hectares are used for paddy.
Population	- In 2008, Long was home to 30,928 inhabitants in 70 villages of which 30 per cent are located in mountainous areas. It has considerable ethnic, linguistic, and cultural diversity. The Akha are the major ethnic group accounting for 60 per cent of the total. Other major groups are Tai Lue, Tai Daeng, Kui, and Laen Taen.	- In 2009, Nalae was home to 22,526 inhabitants in 71 villages. The majority are Khmu, accounting for 85 per cent of the total population. The remainder belong to various lowland Tai ethnic groups.	- In 2008, Sing was home to 31,543 inhabitants in 94 villages. Two ethnic groups dominate the district's population: i) Akha, who live mainly in the mountainous areas and account for 50 per cent of the total; and ii) Tai Lue who occupy land in Sing's valley and make up around 30 per cent of the population. Sing is also home to Tai Dam, Tai Nue, Yao, Hmong, Phunoi, and Khmu ethnicities.

[84] There is probably some error on data over percentage of mountainous areas in Sing and Long districts as Long must have a higher percentage of mountainous areas than Sing district. I obtained these data from documents provided by DAFO officials from the two districts (Sing DAFO 2008; Long DAFO no date). It should also be noted that in the Lao PDR, there is concern over the accuracy of the data available.

Appendix 4 An overview of Long, Nalae, and Sing districts *(continued)*

	Long district	Nalae district	Sing district
Key state interventions	- A resettlement programme was heavily implemented aiming to stop shifting cultivation and eradicate opium cultivation; villages in the mountainous areas were the target. - Massive resettlement occurred in the early 2000s, resulting in a drop in the number of villages from 130 to 70 in 2009. These villagers have moved from the mountains to the lower slopes with easier access to the district centre (i.e. close to the main road or less than a day's walk to Long town). While the government promised to provide infrastructure (road access, water supply, schools, and so on) and new means of living (paddy) for relocated villages, the government has rarely been able to deliver on these promises. This has resulted in difficulties for the relocated villagers when they moved to their new setting in the lowlands: losing upland agricultural land while not having access to paddy has led to rice shortages, and a high mortality rate in the early years of the relocation.	- Nalae had a long history of resettlement, beginning just after the victory of the LPRP in 1975. Massive resettlement began from 1997 when several of the government's policies (opium eradication, stopping shifting cultivation, village consolidation) were launched. The number of villages dropped from 112 in 1997 to 71 villages in 2010. While it was claimed that the resettlement programme had improved the quality of life of the uplanders by moving them to areas where 'development' (roads, water supply, education, state services, and market access) could be delivered, it was often a traumatic experience. While the government promised to provide new agricultural land for villagers, Nalae's geography did not allow the government to keep its promises. Thus villagers in resettlement villages often have to go back to cultivate their original lands.	- A resettlement programme was introduced in the mid 1990s and continued until the mid 2000s. The programme resulted in a decline in the number of villages from 110 in 1995 to 94 in 2005. The number of Akha villages dropped around 20 per cent during this period. The decline was a result of a combination of the government induced resettlement programme and spontaneous resettlement of upland populations to lower slopes of the highlands or the periphery of Sing's valley. Relocated villagers in Sing district also faced quite similar traumas to the relocated villagers in Long and Nalae districts. The government did not provide the 'development' they promised for relocated villages. Villagers became more vulnerable to disease; and had only limited opportunities for alternative income generation. Many relocated Akha became an impoverished labour force exploited by the dominant Tai lowlanders.

