

Participatory Poverty Assessment

Lao PDR

**State Planning Committee National Statistic
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Executive Summary

Chapter 1- Introduction: Aspects of Poverty Assessment

1. Assessing and analyzing poverty in the culturally diverse nation of the Lao PDR and the intellectually diverse climate of multidisciplinary research is a holistic endeavor. Varied definitions of poverty, a narrowing of the qualitative-quantitative gap, epistemological influences, and political concerns, all lead to a concept of poverty that is open, fluid and subject to many influences. In this context, the most reliable source of information on poverty is taken to be the poor themselves, and the object of the PPA is to approach analysis in a way that can benefit from the insights and analytical capabilities of the poor as a foundation in assessment. Based upon the assumption of the wholeness of villages and ethnicities, indigenous categories of poverty, definitions, causality, and solutions may be assumed to possess additional validity and unity of purpose as they are systemically grounded in locally defined units.
2. The PPA sampling procedure selected villages of fifty ethnic minorities from around the country. To better capture the geographical, cultural and historical diversity a system of four regions was adopted consisting of North, East, Central, and South.

Chapter 2 - The PPA: A General Overview

3. The Participatory Poverty Assessment's (PPA's) purpose to record the experiences and concerns of the poor in order to initiate and identify more effective forms of poverty alleviation has been accomplished by combining different forms of knowledge (statistical, cultural, anthropological, institutional, economic etc.,) to understand the views of poor. An institutional process has been promoted to ensure that the view "from below" is incorporated into the formulation and implementation of public policies. Specific follow-up action has been initiated, and the capacity for participatory research and process management needed for sustainability has been consolidated.
4. The National Statistics Center of the State Planning Committee undertook the appointment of the National Technical Advisor (NSC) and the appointment and supervision of the implementation advisor (Consultant). In addition they facilitated training of the field staff; consolidated reports into a national document; acted as the secretariat for National Steering Committee and provided coordination to ensure all meetings/workshops were fully documented for public dissemination and feedback.
5. A unique feature of the PPA is the interaction between the qualitative and the quantitative approaches, conceived not as a relationship of dependency, but rather one of interacting symmetry. This interaction began on a national scale with the district selection procedure for the PPA sites utilizing a matching process of statistical analyses and purposive selection of districts by the provinces to arrive at the initial set. continued interaction between the two approaches has relied upon (1) the degree to which the two types of information are comparable; (2) areas in which results of the two studies complement each other or help fill out the whole picture; (3) areas where one set of information agrees

- with or supports the other; and (4) areas where one set of information disagrees with that of the other.
6. For purposes of analysis there are several reasons why a village focus is preferable to households as the primary unit. First of all, villager definitions of poverty are livelihood-based and poverty alleviation which would theoretically be livelihood-based as well can be targeted more readily at village level units. Second, poorer families within villages tend to be poor for non-livelihood reasons, widow, widower, orphaned, or handicapped, and there are usually village level means of assistance for these families in place. Third, traditional villages function as unified wholes, and poverty alleviation programs are more efficiently implemented at this level.
 7. To successfully target for poverty alleviation, definitions of poverty are premised on indigenous categories and causes. The poor of Laos are sophisticated in the art of reflection and self-analysis. They are pragmatic and realistic. And they are keen analysts of the environment within which they reside. It is presupposed by the PPA that indigenous knowledge of poverty is consequently more astute and informative than data gathered by external means and its utilization in targeting eliminates the risk of misinterpretations by outsiders which may result from differences in language and culture. Furthermore, alleviation of poverty conditions upon which villagers are in agreement will ensure cooperation and participation in programs targeted on this basis.
 8. It was found that the PPA is also capable of focusing on problems which arise in the transitional gaps between subsistence and development. This is an area often ignored by economists because it is messy and difficult to measure. And yet this is the locus of poverty in the Lao PDR today. The poor in rural Laos are not starving, they have survived traumatic upheavals through reliance on an abundance of natural resources. But this is not a sustainable situation. At the same time it would be ironic if the poor of Laos were to endure continued poverty because transitional gaps are ignored based on experience in other more highly populated countries.
 9. Attitudinally speaking, it was found that the poor of Laos are not against change and economic growth. As will be seen in Chapter 4, upland peoples are maximizers by tradition. But economic growth for these peoples must begin within the boundaries of their cosmologies and worldviews, and the decisions should ultimately be theirs. Economic growth is not synonymous with, and need not imply, cultural change except in the most superficial interpretation of that expression as it may relate to the material.

Chapter 3 - PPA Methodology

10. The objective of the PPA is to define, in a manner that is representative of the country as a whole, what poverty means to the poor themselves, what they experience in their own words, what causes they identify for poverty, and what their recommendations are for the alleviation of poverty. The high degree of human and biological diversity that exists in the country, however, implies a methodology that is itself diverse, and that is capable and flexible enough to respond to the needs of the subject.
11. Participatory research is interpreted here as applied qualitative social research. It is critical and interpretive but seeks to avoid the polarized extremes of anything-goes

- postmodernism or doctrinaire positivism. The epistemology of the PPA is essentially that of anthropology in the sense of its being concerned with the practical explication of people's thoughts and actions.
12. The primary investigators for the PPA were ethnically Hmong, Tai Dam, and Lao, and the ethnicities of the villages selected numbered fifty. At the level of the Central Steering Committee were representatives of the State Planning Committee, the Central Leading Committee for Rural Development, the Lao Women's Union (LWU), and the Lao Front for National Construction (LFNC), all of whom assisted in the research design and accompanied the field teams on much of the study. At the provincial level, one or two members of the provincial offices of Health, Education, or Agriculture were added to the teams. Finally, one member each from the LWU and LFNC were added at the district. At each successive level of participation, more ethnic groups were represented. Educational backgrounds of the teams were many and varied as well: some were educated in Laos, some from France, some from Russia, some from China, some from Vietnam, some from other locations.
 13. The only methodological requisite during poverty dialogues in the villages, apart from the agreement to enter into a dialog, was that all levels of participants were asked to take notes so that many viewpoints and interpretations of what was taking place were represented and available for analysis.
 14. The interpretation and analysis of the data has taken place in three stages: (1) periodic consultations carried out by the team members while in the field, on the road, at the hotel, etc. which revisit the village interactions, append new ideas, discuss nuances, make factual corrections, and generally advance the thinking for future reference; (2) compilation by the team leaders of the material into village profiles taking into consideration all views and information; (3) analysis of the village profiles into a coherent representation of poverty as viewed by the villager participants in the assessment.
 15. Site selection used both a statistical selection of the districts based on the LECS 2 household survey, and a query to each province as to the poor districts. Where districts selected by the two methods overlapped, those districts were chosen as the base set. These were later refined at provincial workshops, and villages were selected in consultation with district committees. An additional decision was made to include all provinces, including those where no district was selected by the statistical method. In the end, 43 districts and 84 rural villages were included in the assessment. It was felt by the team members, the steering committee, and the technical committee that the widespread distribution of the villages coupled with their socio-cultural diversity provided an exceptionally good representation of poor villages in the Lao PDR.

Chapter 4 - Culture and Poverty

16. In the Lao PDR, a country with over 230 ethnic groups, the importance of culture cannot be overestimated. Ethnolinguistic diversity is a strength, and in the parlance of the World Bank each of the multitude of ethnic groups may be considered cultural assets in the sense that there is strength in uniqueness and diversity (following the analogy to biological or farming system diversity), and that there is a repository of indigenous knowledge that has not been tapped.

17. In Laos, the cultural domains represented by the main ethnolinguistic distinctions are broadly separable into highland and lowland, with the Tai-Kadai groups inhabiting the lowlands and cultivating paddy rice, the Mon-Khmer, Hmong-Mien, and Tibeto-Burman groups living in the mountains and practicing swidden agriculture. The highlands must then be further subdivided into the spatial realms of the latter three types. Together these four worlds overlie a labyrinthine topography through an intricate set of localized adaptations, which are the product of thousands of years of evolution.
18. From the outset of the PPA, beginning with the site selection process it was evident that poverty in the Lao PDR is inextricably related to culture and ethnicity, and that furthermore its locus is with highlanders. As shown in Table 4.2 below, Mon-Khmer groups are the poorest and represent fully 56 percent of the sample, compared to ethnic Lao who represented only seven percent of the sample out of an estimated 30 percent of the population. Furthermore the ethnic Lao villages assessed were found to be only temporarily in a poor state due a long spell of bad weather which had affected yields in an otherwise fertile and spacious area of the far south. In the case of the Tai-Thay villages, for the most part (with the exception of Borikhamxay) these are located in How Phanh where land is collectivized by the Province and farmers are not willing to make investments in land currently under cultivation or to open new paddy for fear it will be reallocated livestock are possessed of souls, and when the balances between humans and spirits is upset, misfortune, that is to say, poverty, results to someone else. In other words, lowland poverty (not including urban poverty) is the exception and not the rule. Poverty in the Lao PDR, therefore, cannot be studied without reference to culture.
19. Mountain ecosystems are fragile and livelihoods are heavily dependant on soil regeneration made possible by long fallow periods and nutrient recycling in swidden cultivation cycles. There are advantages, however, including the morning mists which bring water to fruits and vegetables, clean water lack of malaria, and healthy livestock, Swiddening is in the fact the oldest sustainable form of tropical agriculture in the world, and traditional societies in Southeast Asia have existed in this way for thousands of years, the arrangement of diverse arrays of crops in the fields mimicking the composition of forest.
20. At the heart of the relation between culture and poverty is a feature of culture that is usually ignored in development contexts. Condominas (1986), who established new standards in Southeast Asian ethnography with his classic studies of the Mnong Gar swiddeners in the adjacent country of Vietnam, coined the term 'ritual technology' to account for the inseparability of material and spiritual culture in agricultural work, which is to say, he would remind us, life itself. This is a critical issue, for the common tread to dissociate the two, leads to indescribable pathologies in society well-attested in the annals of economic development. Condominas pointed out that the burning of a swidden field in a way that leaves the least rubble (an hence the least labor inputs afterwards) is an undertaking that requires both technological skill and the assistance of the village population, the spirits of the forest, the ancestors, and even the spirit of the rice itself. They are inseparable. Hence the term 'ritual technology'.
21. Cosmologies and ritual technology reside at the level of cultural premises underlying production. For evolutionary and environmental reasons, for lowland paddy cultivators the production of "enough" is ideal, whereas highlanders are maximizers. And among the highlanders of the Hmong-Mien and Tibeto-Burman groups, where maximization is

realized in terms of production and labor outputs. They have arrived in Laos relatively recently from more northerly climes, and must be distinguished from the Mon-Khmers, original inhabitants, whose maximization tends to take the form of encouraging natural abundance. Both groups, however, share the propensity for feasting in almost potlatch style traditions in competition for the acquisition of ritual status both in this life and in the next.

