

# 'Voluntary' Migration in Lao People's Democratic Republic

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**Summary:** Through relocation policies, the Government of Lao PDR seeks to transform what it considers to be a traditional, rural economy into a modernised market-oriented system by eradicating shifting cultivation, changing the way that land is allocated and by reaching communities. It intends for this to take place alongside providing improved access to roads, markets and government services and promoting new opportunities, including plantation based cash crop production ( Bechstedt et al. 2007). This policy brief focuses on these relocation policies and their apparent results.

## 1. Introduction

The Government of Lao People's Democratic Republic (PDR) (GoL) seeks to transform what it considers to be a traditional, rural economy into a modernised, market-oriented system by eradicating shifting cultivation, changing the way that land is allocated and by relocating communities. It intends for this to take place alongside providing improved access to roads, markets and government services and promoting new opportunities, including plantation-based cash crop production (Bechstedt et al., 2007). This case study focuses on relocation policies and their apparent results.

The first section of the brief briefly outlines the development, poverty and inequality context in Lao PDR. The second section examines the regional inequality context in Lao PDR. The third section discuss the GoL's relocation policies and their apparent results.

## 2. Development, poverty and inequality in Lao PDR

Lao PDR is landlocked, sparsely populated (5.6 million people spread over 236,800 km<sup>2</sup> (World Bank, 2007a) and ethnically diverse<sup>1</sup>. The economy has grown strongly for more than a decade, with real GDP growing by an annual average of 6.3%, hitting 7.6% in 2006. Exports grew at around 15% a year; agriculture grew rapidly as did industry and services (World Bank, 2007a).

Lao PDR has significant natural resources like forestry, minerals and hydro-electric power and it is the hydropower and mining sectors that have been the main drivers of growth. Non-resource sectors contribution to growth has increased by 0.5% and comes mainly from agriculture and tourism, with some from emerging processing industries (World Bank, 2007a). Although agriculture has declined in importance, it is still the most important sector, contributing around 45% of GDP (2005) and employing nearly 80% of the labour force; industry accounts for just over 29% and services for nearly 26% (World Bank, 2007a).

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<sup>1</sup> There is no majority ethnic group, although the lowland Lao ethnic group (one third of the population) is politically dominant and other likewise Tai-speaking groups make up about 37% of the country's total population (Bechstedt et al., 2007:21).

Lao PDR is still one of the poorest countries in the world and is ranked 133 of 177 in terms of human development (UNDP, 2006). It is also one of the poorest countries in East Asia, with an estimated per capital income of US\$460 (2005) (World Bank, 2007a), and although social indicators have also improved, they are still the lowest in the region (World Bank, 2007a). Around 23% of the population are severely poor (living on less than US\$1/ day) and 71% are poor (living on less than US\$2/ day) (World Bank, 2007a) and this is following a substantial decline in poverty over the last ten years<sup>2</sup>. The pattern of growth has meant that poverty reduction, at an estimated 1% per year, has not kept pace with economic growth (Kakwani et al. 2001 in Bechstedt et al., 2007:21).

Lao PDR performs more poorly than other countries in East Asia on a number of key indicators: life expectancy is 55 years compared to a regional average of 70; the primary school net enrolment rate is 84% compared to the region's 99%; and child mortality, at 98 per 1,000, is more than double the regional average of 37. Examining these indicators, the UNDP and ADB categorised Lao PDR in 2006 as a country of great concern and identified the need for significant investment in education infrastructure and the agricultural sectors (UN, 2007).

Analysis of the Lao PDR Expenditure and Consumption Survey 2002/03 shows that poor households are characterised by large household size, high dependency ratios, low levels of human capital, simple technology, limited access to agricultural inputs, and unfavourable locational characteristics (poor access to essential infrastructure and health services) (Bechstedt et al., 2007:45).

Various participatory studies identify that inadequate land, particularly for growing rice for home consumption, is a key driver of poverty, followed by livestock diseases, and, in upland areas, environmental degradation/ poor access to forest resources. As a result poor people in upland forest areas often suffer from food shortage and malnutrition is widespread amongst poor rural women and children. Upland farmers have little negotiating power with agro-traders and receive low farm-gate prices. These problems are compounded by poor market access, poor road conditions, remoteness, lack of income/ food, indebtedness and lack of money to invest (Bechstedt et al., 2007:22). A decline in key natural resources is seen as an important driver of poverty. Declines can result from environmental shocks (floods, droughts, livestock deaths), household shocks (illness, death) or policy changes (land allocation, resettlement, attempts to 'stabilize' shifting cultivation) (Bechstedt et al., 2007:21).