Appendix 4 An overview of Long, Nalae, and Sing districts *(continued)*

	Long district	Nalae district	Sing district
Key state interventions *(continued).*	- Land Use Planning and Land Allocation Programme (LUP/LA) (see section 4.3.2.2 for an overview of the programme), was introduced into upland communities throughout the district in the early 2000s.	- The LUP/LA programme was carried out between the late 1990s and early 2000s. In some villages, the LUP/LA was introduced before the arrival of late comers, who were forced to relocate from their previous village under the resettlement programme, leading to discrepancies between households and allocated land and resources.	- The LUP/LA programme was introduced in the late 1990s and early 2000s. As in Nalae districts, late comers suffered.
Economy and market integration	- While Long district has some areas suitable for paddy, many resettlement villages have limited access to flat land and thus continue with their swidden agriculture. Upland households often experienced rice shortages but the situation has been generally better than for those in Nalae district. Collecting NTFPs is another significant contributor to people's livelihoods	- The majority of Nalae's inhabitants practice shifting cultivation and collect forest products for both household consumption and to earn cash. The major NTFPs are sugar palm fruits, red mushroom, cardamom, bark, and rattan. Many upland households use the cash earned from selling NTFPs to buy rice in times of shortage. The amount of NTFPs they can collect has dramatically dropped due to the decrease in forest areas, partly because large areas of forest have become rubber plantations.	- Shifting cultivation is the most important agricultural system practiced by uplanders, while paddy is practiced by lowlanders in Sing valley. In 2008, 73 per cent of the district's total households were sufficient in rice and three per cent had a rice surplus. Generally, Sing has a rice surplus which is exported to China via the border checkpoint in Pang Thong, about 12 kilometres from Sing's town.

Appendix 4 An overview of Long, Nalae, and Sing districts *(continued)*

	Long district	Nalae district	Sing district
Economy and market integration *(continued).*	- Long was a district where road access was very limited. The district however is linked to Thailand, Myanmar, and China through the Mekong River which was illegally used by traders to transport goods between Chiang Saen district[85] and Long, and Sing districts during the time that the border was closed. Since the reforms in 1986, a river port has been opened in Xiengkok and it has become a significant transhipment point for goods between Thailand and China. Opening the port was soon followed by the construction of road no. 17B connecting Xiengkok to China via the towns of Long and Sing (see Map 5.1). - The district has become an attractive area for Chinese investors since the mid 2000s, when they began to promote villager-based cassava and sugarcane plantations on the lower slopes under a contract system.	- Commercial crops in Nalae are very limited due to its geography with limited arable land cash cropping. - The high cost of transportation also makes Nalae unattractive for traders. In the mid-1990s, the FUF promoted cash crops in the villages along the main road. According to DAFO's staff who accompanied the company to the target villages, only 50 kilograms of maize seeds were provided for the whole district in the early days. In 2009, around 8 tons of maize seeds were grown, producing almost 2,000 tons of maize. Other cash crops produced in Nalae in 2009 included 300 tons of sweet corn, 48 tons of sesame, and 10 tons of peanuts, far less than the cash crops produced in Long and Sing districts.	- Sing's geographical setting permits the district's agriculture to be intensely integrated into the Chinese market. This began in the mid-1990s, when sugarcane was first planted under a contract system between villagers and a Chinese investor. In 2003, sugarcane was planted both in the Sing valley and in the peripheral area of the valley in an area totalling 680 hectares. Though Sing DAFO was hesitant to encourage villagers to establish more plantations due to uncertainty over the buying policies of the Chinese sugar factories, the area of sugarcane has constantly increased; it was almost 2,000 hectares in 2009. -The Sing valley has become a producing area for various kinds of vegetables (e.g. watermelon, pumpkin, chillies, beans, and garlic). These crops were first grown under a contract with the Chinese. Later, some localsbegan to grow crops using their own

[85] A border town of Thailand's Chiang Rai province which is located on the right hand side of the Mekong River opposite Ton Phueng district of Bokeo province. This is the nearest Thai town on the Mekong River from China and Long district.