22. Relating culture and poverty is not a simple undertaking because it is a factor of the degree to which a diverse array of systemic wholes have been disrupted by outside forces. When such events occur and the structures of ritual technologies are no longer viable, poverty may result; from loss of indigenous knowledge, from loss of morale, or generally from loss of strategies for adaptation and survival which may be intimately connected to particular niches.
23. Therefore caution must be advised in attempting a too physical view of poverty. Culture is a mental process, and because it is more difficult to observe than physical circumstances does not mean that it is any less real or any less subject to upheaval. From the perspective of the PPA, the relationship of culture and poverty is thus the most important aspect of poverty in Laos because it underlies, or is prior to, all aspects of livelihood, in particular rice production and livestock, in both the physical and spiritual aspects of these terms. These in turn relate directly to other aspects of development such as health, education and gender.

Chapter 5 - What is Poverty?

24. The primary aspects of livelihood that signify well-being in all villages are the degree of rice sufficiency and the number of livestock, especially cows and buffaloes. Thus when these are perceived to be in decline, they are also the primary signifiers of poverty. For all groups, rice and livestock are possessed of souls, and when the balances between humans and spirits is upset, misfortune, that is to say, poverty, results.
25. Accompanying the primary signifiers of poverty are secondary effects: protracted problems with land and water which affect rice yields; diseases which affect livestock poor health which affects labor supply. Villagers work harder in unproductive fields for smaller returns, the yields of the swiddens are disproportionate to the amount of labor expended, usually because of soil depletion resulting from reduced fallows. At the same time, status symbols of the modern world are creeping into the market and other peripheries of village experience. These, along with expenses for school and medicine, place additional pressures on enfeebled livelihood systems which are deteriorating just at a time when they are in need of fortification.
26. Decreases in rice or livestock represent disturbances in the balance of the whole system which need to be corrected by ritual as well as by physical means. The essence of poverty, for villagers in the PPA, is the inability to make the necessary corrections, and the painful awareness of this reality.

27. From the point of view of the villagers in the PPA, the fundamental causes of poverty in Laos are those which affect livestock and rice yields. These causes may take the form of natural disasters such as floods or drought, or of manmade traumas introduced through poor implementation of projects or programs, especially those which affect ecological systems or agroecosystems of subsistence farmers, or the area of production land over the long term. Of the various programs, the one most frequently identified by villagers throughout the PPA was Land-Forest Allocation. This has led to shortened fallow cycles and directly or indirectly to soil degeneration, lack of biodiversity through habitat loss of varied fallow forest types, over-hunting of wildlife, especially predators, and excess gathering of forest products, leading to epidemics of crop pests, and ultimately exponential decreases of rice yields.
28. Disease and lack of veterinary services has led to loss of livestock to epidemics. Livestock play an indispensable role in villages as a social safety net. They can be sold to purchase rice when yields are low, sacrificed in times of illness providing protein to the sick, sold to pay for medical costs in cases of severe illness, or sacrificed at special ceremonies providing spiritual protection for the village and for individual families.
29. The combination of low rice yields plus livestock disease thus places a double strain on villagers leaving them with no recourse other than the increased exploitation of natural resources or performing labor for other villages in exchange for rice or cash with which to purchase rice.
30. Lack of technical knowledge ranks high in the lists of priorities, while lack of formal education ranks low. In other words, in those areas where livelihood concerns remain high, it is technical knowledge that is more highly valued. A related theme that was brought out in all regions is the lack of commercial knowledge, of how to buy and sell and compete in the marketplace. Since most of the poor are ethnic minorities, they have less exposure to lowland style markets. They tend to sell their produce at low prices to experienced marketeers and are perceived as gullible by the lowlanders. They also have little experience with bargaining.
31. Most of the solutions suggested by villagers relate directly to causation. They also reflect a need to modify livelihoods away from subsistence in the direction of surpluses in order to meet cash needs for the new market, but in so doing disclose the difficulties in making the transition when constrained by a subsistence cosmology.
32. In general, the main priorities for solutions are still centered around land and livestock, but with the added features of irrigation for paddy expansion and cash cropping, which can be interpreted as the beginnings of a trend towards realizing needs for economic growth beyond subsistence. Also reflected here is mindfulness on the part of the poor that they are unable to effect many kinds of solutions on their own, and thus preference is given to solutions which can be achieved with minimal outside inputs. Irrigation, for example, implies government assistance, and cash cropping requires new technical knowledge which cannot be acquired independently. But a review of land allocation, or livestock vaccinations are areas where in the eyes of villagers, a little effort can go a long way. That having been said, roads, water supply, and hospitals still ranked high in the discussions, second only to land and livestock. In the South roads were the primary solution followed by irrigation.

Agricultural extension services also ranked high overall.

33. From the point of view of the villagers in the assessment it is clear that poverty in Laos is 'new poverty,' not an endemic condition. Poverty is the result of events external to the villager over which he or she has no control, especially, weather, war, resettlement, poorly implemented development programs, and livestock disease. And, because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma, etc., and hence its substance is both physical and spiritual. Also, poverty in Laos is not synonymous with hunger. Abundant natural resources have provided sustenance for poor villagers but these resources are showing signs of dwindling through over-exploitation in search of food or cash with which to purchase food and to meet the new expenses associated with health, education and the market. Some poor villagers have become depressed, despondent or have turned to opium, but the overwhelming majority of the poor are trying to make the most of a bad situation, and still live in hope of finding solutions to their livelihood problems.

Chapter 6 - Livelihood

34. Livelihood systems in Laos may be said to comprise (1) cultural beliefs (ritual technology); (2) land (territory); (3) rice cultivation; (4) livestock; (5) corn, tuber, and vegetable crops; and (5) natural resources (fish, wildlife and other forest products).
35. There are basically two rice production systems: swidden or dry rice cultivation, which was the predominant system found in poor villages; and Paddy or wet rice cultivation, found only in a very low percentage of poor villages, and then only in special cases as will be noted below.
36. Of the poor villages that emerged from the selection procedure, 90 percent were dependant upon swidden agriculture as their primary means of livelihood. But it was also characteristic of poor villages that their swidden systems had been traumatized in a variety of ways resulting from at least two (and sometimes more) of four types that were identified during the assessment: natural disasters, pests, relocation and land allocation.
37. As regards wet rice or paddy cultivation, suitable land was a major problem for the poor villages surveyed as the poor tend to be located in mountainous areas where flat land is scarce. In the villages where paddy cultivation had been proposed by planners as a substitute for swiddening, the paddies were found to be barren or unproductive due to non-functioning irrigation schemes. Paddies were also found in many instances to be culturally maladaptive by many traditional swidden societies who spoke nostalgically of the great diversity of crops and forest products in the upland plots compared to the relatively monotonous environment of the paddy. Of the 10 percent of the villages which were traditional wet rice cultivators, poverty was found to be a factor of either natural disasters (Attapeu and Champasak), or land ownership (Houa Phan), that is, factors beyond the control of villagers.

38. The primary indicator of poverty in the eyes of the poor is the degree of rice sufficiency. This is reckoned universally in terms of months per year providing an effective indicator and avoiding the pitfalls of calorie-based or kilograms-per-month based figures which do not take into account calories expended vs. calories produced. It is also the most appropriate indicator for labor intense agrarian societies who are more conscious of the staple intake needs necessary for subsistence and is thus a composite figure which represents both intake and necessity. As such is it not directly comparable with rice intake figures provided in LECS 2 which for the whole country is estimated at 582 grams per person per day, 600 for rural areas. Rice sufficiency is also more useful for targeting interventions since it represents actual situations in specific geographical areas.
39. From the PPA, average rice sufficiency for the poor can be estimated at 6.8 months. It is interesting, however, that ethnicity provides a finer and more definitive variable of this calculation than region. A clear pattern exists in the ascending progression from the Mon-Khmer to Tibeto-Burman to Hmong-Mien to Lao-Tai, whereas regional differences are less stark
40. Land Allocation implementation which has not followed the policy, is a major cause of poverty and has caused severe hardships for many swidden cultivators. The worst problem has been reduction of fallow periods which in the majority of cases now average 3-4 years. Rejuvenation of biomass and soils is insufficient for forest regeneration. More intensive cropping of slopes without soil improvements and inadequate time for soil renewal causes declining fertility and destruction of soil structure, leading to reduced yields. In addition, resultant degraded forest cover and soil damage leads to erosion. Yields have decreased, in many cases to less than half of the original pre-Land Allocation amounts even though labor inputs remain the same.
41. Apart from rice sufficiency, the most important indicator of well-being was found to be livestock. This was a major finding that was not previously apparent from household surveys. From the importance attached to livestock during the village discussions, the critical nature of livestock in the lives of poor villagers cannot be emphasized enough.
42. Livestock functions as a savings mechanism to compensate for losses in times of need. The sale of one buffalo can buy rice to feed a family of four or five for one year. The sale of one buffalo can pay a hospital bill and save a life, yet many villagers said they would rather die and leave the buffalo for their family. In discussions of health, villagers often preferred to discuss the diseases of their livestock rather than their own health.
43. The majority of villages reported that prior to their becoming poor, rice yields and agricultural production generally were sufficient. Costs for education, health, and consumer goods were either low or non-existent. Now, they are caught in a double bind of declining rice yields and increased needs. To make up for rice deficiencies and to cover the cost new costs, poor villagers are more and more having to exploit new means of supplementing livelihoods.
44. These means vary depending upon ethnic groups and setting, but they fall generally into the categories of : increased reliance on natural resources; labor, sale of produce and livestock; sale of handicrafts. These categories are not mutually exclusive and it is not

uncommon to find that two or more such means being employed simultaneously in a given village.