Table 1 highlights key development indicators for Lao PDR, indicating how they have changes over the last decade and a half.

**Table 1: Lao PDR Key Development Indicators**

Indicators	1992/93	2004/05
GNI per capita (Atlas method, US\$)	290	460
Inflation (CPI, average annual rate, %)	6.3	7.2
External debt (% of GNI)	148.8	111.1
Poverty incidence (% below national poverty line)	46	31
Primary school enrolment (% of age group)	58 (1991)	84

<sup>2</sup> In 1992/93 about 46% of the population was below the national poverty line (US\$1.5), but by 2002/03 this had fallen to 33.5% (World Bank, 2007a).

Under-five child mortality rate (per 1,000)	163 (1990)	70
Population (millions)	4.4	5.6
Population growth rate (% per year)	2.5	2.0

Source: World Bank, *World Development Indicators*, 2005 census.

### 3. Regional inequality in Lao PDR

Inequality in Lao PDR has increased, with the national consumption of the poorest 20% falling from 9.3% in 1992 to 8.5% in 2003 (Bechstedt et al., 2007:21). Poverty has a regional dimension in Lao PDR, with poverty heavily concentrated in upland areas inhabited largely by remote ethnic minority communities. In these areas, living conditions are poor and human capabilities are low - particularly in the more isolated areas (UN, 2007). These areas correspond with the 72 districts identified as poor (see Annex 1) and the 47 identified as being the poorest (Bechstedt et al., 2007:13).<sup>3</sup> Ethnic minority status is a proxy for remoteness. People in upland remote areas are much more likely to be from a minority group. They are more likely to be poor than those from the dominant (Lao and other Tai) groups<sup>4</sup> (Bechstedt et al., 2007:22). Educational outcomes are particularly low in remote, upland areas, due to a complex set of reasons. Some parents do not see the advantage of educating their children, as they will lose their income and quality of education is low<sup>5</sup>. Other challenges include language barriers and the cost of school supplies. There are substantial gender gaps in literacy and they are widening in rural areas (Bechstedt et al., 2007:22). The government policy of focusing on 'priority districts' has not been able to reduce wide variations in primary and secondary enrolment rates between and among priority and non-priority districts (Bechstedt et al., 2007:18). There is a shortage of qualified health staff and resources, particularly in priority districts. Gaps in government funding to the health sector is topped up by donors, particularly through projects in priority districts, but mortality rates are high and particularly so among non-Lao minorities and recently resettled villagers (Bechstedt et al., 2007:18). Under five mortality rates are also much higher amongst ethnic minority groups<sup>6</sup> (ibid.:23). Most people living in upland forests in Lao PDR practice swidden (slash-and-burn, shifting) cultivation to produce upland rice and other crops and raise livestock. When experiencing rice shortages they collect wild products or generate income by selling non-timber forest products, small livestock, handicrafts, or by hiring out family labour to better-off farmers in their own or nearby villages (Bechstedt et al., 2007:43).

### 4. Policy response

The GoL recognises these regional inequalities across human development dimensions. Focal Area Development is one of the policies adopted in the GoL's National Growth and Poverty Eradication Strategy (NGPES) to reduce rural poverty and as a result lessen

<sup>3</sup> The poorest 47 Districts are 80% or more ethnic minority areas.

<sup>4</sup> The Lao/Tai groups form two thirds of the country's population but only one fifth of the people living in poverty. Mon-Khmer speakers (e.g. the Khmu) form less than a quarter of the total population but over half (55%) of the people living in poverty. Hmong-Mien speakers are also over represented amongst the poor (Bechstedt et al., 2007:22).

<sup>5</sup> There are too few teachers, leading to overcrowded classrooms. Many teachers are not fully qualified and are demotivated by irregular salary payments. Schools are poorly resourced and recurrent costs are covered by donors or parents (Bechstedt et al., 2007:22).