Appendix 4 An overview of Long, Nalae, and Sing districts *(continued)*

	Long district	Nalae district	Sing district
Economy and market integration *(continued).*	Vegetable crops (such as pumpkin, chilli, bean and watermelon) were later promoted under a contract system on paddy fields after the rice harvest. Some villagers have followed investing their own capital to set up pumpkin or watermelon plantations. Some Chinese investors have rented land from villagers to set up crop plantations using both long-term and short-term rental arrangements for vegetable and fruit crops (such as banana, watermelon, pumpkin, chilli, and beans). - Long district is now an economic growth area. The Chinese have become new economic actors in the district. Two motorbike shops are run by Chinese entrepreneurs. One Chinese family runs a mobile-phone shop. In 2010, three out of six guesthouses in Long town were owned by Chinese; nearly 100 per cent of their customers were Chinese.	- The level of spatial and economic integration in Nalae is less intense compared to Long and Sing districts. Electricity arrived in the district town at the end of 2009. However, many villagers still cannot afford the cost of getting power into their houses. There is a morning market in the district centre (see picture 2) where people come to buy groceries and bring goods to sell (such as vegetables from their gardens or rice fields, NTFPs, fish, and poultry). There are approximately 30 small grocery shops in Nalae mostly located around the market. One Chinese investor recently opened a shop selling grocery items and mobile phones. Apart from three small noodle shops, Nalae has two restaurants which open occasionally when there is a group of visitors (state officials or development workers from outside the district).	capital. Some Chinese rent land from villagers and manage the plantation themselves; some hire villagers to work in their plantations and some use Chinese labourers. - Sing is the busiest town in Luang Namtha. It is a popular destination for foreign tourists who are attracted by its history and ethnic diversity. The number of tourists has dropped in recent years. In contrast, the number of investors, especially from China, has considerably increased. Some Chinese stop in Sing before going to other areas of the Lao PDR. Sing itself is also a destination for many Chinese who set up their own businesses ranging from various agricultural investments to running shops (groceries, cloth, mobile-phones, motorbikes, etc.). In 2010, there were at least 6 Chinese guesthouses, four Chinese restaurants and a Chinese nightclub.

Appendix 4 An overview of Long, Nalae, and Sing districts *(continued)*

	Long district	Nalae district	Sing district
Rubber plantations	- From the mid-2000s, Long district, as well as other districts in Luang Namtha, became one of the most attractive areas for investment in rubber plantations. It is estimated that around 15,000 hectares of land are now covered by rubber which is invested in various forms: smallholder investment, informal deals between an investor and villagers, contract relations under either the 2+3 or 1+4 system, and concessions. While rubber brought hope to villagers of a better life, it has also created conflicts both between investors and villagers, and among villagers themselves over land issues. Generally, investors obtain permission to establish plantations from the state authorities at higher levels in government. These were often granted without consultation with the local authorities. State officials at the local level expressed a feeling of frustration when they were asked to find land for the investors.	- In the mid-2000s, under the context of the rubber boom, the Luang Namtha provincial government considered rubber as a new route to resolving poverty in the province. Nalae government followed the policies originating from the provincial authorities in supporting villagers in setting up rubber plantations. Rubber shifted from the fifth priority to the first priority in Nalae DAFO's strategic plan. In this context, the Xiang Jiao company was allowed to operate in Nalae. After discussion with the district authorities, the company promoted rubber trees in 25 villages in 2006 before extending their operations to cover 29 villages in the following years. Though the main purpose of the promotion of rubber is to alleviate poverty, DAFO's staff members themselves admit that some of the poorest villages are not included in the project due to difficulties with access. Thus, most villages which participate in the project are located	-Rubber has become attractive for both lowland and upland populations in Sing. Sing DAFO first attempted to promote rubber in the 1990s after a study tour in Yunnan province by the district's senior officials. However, very few villagers responded to this effort. Many rubber trees died in 1999 due to frost. Rubber became of interest to Sing villagers in the early 2000s due to the increasing price of latex and positive reports from rubber farmers in Xishuangbanna prefecture, Yunnan province and Hmong villagers in Luangnamtha. Villagers began setting up plantations and the planted area increased rapidly from less than 100 hectares in 2003 to around 1,200 hectares two years later. The planted area had increased to 6,400 hectares by 2009. Most of the plantations in Sing district are based on farmers' own initiative and investment. There are several cases where outsiders have provided seedlings for villagers in the uplands in exchange for land

Appendix 4 An overview of Long, Nalae, and Sing districts *(continued)*

	Long district	Nalae district	Sing district
Rubber plantations *(continued).*		close to the main road. The Nalae DAFO records that in 2009, forty villages were involved in contract farming relations with the Chinese company covering an area of 1,925.5 hectares. There are also 252.5 hectares of trees planted under villagers' own investment, while the company established a further 320 hectares as a demonstration plantation.	from villagers. Around 500 hectares of plantation are operated under a 2+3 contract system with Chinese rubber companies. Three hundred hectares were granted to Chinese rubber companies to set up the plantations under a concession model.

Sources: Fieldwork, 2009–2010; Cohen(2000); Fujita et al (2006); Daviau (2006); Manivong et al (2003); Romagny and Daviau(2003); RDMA (2007); (no date); Sing DAFO(2008)

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