45. The PPA found very high percentages of wild food consumption, both meat and vegetables at the sites selected. There is no good correlate for these figures in the LECS since sources of meat, fish, and vegetables were not investigated. And while the percentages are high, it should be noted that there is a tendency by villagers to underreport where wild animals are concerned as the hunting of many species is against the law. Still, many villages reported that virtually all of their meat and fish came from wild sources, domestic animals being reserved for strictly ceremonial purposes or maintained as symbols of wealth and status or as social safety nets.

Chapter 7 - Sectors and Services

46. The environments of the Lao PDR are suffering due to the fact that a large portion of the poor villages are located in remote areas where the level of biodiversity is high. In normal circumstances this would be an ideal condition for environmental protection, but in times of poverty, villagers look first to the forest as a means of coping for rice deficiencies, and in so doing exploit natural resources beyond the limits of sustainability. Villagers themselves are aware of dwindling availabilities of these resources but lack the capacity to change the situation given the outside pressures that mitigate against correction.
47. Programs that limit swidden land use have upset ecological balances and caused runaway increases in pest populations as well as soil depletion that has reduced rice production capacity. Wildlife diversity has been brought many species to the threshold of extinction as villagers faced with rice deficiencies and the new needs for cash in the market economy become involved in the wildlife trade.
48. Education, especially formal education or literacy was found to be of only secondary concern. The level of work in poor villages necessitates all family members participate in farming in order to produce enough to eat. There is also a chronic problem of the linguistically and culturally unsuitable curriculum which is impossible to implement at the present time. Archaic, inflexible, and uniformed education policies have prevented the institution of innovations that would serve the educational needs of poor minorities with the result that they cannot participate. In many instances villages have consciously chosen not participate in education because they feel it has no relevance to their lives. Even among lowlander minorities who were consulted in the course of the PPA were cynical because there is no follow up benefit to education for most families. Many are now literate but there is nothing to read.
49. The Government's vaccination program for mothers and children was found to be the most successful of all Government programs. Most of the poor villages have been accessed. Malaria and dysentery are still major problems however and more permanent forms of health care systems were not available to most of the poor. Clinics (souksala) were mostly not accessible or not functioning for a variety of reasons, not least of which was language. Mental health problems in the observable form of depression, despondency or opium addiction were apparent in some villages. The majority of villages in the study had not heard of HIV/AIDS.

50. Most of the villages in the survey were not accessible by road in the wet season. Some had river access to districts. Transportation problems in the wet season were found to prohibit marketing of many crops such as bananas, pineapples or coffee.

Chapter 8 - Gender and Poverty

51. Women were generally found to work harder than men and to play less of a role in decision-making. Gender roles, however, are heavily ethnic-specific and many variations were found throughout the survey. To some degree family labor imbalances are a factor of traditional male roles such as hunter, protector, warrior, or feller of large trees having been eroded or having disappeared entirely whereas female roles have remained the same. The increased presence of grasses in swiddens due to ecological problems associated with land-allocation have increased women's labor inputs as this is considered "women's work" Likewise the raising of small livestock is women's work and when epidemics affect these livestock women's labor investment is lost. There is a vital need for research and investigation of gender roles among the various ethnic groups that is based upon solid anthropological investigation and the provision of good ethnographic description. This would in turn provide a foundation for gender studies and action plans in the multicultural context.

Chapter 9 - The Role of Government

52. Delivery of services by the Government to the poor has been less than adequate, even though, in many areas of concern, policies and programs may be adequately designed. The gap between policy and implementation remains a severe and pressing problem, especially in the case of villages which have become poor as a result of the lack of capacity on the part of provinces and districts. Sensitive policies that directly affect people's livelihoods have been executed in an incompetent manner that has impoverished villagers rather than assist them in improving their livelihoods.
53. Land-Forest allocation has been carried out by unqualified personnel resulting in losses in production. The education system has not reached poor minorities, basic health services with the notable exception of the mother-child vaccination program, have not been universally provided.
54. Infrastructure, or the physical side of development has outdistanced the psychological side. Poor villages remain poor and alienated from the Government. Lowland worldview continues to dominate the thinking of local officials. Ethnic minorities are often blamed for the Government's own lack of capacity to communicate with the poor. In some districts villagers of non-Lao ethnicity were characterized as "lazy" or "stupid", often by a lowland district official with a fifth-grade education.
55. Regardless of their physical location, poor villages remain psychologically isolated from the mainstream, they do not comprehend Government thinking, and in most cases have only a vague idea of what a government is. As an example, most villagers in the PPA could not name the president, the prime minister, the provincial governor, nor the district chief. These personages simply do not figure in the daily life of the poor.

56. Central Government planners are, for the most part, aware of these problems. In the latest Round Table Policy Document emphasis has indeed shifted in favor of people-centered development. Of particular relevance is Government's Decentralization Policy and the identification of the "district level as the major reference for planning and programming." The planning process for both the five-year plan and the Public Investment Plan will involve the bottom-up participation of villages, districts and provinces, as well as national priority guidance from the Prime Minister's Office and SPC at the Central level in Vientiane.
57. Poverty monitoring and evaluation will follow the progress of the decentralization program with respect to planning and budgeting relating to poverty alleviation at the grassroots level. It will also address the capacity of the various levels to implement the decentralization instruction which, given the current capacity of villages and districts, is very ambitious. Training which is planned for the provinces and districts will likewise need to be monitored.
58. There is a need, therefore, for a coherent monitoring system at the village level in order to inform the districts and provinces in the planning process and in strategy formulation. There is likewise a need to inform the various sectors and sub-sectors of conditions in poor villages for their planning purposes as well. The monitoring system should be permanently linked to the priority programs as a part of the Government system.

Chapter 10 - Conclusions and Policy Implications

59. Poverty in the Lao PDR, as it was found to exist during the PPA, has unique structural dimensions which need to be carefully considered in light of development policy. The include the following:
60. **(a) New Poverty.** Poverty It is clear that poverty in Laos is 'new poverty,' not an endemic condition; The perception of endemic poverty appears to have been created retroactively by6 an insistence on a numerical definition of poverty as lick of economic growth.
61. **(b) External Causation.** Poverty is the result of events external to the villager over which he or she has no control, especially, weather, war, resettlement, poorly implemented development programs, and livestock disease. Because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma, etc., and hence its substance is both physical and spiritual echoing the notion of ritual technology;
62. **(c) Lack of Hunger.** Poverty in Laos is not synonymous with hunger. Abundant natural resources have provided sustenance for poor villagers but these resources are showing signs of dwindling through over-exploitation in search of food or cash with which to purchase food and to meet the new expenses associated with health, education and the market;
63. **(d) Living in Hope.** Some poor villagers have be3come depressed, despondent or have turned to opium, but the overwhelming majority of the poor are trying to make the most of a bad situation, and still live in hope of finding solutions to their livelihood problems.

64. Following the traumas such as those described above which have beset poor villages in the form of upheavals to agroecosystems, yields and production have declined while labor demands in the production system have remained the same or have increased. And at the same time, consumption demands have increased in the areas of education, health, clothing, transportation and the new material goods which have appeared in the markets.
65. Public investment has been concentrated on the development of those areas that the poor cannot afford, namely paddy cultivation, education, health, and transportation. What the poor need to survive are increased investments in upland agriculture, livestock and agroforestry / non-timber forest products, mitigations where investment is currently negligible but which are not reaching the poor. The poor have fallen behind and cannot catch up.
66. **Policy implications resulting from the PPA include the following:**
67. **(a) There is a relationship between the structure of opportunities in rural areas and economic growth with equity.** Changes which affect the rural poor could be collectively referred to as changes in the structure of opportunity. Shockwaves emanating from the movement towards a market economy, programs such as land-forest allocation, lower rice yields, intensification of other-farm labor, increases in cash needs, and relocation all imply momentous structural changes in the societies of the poor. Opportunities which do not fit within cultural boundaries are missed or misinterpreted on the basis of prior structures. For this reason, the composition of poverty alleviation strategy should be based upon the creation of an enabling environment within which internally motivated development can occur to insure that such efforts fall within the cognitive universes of the poor.
68. **(b) Utilize Ethnic Diversity.** In order to exploit opportunities, the government needs to find a way of utilizing the strength of the nation's ethnic diversity in a positive way. Each ethnic group has strengths and weaknesses: the Tai Dam are experts at sericulture, the Hmong are experts in cattle raising, the Khmou have exceedingly detailed knowledge of the forests, the Akha have expert knowledge of herbal medicines, and so on. This means that methods for learning from the minorities must be devised and implemented in order to take advantage of their indigenous knowledge.
69. **(c) Continue Gender Research.** Poverty has induced high levels of stress on indigenous cultural systems, particularly on women. But given the delicacy of conditions in poor villages it would be difficult to justify a gender mainstreaming approach at this time. A more useful approach would perhaps be the study of child rearing practices and the determinants of personality and family structure within the frame of each ethnic group to discover the specific reasons and causes of women's status prior to initiating change.
70. **(d) Focus on Human and Social Capital in the Social Sciences.** To support economic growth with equity, there is a great need for human resources to support the efforts, in the social sciences generally and in anthropology in particular. This is a major issue in the intellectual or mental infrastructure of the country, a void in the intellectual capital. Planners cannot plan adequately based only on a knowledge of the physical sciences. There is no substitute.