<sup>6</sup> In Xieng Kuang and Oudomxay Provinces estimates suggest that mortality rates for Lao-Thai groups is much lower (141.3) than for Hmong-Mien and Tibeto-Burman (146.3) or Mon-Khmer (222.8) (Bechstedt et al., 2007:23).

regional inequalities<sup>7</sup>. This policy is the GoL's main strategy for rural upland development and pilots systematic and coordinated implementation of services. Disbursed villages are 'consolidated' and/or moved to areas identified for development. This aims to improve service delivery to the rural population (including education and health, water and sanitation, agricultural services, electricity and roads, institutional capacity building and improved market access). Further aims are to relocate upland villages to lowland areas in order to help 'stabilise' shifting cultivation, eradicate opium production, extend administrative control by consolidating villages into larger units, foster the cultural integration of ethnic minorities into Lao society and resettle villagers with a history of armed rebellion (Bechstedt et al., 2007). It is hoped by providing services and encouraging the production of commercial crops that farmers will transition from subsistence to market-oriented production. Alongside these complex and perhaps competing objectives, the Lao government recognises the need for communities to participate in the decision-making process to ensure that resettlement does not cause hardship (GoL, 2003: 57)

Despite unease about the possibly coerced resettlement that his policy results in, the focal area development approach has generally been supported by major international organisations and has only taken off in districts where donors have provided support. Support has come from World Bank, ADB, IFAD, UNDP, UNICEF, UNCDF, WFP, and FAO (Bechstedt et al., 2007:58)

The government finds it difficult to meet the needs of large numbers of spontaneous migrants and prefers to plan migration<sup>8</sup>. Resettlement is not a formal GoL policy, however, the implementation of other policies (preventing poppy cultivation, preventing shifting cultivation, village consolidation, the development of Focal Development Areas) makes resettlement almost inevitable.

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<sup>7</sup> The strategy was begun in 1994 under the National Development Programme. By 1997 62 focal sites had been identified throughout the country, with an average of 16 villages and 5,200 people per site. The National Growth and Poverty Eradication Strategy (the Lao PRS) identified the focal site approach as the basis of the Government's rural development strategy.

<sup>8</sup> Forced resettlement has a long history in Lao PDR and South East Asia more generally, during war or to gain political control over populations. Voluntary migration is also widespread – pioneers in shifting cultivation, in response to epidemics, fires or conflict. Between 1975 and the 1990s government sponsored relocations aimed to repopulate regions abandoned during conflict, relocate people for security reasons and improve the control of territory. Since the 1990s the state has invested more heavily in infrastructure and has attempted to integrate lowland and upland populations more thoroughly. Movements of upland populations has inevitably led to changes in their way of life (Bechstedt et al., 2007:47).

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## 5. Impact

*'No one likes to destroy his/her own house, and most families had all they needed up there. They know where to find tubers, bamboo shoots and snails, they can even make clothes from nature, no need for cash! There are no conflicts up there, all know each other and there is peace....Many families had all they needed up there. Then people must leave fruit trees and gardens, sometimes even paddy lands behind in their old village and pay a heavy transport cost to move on down.'*  
(Acknowledgement by an Irrigation Officer from Paxan District in Bechstedt et al., 2007:52)

All resettlement in Lao PDR is nominally voluntary rather than forced. But banning shifting cultivation and opium cultivation and destroying forests reduces livelihood options to such an extent that upland communities have little choice but to move. Volunteering is encouraged by 'resettlement agents' who visit villages and stay, at their expense, until the village agrees to move. Membership of 'mass organisations' is withheld, the village head is not longer recognised and public infrastructure (schools, health centres etc) are dismantled to put pressure on communities (Bechstedt et al., 2007:56-57). Also, despite the stated policy, communities are not involved in identifying Focal Area sites. Sites are instead chosen by District and Provincial authorities.

Displacement of upland communities is towards the lowland areas and alongside roads. However, below 80% of the 'receiving' sites have (1) sufficient land for production and housing; (2) road access to markets, and (3) an area for school construction. Some sites are in poor, politically 'sensitive' areas, with low development potential (Bechstedt et al., 2007:48-49).

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Communities have rarely received compensation, advice or support to help them to adjust to their new environment (Bechstedt et al., 2007:52). Relocation without compensation or support and the paucity of their new locations has resulted in adverse consequences, including the loss of assets in terms of land and forest resources, livestock (through diseases), increased poverty and food insecurity, higher mortality rates<sup>12</sup>, reduced community cohesion and conflicts between old and new settlers. Resettled households have found that the abrupt change in livelihood strategy, from semi-subsistence to cash crop production, has increased their vulnerability and that this has been intensified by a drop in farm-gate prices for maize and soybean<sup>13</sup> (Bechstedt et al., 2007:17). The second round of the PPA found that women, experiencing impoverishment following relocation, hire out their labour to domestic employers, migrate to Thailand or get drawn into prostitution (NSC/ADB, 2006 in Bechstedt et al., 2007:24). Also, despite access to roads and markets, resettled villagers have a poorer diet than those who have remained in their remote upland homes (Bechstedt et al., 2007:17).