71. **(e) Focus on Language.** Lack of Lao language ability is a major barrier to economic growth and falls within the rubric of economic growth with equity. There is a need for an accelerated Lao as a Second Language course specifically for training purposes, for example in the training of nurses, medics, or agricultural extension agents. The other alternative is functional literacy and materials in minority languages such as is called for in the Ethnic Minority Policy. This is currently the paradox of training generally – in order to stimulate the elements for economic growth among the poor there must be training, but before a person can qualify for training he or she must speak Lao, when no one is available that ethnic group goes without services.
72. Poverty monitoring is best undertaken within the framework of decentralization where there is a proper context for a bottom-up system and adequate mix of qualitative and quantitative indicators which capture locality-specific data. In this context, village level data informs district planning and budgeting as well as the public expenditure process. Baseline data is amassed over time, and impact evaluations of government priority programs are made feasible

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1. Chapter 1 — Introduction: Aspects of Poverty

Assessment

Assessing and analyzing poverty in the culturally diverse nation of the Lao PDR and the intellectually diverse climate of multidisciplinary research is a holistic endeavor. Varied definitions of poverty, a narrowing of the qualitative-quantitative gap, epistemological influences, and political concerns, all lead to a concept of poverty that is open, fluid and subject to many influences. In this context, the most reliable source of information on poverty is taken to be the poor themselves, and the object of the PPA is to approach analysis in a way that can benefit from the insights and analytical capabilities of the poor as a foundation in assessment. Based upon the assumption of the wholeness of villages and ethnicities, indigenous categories of poverty, definitions, causality, and solutions may be assumed to possess additional validity and unity of purpose as they are systemically grounded in locally defined units.

The PPA sampling procedure selected villages of fifty ethnic minorities from around the country. To better capture the geographical, cultural and historical diversity a system of four regions was adopted consisting of North, East, Central, and South.

Establishing a Holistic Foundation

The work which follows is based upon a yearlong investigation of poverty in the Lao PDR, including overall diagnostics, statistical analysis of household expenditure and consumption data, and a comprehensive qualitative field study known as the Participatory Poverty Assessment (PPA) undertaken by the National Statistics Center of the State Planning Committee in consultation with the Asian Development Bank. This research has led to the development of much interesting and meaningful analysis, with far-reaching implications for the future of national level development policy and programming. Such an intense period of quantitative and qualitative study has also raised many issues of wider importance which will hopefully advance the enterprise of poverty assessment and analysis generally as well as specifically in the Lao PDR. As an introduction to our overall undertaking, some of these concerns are discussed below, and will be addressed again in the conclusion.

The illusion that poverty is reducible to a singular measurable concept has of necessity long since been abandoned. The endless array of seemingly disorderly and irregular varieties of anthropological situations throughout the world (and within Laos) have, if anything, stimulated an equally multitudinous diversity of approaches to the analysis of poverty and to its assessment in any given environment or set of circumstances. That the results of such endeavors have themselves been of somewhat desultory consistency and practicality is not surprising in light of a lack of fixed methodology in planning and implementation. However, we should perhaps seek to view this lack of symmetry in poverty assessment as a strength rather than a weakness, especially at this point in time when the field itself is anything but standardized, continually changing, and all too frequently subject to the Western imagination.

Both quantitative and qualitative poverty inquiries share a dependence upon anthropological reality as both approaches rely on accuracy in data collection, an unavoidable consequence of the complex pragmatics of the relationship established between enumerators, researchers, or interviewers and the people whom they are engaging in discourse. The researcher must form and sustain a social relationship with those people who are the objects of study and he or she *de facto* becomes reflexively both an object and subject of study as well. Whether we like it or not this process is not a mechanistic one, and to the degree it is conceived as mechanistic to that degree is data predisposed to error and corruption.

Qualitative and quantitative approaches are also both susceptible to the vicissitudes of exploratory data analysis resulting from types of reasoning applied in reaching conclusions. Re-examination of Peircean logic, for example, has in recent years introduced abductive reasoning to the list of analytical discovery procedures formerly dominated by induction and deduction, regardless of whether the premises be mathematical or ethnographic in character. That is, other types of critical thinking, beyond the tightly constrained offshoots of symbolic logic, are beginning to have an influence.

Issues of epistemology and inference, mostly emanating from Western methodological assumptions that include such erudite intellectual projects as those brought about in the last century by the postmodernists, deconstructionism, econometrics, or even RRA [ethnocentric biases], have entered the discourse on poverty. These consist mainly of problems that arise when (1) assessments presuppose that the circumstances of one nation or ethnic group necessarily obtain in another [the bias of non-specificity], (2) presuppositions in research are based on findings in highly developed Western urban societies [Western urban bias]; (3) numerical partialities which emerge as conclusions from large densely populated countries or regions such as South Asia, China, or Indonesia are held to be true of all Asian nations generally [nondiscriminatory bias]; and (4) physical criteria are emphasized over mental criteria in data collection and in subsequent developmental interventions [the bias of physicalism].

Finally, there is the problem of definition. Gordon and Spickler (1999) identify eleven bases for definitions of poverty currently in use: (1) Need; (2) Standard of Living; (3) Limited Resources; (4) Lack of Basic Security; (5) Lack of entitlement; (6) Multiple deprivation; (7) Exclusion; (8) Inequality; (9) Class; (10) Dependency; (11) Unacceptable hardship. These are further grouped broadly into Material, Economic, and Social categories. Thus, it is clear that poverty definition still lacks consensus.

The categories and avatars of poverty are themselves open to dispute, and have become objects of political manipulation as well as intellectual debate. In this way poverty may be linked to studies of governmentality and the role of government vis-à-vis "new poverty" born of structural readjustment or policy reform.

Poverty emerges then as a loosely structured proposition, not a finite concept, and remains prone to all of the influences and interpretations which serve the interests of the many and varied institutions and stakeholders.

One stance in the study of poverty remains less assailable than the rest, and that is the subjective voice of people who consider themselves to be *poor*, with the caveat that *poor* is not readily translatable between languages. In the Lao language, for example, 'poor'

/thuk/ is the condition of suffering arising from the human condition (in the Buddhist sense) as opposed to a physically defined condition as in English, where the etymology of poverty derives from two Indo-European roots 'to produce' + 'little'. In Khmou the term means 'unfortunate', an attribute associated with fate rather than economic status. And we may assume that each ethnic group has similarly independent associations with the word. In other words, qualitatively, we want to understand, to the extent possible, how each *poor* group understands and experiences poverty. This is not to say that some groups may not have an interest in portraying themselves as poor, only that this is the most promising path to follow, dependent as it is upon the innate skill of investigators "furnished with appropriate ideas observing the right facts" (Tursman 1987).

Even in quantitative research there is perhaps room for subjective poverty lines, where people themselves estimate minimum needs rather than economists from the outside. But in general, the macroeconomic position is quite different as are its implications. A statistical measure of education, say, might conclude that poor people lack formal education. Planners would then logically proceed to allot funds for a building, a teacher, and materials. But this may or may not generate a sense of being "less poor" in any particular group, or necessarily have any measurable impact on poverty in that particular circumstance. (This has been demonstrated clearly in the PPA.) The objectivity of the exercise erects a barrier between the researcher and the people whom they are attempting to assist.

To thoroughly address poverty in the Lao PDR, then, the foundation of the present volume is taken to be a holistic one, covering aspects of poverty reflected by a wide variety of approaches and indicators, with recommendations as to how this information might be used in planning and decision making by the government for the targeting of programmatic interventions in poverty alleviation. But our analysis of poverty is first and foremost an analysis in which the categories for assessment are determined by the data as being of relevance for the Lao PDR. That is, it is necessary to investigate poverty in Laos with appropriate categories which have arisen from the internal structures of meaning inherent in the discourse of the poor.

The Lao PDR - Categories and Classification in Poverty

Analysis

Holism is used here as a technical term deriving from systems theory. An open system such as a human being, an ethnic group, an ecosystem, or a nation may be characterized as possessing four properties:¹

1. **Wholeness:** every part of the system is related to every other part so as to create a condition within which a change in any part will affect all parts and ultimately the system itself. It behaves as a whole and the parts are inseparable. This property has replaced earlier scientific premises of summativity and "vary-the-factors-one-at-a-time."
2. **Nonsummativity:** the whole is more than the sum of its parts, that is, any single component on its own cannot account for a complexity.

¹Adapted from Watzlawick, Beaven and Jackson 1967.

3. **Feedback:** information about the system (meta-information) is fed back into the system. In analysis, describing and explaining the feedback process can be frequently be of greater value than descriptions of either the input or the output.
4. **Equifinality:** The input is not predictable from the output, that is, the system behaves independently of initial conditions. A single outcome may have several causes, and a single cause may produce multiple outcomes.

This is an oversimplification, but the basic tenets are useful and are of great value in the assessment and analysis of poverty. The list of categories employed here must then be considered as belonging to a whole and not independent of each other. Survival of villages and ethnic groups depends upon their ability, collectively, to comprehend open systems and to evolve behaviors and knowledge systems that accommodate the principles. Villages may be thought of as belonging first to their own extended family or clan, second to their village, third to their ethnic group. The units are characterized by all of the system characteristics outlined above. Geographical space may be of limited concern where identity is at stake, and the concepts of district, province, and state may be only loosely understood. These latter categories generally do not figure largely in villager thinking and may be considered as extra-systemic in this sense. Because of this, districts, provinces and the state do not operate in holistic ways, whereas ethnic groups may exist as unified wholes regardless of provincial or even national boundaries. (Ecologically, of course, the concept of wholeness is inescapable, and changes in one part of the system will affect all others.)

The most important aspect of holism that pervades the assessment is the inseparability of technology and ritual which is discussed in detail in Chapter 4. The list of categories addressed, including culture, livelihood, gender, environment, health, education, and agriculture are all interrelated, each one affecting the other as changes are introduced. Thus the first task is how to utilize understanding of interrelatedness in the in analysis of poverty, and the second task is how this understanding may be utilized in programming for the alleviation of poverty.