Ethnic minority migrants to lowland areas find that the indigenous technical knowledge that they have accumulated over generations is not useful in their new setting. People take time to adapt to their new surroundings and their poor understanding of their new context and production systems has led to low levels of productivity, insecure livelihoods, food insecurity and income poverty (Bechstedt et al., 2007:39). Changed livelihoods and the lack of access to non-timber forest products has led to a worsening of diet<sup>14</sup> and people also find their social capital degraded. A high proportion can expect to be trapped in chronic poverty for an extended period.

The change in livelihoods (from largely self provisioning to producing crops for market and relying on purchased rice) has exposed farmers to seasonal price variability and increased food insecurity (Bechstedt et al., 2007:52). The loss of land and the cost of moving had increased short-term vulnerability<sup>15</sup>, and the change from upland to lowland rice production has reduced total rice production and extended the 'hungry season' experienced by poor producers (Goudineau, 1997 in Bechstedt et al., 2007:54). In some cases resettled villagers have formed the lowest social strata when they join established villages with other ethnic groups (e.g. Khmu, Xiangmoon and Hmong joining Lao and Phou Thai villagers). Without adequate land, they become casual labourers for Lao and Phou Thai farmers

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<sup>12</sup> Morbidity and mortality is higher for both people and animals in resettled villages. In Long District, Luang Namtha, for example, resettled villages face an average of 4% mortality rate against 2.3% in upland villages (Bechstedt et al., 2007:23). During the first three years after resettlement, communities have a much higher level of morbidity, with immune systems suppressed by malnutrition and exposure to unfamiliar diseases, with up to 30% dying, particularly of malaria (Goudineau, 1997:28 in Bechstedt et al., 2007:56). Poor health following resettlement is partly due to the change in climate but resettlement sites commonly have inadequate drinking water.

<sup>13</sup> Because of the low farm-gate prices that farmers are able to secure for the marketable surpluses that they produce, many upland farmers are reluctant to abandon production for home consumption and the collection of non-timber forest products. Reliance purely on markets would make them extremely vulnerable (Bechstedt et al., 2007:60).

<sup>14</sup> An ethnographic study of four Katu villages in Sekong Province (two mountain, two resettled lowland) found that people in the mountain villages had a better diet, and fewer children suffered from stunting and wasting, despite lacking access to infrastructure, markets and government services (Kahn, 2005 in Bechstedt et al., 2007:55).

<sup>15</sup> A UNDP study found that resettled villages were much poorer than they had been and the lack of land in the new sites led to conflicts with earlier settlers (Alton, 2004 in Bechstedt et al., 2007:55). A study of 18 resettled villages in Nalae District, Luang Namtha Province found that the costs of resettlement (estimated to be US\$1,663, excluding the value of land left behind) directly increase short term vulnerability (Daviau, 2006 in Bechstedt et al., 2007:55).

(proletarianisation) and are not represented in village committees and other public bodies (Bechstedt et al., 2007:51). Adverse incorporation, marginalisation and community level conflict is also reported as a consequence of resettlement<sup>16</sup>

**Table 2: The advantages and disadvantages of resettlement**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Roads – improving access to fields and water sources and making it easier for friends and relatives to visit</li> <li>• Schools</li> <li>• Health centres;</li> <li>• Electricity;</li> <li>• Improved marketing opportunities - visits by traders and sale of cash crops.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of land – given insufficient and unfertile land</li> <li>• Different agro-ecological zone</li> <li>• Increased food insecurity</li> <li>• Compelled to grow commercial crops (maize, soybean)</li> <li>• Low market price for commercial crops</li> </ul>

Source: Participatory Poverty Assessment, State Planning Committee, et al., 2001

The first participatory poverty assessment in Lao PDR found that in many rural people described themselves as newly poor and explained that their worsening situation was a result of land and forest allocation and village relocation as a direct cause (State Planning Committee, et al. 2001 in Bechstedt et al., 2007:54).

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<sup>16</sup> A survey of 40 forest-based mountain villages in the Akha highlands explored the impact of resettlement and the eradication of opium poppy and shifting cultivation. It found that these policies had resulted in social, physical and economic hardship and had increased morbidity and mortality, poverty, proletarianisation and adverse incorporation, intra-village competition and marginalisation (Ducourtieux, 2004 in Bechstedt et al., 2007:54).

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Annex 1