Finally, based on the assumption of the wholeness of villages, and ethnicities, indigenous categories of poverty, definitions, causality, and solutions may be assumed to possess additional validity and unity of purpose as they are systemically grounded in locally defined units.

The Lao PDR - Socioeconomic Introduction

Diversity

Perhaps the most pervasive of all characteristics of the country as encountered in the assessment is that of diversity which manifests itself distinctly in both biological and social realms. Specialists have identified over two hundred and thirty ethnic groups, and virtually every province in the country borders on at least one of the five neighboring countries. Social and biological diversity have combined to form a multitude of agroecosystems which have, for example, given birth to over 13,600 genetic varieties of rice (in a country of 236,800 square km and five million people) 11M, second only to India (a country of 3,287,600 square km and one billion people). Laos is then a country both of great complexity and of great richness, and its study is at once difficult and rewarding.

This diversity, both human and biological, was found during the assessment to be largely intact, but under increasing threat from many directions.

It should be noted here that another key aspect of diversity in Laos lies in farming systems in the staggering diversity of non-rice crops. It must seem strange to villagers who are approached by agricultural development specialists who are promoting diversity in a nation of perhaps the highest degree of farming system diversity per capita in the world.

Figure 1-1 Akha chi Pya women returning from the district market in Boun Tay, Phongsaly



Culture

There are 4 major ethnolinguistic families in the Lao PDR, all of which were represented in the study: Tai-Kadai, Mon-Khmer (Austroasiatic); Hmong-Mien; and Tibeto-Burmese. While the geographical space between groups may be short, the social and historical space between the same groups, in terms of a system of meanings, may be vast and span thousands and even tens of thousands of years of independent cultural development. Working as an opposing force to this generalization, typological convergence has allowed ethnic groups to establish relationships, lingua francas, and ways of existing in close proximity.

Figure 1-2 Ouma Akha Girl in Phongsaly

Ethnic diversity was clearly represented in the outcomes of the site selection procedure which included 50 ethnolinguistic groups as shown in Table 1 below, bearing out the government's conclusion that the poor are comprised primarily of ethnic minorities in remote areas, the founding principle of the Rural Development Program.

It goes without saying that each ethnic minority has their own language and complex system of religious beliefs, which might be labeled collectively as animistic with totemic nuances. These beliefs were found to figure prominently in the socio-cultural systems as inclusive of livelihood, and to determine



such things as the selection by divination of planting periods, location of fields, harvesting times and land tenure. They were also found to be important in terms of consumption where social structures depend upon feasting at certain times (different for each group) and the sacrificing of livestock and drinking of alcohol, usually in the form of rice wine, the production of which was found to consume a substantial portion of the rice yield each year in many villages.

Since the majority of sites which resulted from the selection process are ethnic minority villages, language was often a major problem in village discussions and interpreters were necessary. Language and worldview were frequently noted as obstacles to understanding between officials and villagers. Indeed from the assessment experience, isolation of poor villages may be said to be at least as much a factor of cultural dissimilarity as of geographical remoteness.

Figure 1-3 Other ethnic groups form the PPA villages. From left to right, top to bottom: Kado; Louma Akha, Kim Moun (Lantene); Pangan; Akha Pouly (last two).

Table 1-1 Ethnic Groups in the PPA

<i>Family</i>	<i>Branch</i>	<i>Subgroup</i>	<i>Ethnic Group</i>
Tai-Kadai	Tai	Southwestern	1. Lao
			2. Tai Dam
			3. Tai Deng
			4. Tai Lue
			5. Moey
			6. Kouan
			7. Thay Vat
			8. Thay Pheung
			9. Thay Phouan
			10. Phou Thay
			11. Lane
			12. Bo
Austroasiatic (Mon-Khmer)	(Mon-Khmer)	Khmuic	13. Ksing Moul
			14. Kaniang
		Phray-Pram	15. Pray
			16. Khmou (Cheuang?)
			17. Khmou Am
			18. Khmou Ou
			19. Khmou Lue
			20. Khmou Rok
			21. Khmou Krong
			22. Kwène
			23. Lamet
			24. Sam Tao (Doi)
		Palaungic	25. Bit
			26. Ngouan
		Vietic	27. Phong (Cham)
			28. Ngè'
		Katuic	29. Pacoh
			30. Kado
		Central	31. Pagnan
			32. Ta Qy
		Western	33. Katang
			34. Brou
		Baharic	35. Makong
			36. Tri
			37. Souay Anh Toua
			38. Chaly
			39. Lavè (Brao)
			40. Sou'
Hmong-Mien	Hmongic	Western	41. White Hmong
			42. Green Hmong
		Mien-Mun	43. Iu Mien (Yao)
			44. Mun (Man, Lantène)
Tibeto-Burman	Southern Loloish	Akoid	45. Akha Pouly
			46. Akha Chi Pya
			47. Louma
	Central Loloish	Bisoid	48. Seng Saly (Phou Noy)
		Lahoid	49. Yellow Lahu (Lahu Shi, Kuy)
		?	50. Bava (Pousang)

Socio-Cultural areas and regionalization (Cultural, Historical, Geographical)

Apart from its internal physical and biological diversity, Laos has had a long and complex history, its territory and influence waxing and waning with the exigencies of overland trade which began to develop in the 12th century with Louang Prabang as the crossroads and reached its zenith in the 16th century. But following the rise of the maritime kingdoms and the opening of stable sea routes in the 17th century the central position of Lane Xang was no longer strategically advantageous and eventually its borders shrunk to approximately their present locations.

Laos was not a united entity during this time however, and has at various periods in its history consisted of four kingdoms, Xieng Dong Xieng Thong (Louang Prabang); Xieng Khoang (Meuang Phouan); Vientiane (Sikhottabong); and Champasak. The peoples of the former kingdoms retain much of their social and cultural characteristics today as well as their physical geographical areas. Furthermore, the cultural and linguistic affinities between Laos and its former areas of influence continue, and the old overland trade routes are beginning to re-emerge as land transport once again increases in importance. And Laos is unique in that every province shares at least one international border (excepting of course Xaysomboun which is indeed a Special Zone and not a province).

Therefore, for detailed social planning purposes the regions of the Lao PDR are best defined according to these physical, historical and cultural principles with the modern provinces falling into one of the four regions as shown on Table 1.2.

Table 1-2 Regionalization

Geographical Area	Lao Region	Historical Lao Kingdom & External Contacts	Provinces	Predominant Ethnic Categories
Upper Mekong	North	LOUANG PRABANG (Lanna, Sip Song Panna)	LBNG, PSLY, LGNT, BKEO, ODXY, XBRY	Lue, Lao, Mien, Hmong, Tibeto-Burman, Khmuic, Palaungic
Upper Annamite	East	XIENG KHOANG (Sip Song Chou Tai, Thanh Hoa, Nghê An, Quang Binh)	HPNH, XKNG, BKXY, KMME	Tai, Neua-Phouan, Phou Thay, Nyo, Hmong, Khmuic, Vietic, W. Katuic
Central Plaines	Central	VIENTIANE (Upper-NE Thailand)	VTEP, VTEM, XBSZ	Lao, Hmong, and mixed internal migrants
Lower Mekong Basin	South	CHAMPASAK (Khamet, Lower NE Thailand)	SVKT, SRVN, CPSK, XEKG, ATTP	Katuic, Bahnaric, Lao, Phou Thay

This system, based on both physical and social criteria, provides a critical foundation for the study of Laos from the perspective of all disciplines, and will be used throughout the present study

2. Chapter 2 — The PPA: General Overview

The Participatory Poverty Assessment's (PPA 's) purpose to record the experiences and concerns of the poor in order to initiate and identify more effective forms of poverty alleviation has been accomplished by combining different forms of knowledge (statistical, cultural, anthropological, institutional, economic etc.,) to understand the views of poor. An institutional process has been promoted to ensure that the view 'from below- is incorporated into the .formulation and implementation of public policies. Specific follow-up action has been initiated, and the capacity for participatory research and process management needed for sustainability has been consolidated.

The National Statistics Center of the State Planning Committee undertook the appointment of the National Technical Advisor (NSC) and the appointment and supervision of the implementation advisor (Consultant). In addition they facilitated training of the .field staff consolidated reports into a national document; acted as the secretariat for National Steering Committee and provided coordination to ensure all meetings/workshops were fully documented .for public dissemination and feedback.

A unique feature of the PPA is the interaction between the qualitative and the quantitative approaches, conceived not as a relationship of dependency, but rather one of interacting symmetry. This interaction began on a national scale with the district .selection procedure for the PPA sites utilizing a matching process of statistical analyses and purposive selection of districts by the provinces to arrive at the initial set. continued interaction between the two approaches has relied upon (1) the degree to which the two types of information are comparable; (2) areas in which results of the two studies complement each other or help fill out the whole picture; (3) areas where one set of information agrees with or supports the other; and (4) areas where one set of information disagrees with that of the other.

For purposes of analysis there are several reasons why a village .focus is preferable to households as the primary unit. First of all, villager definitions of poverty are livelihood-based and poverty alleviation which would theoretically be livelihood-based as well can be targeted more readily at village level units. Second, poorer families within villages tend to be poor for non-livelihood reasons, widow, widower, orphaned, or handicapped, and there are usually village level means of assistance for these families in place. Third, traditional villages function as unified wholes, and poverty alleviation programs are more efficiently implemented at this level.

To successfully target for poverty alleviation, definitions of poverty are premised on indigenous categories and causes. The poor of Laos are sophisticated in the art of reflection and self-analysis. They are pragmatic and realistic. And they are keen analysts of the environment within which they reside. It is presupposed by the PPA that indigenous knowledge of poverty is consequently more astute and informative than data gathered by external means and its utilization in targeting eliminates the risk of misinterpretations by outsiders which may result from differences in language and culture. Furthermore, alleviation of poverty conditions upon which villagers are in agreement will ensure cooperation and participation in programs targeted on this basis.

It was found that the PPA is also capable of focusing on problems which arise in the transitional gaps between subsistence and development. This is an area often ignored by economists because it is messy and difficult to measure. And yet this is the locus of poverty in the Lao PDR today. The poor in rural Laos are not starving, they have survived traumatic upheavals through reliance on an abundance of natural resources. But this is not a sustainable situation. At the same time it would be ironic if the poor of Laos were to endure continued poverty because transitional gaps are ignored based on experience in other more highly populated countries.

Attitudinally speaking, it was found that the poor of Laos are not against change and economic growth. As will be seen in Chapter 4, upland peoples are maximizers by tradition. But economic growth for these peoples must begin within the boundaries of their cosmologies and worldviews, and the decisions should ultimately be theirs. Economic growth is not synonymous with, and need not imply, cultural change except in the most superficial interpretation of that expression as it may relate to the material.

Preliminary Activities

The Purpose of the Lao Participatory Poverty Analysis (PPA) has been to record the experiences and concerns of the poor in order to initiate and identify more effective forms of public and private actions to reduce it. This has been accomplished by combining different forms of knowledge on poverty (statistical, cultural, anthropological, institutional, economic etc.) and also by understanding the views of poor people and applying these in a new way towards the goal of poverty reduction. An institutional process has been promoted which ensures that the view "from below" is incorporated in an on-going fashion into the formulation and implementation of public policies. Specific follow-up action has been initiated, and the capacity for participatory research and process management that is needed to sustain the above has been consolidated.

The goals of the PPA have been to improve understanding of actions that may be expected to make positive difference to the livelihoods, well-being and quality of life of poor people. Poor communities, government, and civil society have been involved in a process that critically examines different public/private interventions, institutional arrangements and social structures and their contributions to the goal of poverty reduction. It is envisioned that the identification of a range of poverty-reducing activities by potential stakeholders will take place in light of the understandings acquired and linkages established. And finally, national and provincial processes to follow-up the PPA and, over the longer-term, to monitor progress of poverty reduction will have been enhanced.

Some of the innovative features of the PPA include:

- National ownership via the establishing of clear feedback mechanisms;
- A focus on process (identifying and rectifying bottlenecks) leading to improved policies, programs and implementation,
- Implementation through a combined alliance of central and provincial level Government, the National Statistical Center and the poor themselves;

- The inclusion of local experts (agencies and individuals) with grass-roots experience in researching and implementing the complex relationships of poverty reduction activities including gender inequalities;
- An interaction of the PPA with quantitative sources (e.g. consumption and expenditures, surveys, census, data etc.) to enhance understanding and representation of findings;
- An improved PPA methodology and enhanced theoretical understanding of the necessary processes.

With respect to institutional arrangements for the PPA, a national steering committee to oversee the PPA process was set up by the government, supported by the State Planning Committee. A decision was made to implement the PPA fieldwork in all 18 Provinces of the country, and to implement a follow-up program of action at the provincial and national levels.

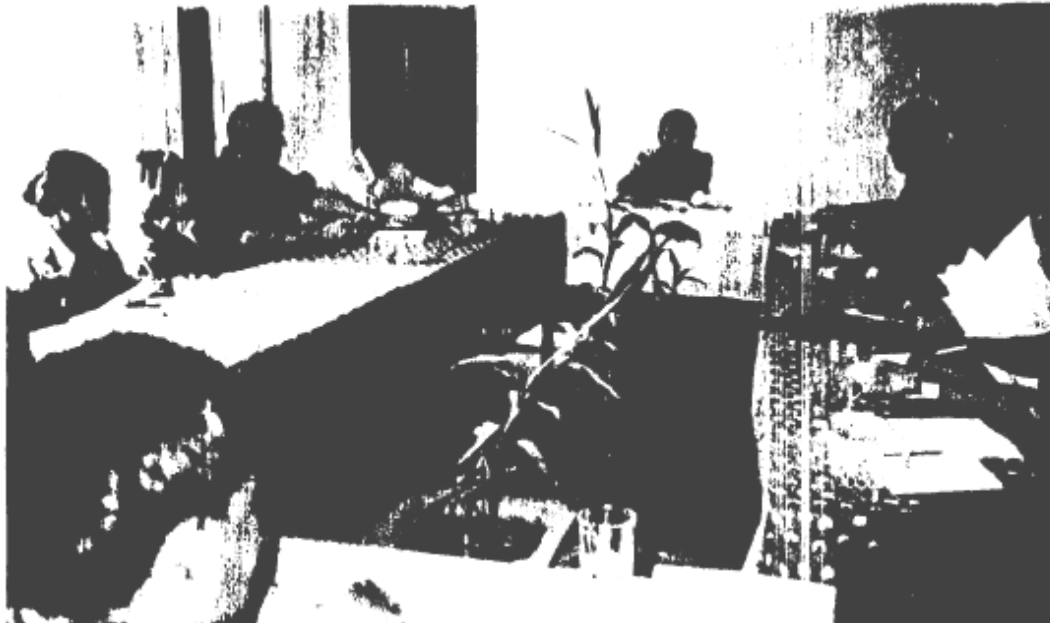


Figure 2-1 District Meeting at Na Mo in Oudomxay

Setting up of the National Steering Committee has involved the identification and selection of stakeholders for membership by the State Planning Committee. Stakeholders were comprised of government, and other civil society participants to coordinate national and provincial discussions, and to provide assistance with national data analysis and findings and as well as the implications for state level analysis. The National Steering Committee also supervised the National Statistics Center (NSC) as facilitating agency in implementation of the PPA.

This National Statistics Center was responsible for the following:

- The appointment of the National Technical Advisor (NSC);
- The appointment and supervision of the implementation advisor (Consultant);

- Facilitation of training and the maintenance of standards of the field staff for the PPA;
- Consolidation of the PPA reports into a national document;
- Acting as secretariat for National Steering Committee;
- Coordination to ensure all meetings/workshops are fully documented for public dissemination and feedback.

Following the preparation of the work plan and suggested research instrument, a multi-stakeholder inception workshop was held to discuss the implementation plan and to review the instrument. At the workshop a decision was made to establish a National Technical Committee composed of ministerial representatives of the various sectors to further revise the research instrument. A stakeholder questionnaire was mailed to multilateral and bilateral organizations, the media, and research institutions. Feedback from the questionnaires helped to refine themes for discussion with villagers, emphasize semi-structured interview methods, and phase the discussion topics.

To enhance the analysis and assist the National Statistics Center with the analysis of the statistical data on poverty, an ADB specialist from the Economic and Development Research Center was brought in to rerun the LEGS 2 data in order to develop a method of statistically identifying poor districts in each province with the least margin of error. A new analysis of poverty was carried out, the government settled on the NSC solution which incorporated recent changes in the seasonal consumer price index used to measure poverty, and a revised poverty line was tentatively adopted.



Figure 2-2 At the Remote District of Samphanh in Phongsaly Province

At the completion of the data collection, compilation, and preliminary analysis (see Chapter 3), a Dissemination Workshop was held in Vientiane to discuss the findings of the PPA in an open forum. Stakeholders at the workshop included government officials from Vientiane and deputy governors from the provinces, donors, media and other interested civil society participants. Common themes as well as individual regional findings were discussed and the comments incorporated into a draft summary.

After the dissemination workshop a discussion was held with the national steering committee on the structure of final poverty report for the Round Table Meeting. A decision was made to have two reports - i) a shorter version for the RTM focusing on PPA findings and linked to the LECS 2 statistical analysis, including some policy issues for discussion, and; ii) a longer version formulated by NSC incorporating larger poverty related issues (the present volume).

Prior to the Round Table donor's meeting, a National Gender and Poverty Workshop was held in October, 2000 sponsored by the Lao Women's Union. This was a national platform to discuss specific gender related findings emanating from the PPA. Participants included provincial officials involved in the PPA gender focus group discussions who had were a part of the PPA teams. Others included donors, the media and civil society.

At the Round Table Meeting, the PPA report was circulated by the State Planning Committee. Feedback from the donor community was positive, and the PPA group was commended for their labors.

PPA Follow-Up Activities

Based upon RTM findings a follow-up action plan was to developed:

- ADB as part of its country program has committed a number of activities to assist poverty monitoring and evaluation;
- A TA for poverty monitoring is being implemented with the assistance of ADB to assist Government in better monitoring poverty through the development of strategic, realistic and pragmatic poverty indicators to be regularly formulated and easily updated;
- ADB will assist the government, in collaboration with the donor community, in undertaking a comprehensive public expenditure review to inform Government on the expenditure pattern and consequent impacts on poverty reduction and other poverty related issues.

The RTM has put in place a regular program of activities to monitor and inform Government on the implementation of the medium term expenditure framework.

The Lao Poverty Assessment Process

The Government and the donor community are engaged in a process of assessing poverty, and are at the same time studying the way poverty is assessed, and the implications of both of these as inputs to government institutions with outputs expected in the form of programming. Taken as a whole these components may be thought of as parameters of poverty alleviation that change continually as information is added from the outside or exchanged on the inside.

From the outset it has been assumed that in order to be holistic, statistical and participatory information must interact at some point or points. This interaction in fact began for the first time on a national scale with the district selection procedure for the

PPA which utilized a process based on statistical analyses of the household survey as a starting point, followed by a matching of the purposive selection of districts by the provinces with the statistical results to arrive at the initial set. Thus the relationship between the two approaches should not be conceived as one of dependency, but rather one of interactional symmetry.

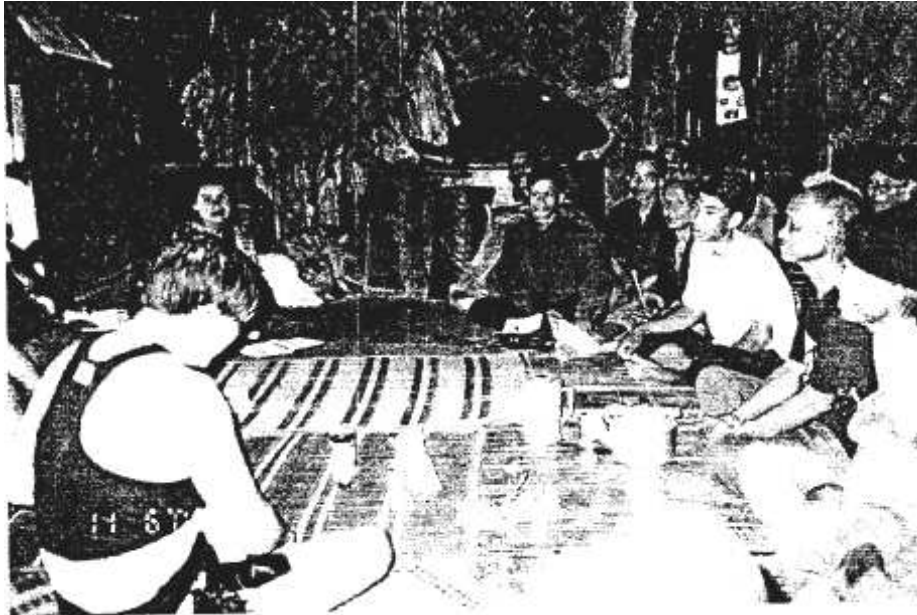


Figure 2-3 Discussions with Nge' villagers at Ban Bak, Kaleum, Xekong

However, since the two exercises were carried out independently, continued interaction between the two approaches must rely upon (1) the degree to which the two types of information are comparable; (2) areas in which results of the two studies complement each other or help fill out the whole picture; (3) areas where one set of information agrees with or supports the other; and (4) areas where one set of information disagrees with that of the other.

With respect to the first issue, household socio-economic surveys are limited in their ability to assess mental processes and the associations respondents make with the information being enumerated. There is no way of knowing from the completed questionnaires whether the individuals concerned were reluctant or agreeable, cheerful or depressed, etc., and thus a lack of context may be felt with which to frame the information. At the same time we feel the need to ask why a household, village or a district is poor, and again, the numbers reveal only part of the picture. The PPA on the other hand, does not attempt to quantify, but rather aim at causation and explanation, probing and asking why a given situation exists, what is the villager's own analysis, and what actions would he or she propose to resolve problems. The PPA assumes villager integrity, the value of indigenous knowledge and decision making processes, and makes use of these in its role as intermediary between the villager and the government.

It would seem sensible to conclude then, that comparability between the two approaches is most rewarding at the level of final analyses, rather than in the comparison of specific details which are encoded in ways that are not readily compatible.

Thus the second point raised above, areas where the two approaches may complement each other, is key. The universe of the statistical approach is the representation of the population as a whole. Thus it is discernable that while per capita real consumption of the population has been increasing at an annual rate of 5.3 percent during the observed period of five years between 1992-93 and 1997-98, the economic growth rate has not been uniform across the regions and there exist regional disparities in standard of living. It is also clear that per capita real consumption in rural areas is much lower than in urban areas, with the rural per capita real consumption as the percentage of urban per capita real consumption declining from 74.6 in 1992-93 to 67.8 in 1997-98. Likewise, while compared to many other Asian countries, inequality in Lao PDR is not high, the consumption share of the bottom 20 percent population declined from 9.3 to 8.1 percent in 1997-98, while that of the top 20 percent increased from 38.4 to 43 percent. The Gini index, which is an overall measure of inequality, increased from 28.7 percent in 1992-93 to 34.2 percent in 1997-98. Thus, inequality in Lao PDR deteriorated sharply during this period. An increase in inequality implies that the benefits of economic growth have not been flowing uniformly across the population. In some provinces, for example in Oudomxay, the incidence of poverty has increased. This indicates that rapid economic growth does not necessarily result in a uniform reduction in poverty across provinces. Some provinces may even be adversely affected by rapid economic growth. Therefore, while from the point of view of the statistical analysis the Government should continue to follow growth-enhancing policies, it should, at the same time, target the specific groups in the society that are unable to reap full benefits of growth.

The PPA then, focuses specifically on that targeting within the portion of the population classed as poor. In this respect the PPA may be seen as operating at a finer level putting a human face on the 38.6 percent of the population that falls within the "poor" category. We have seen for example in LECS 2 that land ownership and access is very high, 86 percent, but the problems associated with land ownership and land use experienced by the portion of the population that is poor is not visible. And yet this category ranks first as the cause of poverty among poor villagers in the PPA.

Likewise, while cows and buffaloes are counted in LECS 2 households, their role in the household economy is not clear, and other livestock, pigs and poultry, are disregarded. (Indeed, earlier statistical analyses of poverty based on LECS data even state overtly that there is no correlation between livestock and poverty.) Yet in the PPA livestock emerges as the primary indicator of wealth, livestock disease ranks second as a cause of poverty, and livestock acquisition ranks second as a solution to poverty. The importance of forest products is not captured by the LECS especially as it relates to the poor, and yet ranks first as the main replacement for rice shortages in the PPA.

These are three very clear instances where the participatory approach has complemented the statistical and can assist in the design of the next household survey.

PPA information supports the statistical data in many ways. Economic inequality, as a factor of economic growth, not only between villages and ethnic groups, but also in the realm of gender is an important aspect of poverty revealed by the PPA. In the case of the poor it can even be said that in many cases economic growth has not only been low

among the poor, it has even negatively affected their well-being. Thus the negative pull of inequality discussed in the quantitative analysis (cf Appendix) is clear in the PPA as well.

Targeting for Poverty Alleviation

The decision was made at the outset to base site selection on districts identified as poor by the quantitative analysis. It was also decided, for purposes of targeting, to focus on the village as the unit of investigation.

There are several reasons why a village focus is preferable to households as the primary unit. First of all, villager definitions of poverty are livelihood-based and poverty alleviation which would theoretically be livelihood-based as well could be targeted more readily at village level units. Second, poorer families within villages tend to be poor for non-livelihood reasons, widow, widower, orphaned, or handicapped, and there are usually village level means of assistance for these families in place. Third, traditional villages function as unified wholes² and poverty alleviation programs are more efficiently implemented at this level.

To successfully target for poverty alleviation, definitions of poverty are premised on indigenous categories and causes. The poor of Laos are sophisticated in the art of reflection and self-analysis. They are pragmatic and realistic. And they are keen analysts of the environment within which they reside. It is presupposed by the PPA that indigenous knowledge of poverty is consequently more astute and informative than data gathered by external means and its utilization in targeting eliminates the risk of misinterpretations by outsiders which may result from differences in language and culture. Furthermore, alleviation of poverty conditions upon which villagers are in agreement will ensure cooperation and participation in programs targeted on this basis.

Geographically, the PPA would support the finding that Hotta Phanh and Oudomxay are the two poorest provinces in the country. The PPA would add, though, that the reasons for poverty in the two provinces are different. The PPA indicates that Ilona Phanh is poor because of a lack of land ownership (the only province where this is true), whereas in Oudomxay it may be attributed primarily to cultural propensities for economic non-growth among the ethnic Khmou who comprise 60 percent of the population.

Even in cases where the "village" represents a consolidation of several ethnically distinct old villages, these old villages continue to operate as separate units and occupy a distinct socially and physically bounded quarter within the larger official unit.

Clear cases of disagreements in the analyses are not common. Perhaps the most disconcerting is the case of livestock mentioned above where some studies indicated no correlation with poverty. Other discrepancies are more a matter of omissions or lack of specificity in one or the other domains.

²Even in cases where the "village" represents a consolidation of several ethnically distinct old villages, these old villages continue to operate as separate units and occupy a distinct socially and physically bounded quarter within the larger official unit.

It is clear that targeting for areas of public expenditure is more accurate when it is based on participatory information. Numerical representation in its usual form, even at the village level, does not capture causation. It cannot separate, for example, cultural propensities from village history, from land allocation problems as causes of poverty, and hence cannot properly identify areas to be targeted by public investment.

The PPA is also capable of focusing on problems which arise in the transitional gaps between subsistence and development. This is an area often ignored by economists because it is messy and difficult to measure. And yet this is the locus of poverty in the Lao PDR today. The poor in rural Laos are not starving, they have survived traumatic upheavals through reliance on an abundance of natural resources. But this is not a sustainable situation. At the same time it would be ironic if the poor of Laos were to endure continued poverty because transitional gaps are ignored based on experience in other more highly populated countries.

Furthermore, attitudinally speaking, the poor of Laos are not against change and in fact as regards economic growth, as will be seen in Chapter 4, upland peoples are maximizers by tradition. But economic growth for these peoples must begin within the boundaries of their cosmologies and worldviews, and the decisions should ultimately be theirs. Economic growth is not synonymous with and need not imply, cultural change except in the most superficial interpretation of that expression as it may relate to the material.

3. Chapter 3 — PPA Methodology

The objective of the PPA is to define, in a manner that is representative of the country as a whole, what poverty means to the poor themselves, what they experience in their own words, what causes they identify poverty, and what their recommendations are for the alleviation of poverty. The high degree of human and biological diversity that exists in the country, however, implies a methodology that is itself diverse, and that is capable and flexible enough to respond to the needs of the subject.

Participatory research is interpreted here as applied qualitative social research. It is critical and interpretive but seeks to avoid the polarized extremes of anything-goes postmodernism or doctrinaire positivism. The epistemology of the PPA is essentially that of anthropology in the sense of its being concerned with the practical explication of peoples thoughts and actions.

The primary investigators for the PPA were ethnically Hmong, Tat Dam, and Lao, and the ethnicities of the villages selected numbered fifty. At the level of the Central Steering Committee were representatives of the State Planning Committee, the Central Leading Committee for Rural Development, the Lao Women's Union (LWU), and the Lao Front for National Construction (LINO, all of whom assisted in the research design and accompanied the field teams on much of the study. At the provincial level, one or two members of the provincial offices of Health, Education, or Agriculture were added to the teams. Finally one member each from the LWU and LINO were added at the district. At each successive level of participation, more ethnic groups were represented. Educational backgrounds of the learners were many and varied as well: some were educated in Laos, some from France, some from Russia, some from China, some from Vietnam, some from other locations.

The only methodological requisite during poverty dialogues in the villages, apart from the agreement to enter into a dialog, was that all levels of participants were asked to take notes so that many viewpoints and interpretations of what was taking place were represented and available for analysis.

The interpretation and analysis of the data took place in three stages: (1) periodic consultations carried out by the team members while in the field, on the road, at the hotel, etc. which re-visit the village interactions, append new ideas, discuss nuances, make factual corrections, and generally advance the thinking for future reference; (2) compilation by the team leaders of the material into village profiles taking into consideration all views and information; (3) analysis of the village profiles into a coherent representation of poverty, as viewed by the villager participants in the assessment.

Site selection used both a statistical selection of the districts based on the LECS 2 household survey, and a query to each province as to the poor districts. Where districts selected by the two methods overlapped, those districts were chosen as the base set. These were later refined at provincial workshops, and villages were selected in consultation with district committees. An additional decision was made to include all provinces, including those where no district was selected by the statistical method. In the end, 43 districts and 84 rural villages were included in the assessment. It was felt by the team members, the steering committee, and the technical committee that the widespread

distribution of the villages coupled with their socio-cultural diversity provided an exceptionally good representation of poor villages in the Lao PDR

Participatory Poverty Assessment (PPA): Theory and Practice

PPA, as the term has been used here, is an investigatory approach where both researchers and villagers are in essence participants in a symmetrical verbal interaction related to poverty with the onus on the researcher to understand, to the degree possible given the constraints imposed by a variety of factors, the thinking of villagers of the particular ethnic group. There is no hard and fast definition, no set of rules, and the interaction is governed by cues emitted by villagers and the sensitivity and experience of the researchers who share either vicariously or with their own eyes, the experiences of villagers as they are related. (This is in fact the root meaning of participation, which means literally to "take + part".) As an assessment it seeks to be representative of the poor in the country, and is also designed to be interactive and capable of providing a context for understanding³. The audiences of the PPA, ultimately, are the Policy and decision makers of the Lao PDR and secondarily international organizations who may become involved in the process of poverty alleviation.

In principle, participatory research falls under the category of applied qualitative social research. By this definition, it may be characterized as essentially critical and interpretive (as opposed to positivistic) and as transcendent rather than technocratic⁴. However, there has been little or no theoretical work which focuses on the qualitative aspects of poverty research as this relates to surveys and comprehensive assessments⁵. It is necessary, then, to provide an overview of the methodology itself and of the rationale for the method, in an attempt to systematically refine PPA methodology generally as well as for the Lao PDR specifically. Therefore, in this chapter some qualitative theoretical issues are taken up, as they apply to the present assessment, and also in the hope that this will be a prelude to future discourse on the problem.

As is the case with all social sciences much of the terminology used is borrowed from the physical sciences, originally no doubt to make them appear more 'scientific'. The work of

³Lest confusion arise, it should be made clear at the outset that Participatory Poverty Assessment (PPA) is not PRA (Participatory Rural Appraisal). The two differ considerably in scope, method, and underlying premises. PRA, for example, makes much ado about "handing over the stick", but does so within a frame of game-playing, that is, with the underlying message, "but not really," as if this is a game played in the classroom where everyone knows who the teacher is. In the PPA it is safe to say there was no stick, metaphorical or otherwise, and it is assumed the interaction is symmetrical between adults exchanging information in a dialogue which ultimately concerns poverty. (Indeed the "stick" metaphor used in PRA is reminiscent of the *Zen koan* wherein the master says to the student, "you see this stick, if you say it is real I will hit you, if you say it is not real, I will hit you, if you say nothing I will hit you" putting the student in the bind of being wrong either way. One solution to the koan is for policy and decision makers of the Lao PDR and secondarily international organizations who may become involved in the process of poverty alleviation the student to grab the stick from the master and hit him with it, thereby transcending and destroying the master-student illusion altogether. By coincidence, in a witnessed account of a PRA exercise in Laos a woman villager who was being asked to draw pictures performed essentially the same maneuver as the Zen student and walked away saying "why don't you do this with the children, they like to play like this.")

⁴cf. Neuman (2000).

⁵It is also important to note here that the "assessment" or survey aspect of the study precluded any notion of "empowerment" or promises of future assistance such as are commonly associated with the term "participatory." The investigation at this point has the express purpose of understanding the nature of poverty in the Lao PDR which can only be accomplished with the assistance or participation of the poor themselves.

Freud in psychoanalysis is a good example, with its use of such terms as 'drive', 'resistance', 'pressure', 'energy,' and so on to refer to mental phenomena, all borrowed from physics or biology (in fact he constantly struggled to distinguish such terms from their biological associations, desire from need, drive from instinct, etc.). In the case of social research the origins of the qualitative/quantitative distinction appear to be from chemistry where beginning in the first half of the 19th century, qualitative analysis refers to the identification of the chemical composition or constituents of unknown materials, compared to quantitative analysis, the measure of the amounts of constituents present in a substance⁶.

C.S. Peirce, who in 1905 considered the qualitative approach to be a form of induction, has perhaps the most succinct and enlightening statement:

The remaining kind of induction, which I shall call Qualitative Induction, is of more general utility than either of the others, while it is intermediate between them, alike in respect to security and to the scientific value of its conclusions. In both these respects it is well separated from each of the other kinds. It consists of those inductions which are neither founded upon experience in one mass, as Crude Induction is, nor upon a collection of numerable instances of equal evidential values [quantitative], but upon a stream of experience in which the relative evidential values of different parts of it have to be estimated according to our sense of the impressions they make upon us⁷.

Peirce's definition is closest to the present usage in social research, although more recent attempts to define the term fall short of the clarity expressed here. In essence the distinction between qualitative and quantitative rests in the implied methodology, that whereas quantitative research sets out to prove or disprove already formed hypotheses, qualitative research forms its hypotheses during the data collection and analysis process. As a result, quantitative research has become associated with large surveys where data is recorded and stored in numerical form, and is analyzed by mathematical processes, such as the LECS household surveys in Laos, and qualitative research with smaller non-numerical samples, but with analysis aimed at the formation of hypotheses and the formulation of themes, motifs, generalizations, or taxonomies⁸. By this definition, the PPA is in fact a hybrid, using a quantitatively based site selection procedure, a selection of villages which are already presumed poor by statistical criteria and representative of poor villages in the Lao PDR. But the PPA takes quantitative analysis one step further by aiming to identify causes of poverty, rather than its mere existence.

An alternative approach would be to carry out the qualitative assessment first, and then base the statistical survey on hypotheses generated therein. At this point, however, it is a moot point since once begun the two types of assessment (assuming they are developed into an on-going process) may complement each other and interact in ways that can only refine and improve the end result.

The following sections in this chapter introduce the kinds of methodological thinking that underlies the PPA which were further developed during the course of the fieldwork and the analysis.

⁶Later in the history of Chemistry 'qualitative' was used to refer to procedures or reactions having run efficiency yield of 100 per cent (OED).

⁷ Hartshorne and Weiss 1933: Collected Papers 2: Elements of logic, Book 3: Critical logic, Chapt 9, "The varieties and validities of induction." Section 759. The brackets have been added

⁸ cf, e.g. Neuman 2000. Johnson 1999.

The risk of inquiry

Undertaking the PPA, accessing remote rural areas, observing oneself in the act of observing, and contemplating the pluralistic narratives that attempt to cut through boundaries of culture and challenge our ability to perceive, often leads to a questioning of the recognition and understanding we think we have achieved. We are in unfamiliar territory. What to assume and what not to assume become subjects of enormous import. Problems of language and cosmologies intensified through historical accretion intervene. Have we heard the lesser iambs? Can we hope to grasp what is essential, lay it bare upon the dissection board, separating out its acrid colors for analysis? And if we do, what then?

In the words of Sherlock Holmes, "when only the impossible remains, the impossible must be true." Such is the nature of inquiry, a form described but difficult to assess. And therein lies the first part of the risk, that we will miss the mark and misinterpret the data for which we have struggled long and hard; that we will miss the truth

The second part of the risk is that we may not miss the truth, that the truth may consist of false chords upon a broken psaltery, and even if it satisfies our theoretical instincts (as truth should), it may not be pleasing to the political ear.

The risks of inquiry are dependent upon (1) the awareness of the researchers; (2) the details of research methods, (3) the form of the representation, (4) the inferences of the analyst, and (5) the intentions of the audience. These may be offset, however, by the structure of the holistic approach. The nature of whole systems is self-correcting, the system is its own best explanation, and self-awareness leads to breakthrough. These are the underlying principles, and the efficacy with which they are employed in the context of inquiry may be assumed to determine the degree to which risk may be mitigated.

John Dewey wrote:

Inquiry is the controlled or directed transformation of an indeterminate situation into one that is so determinate in its constituent distinctions and relations as to convert the elements of the original situation into a unified whole.

Realizing these principles is another matter

Information and Doubt

Information obtained from the PPA may be thought of as textual expressions, or, as some might say, non-material human artifacts. A text may mislead as easily as it may inform, but it is only when its connections are severed from its context, from its relations with other texts, or from its relation to ideas in the mind that it may fail to inform. When a severance occurs, doubt is born. Hence our concern with maintaining the whole.

Doubt may arise in the PPA process, and it may be productive in identifying weaknesses, but doubt (even in the guise of healthy skepticism) is not a substitute for knowledge, just

as the destruction of traditional wisdom and imagination is not science. Researchers are usually taught to doubt or to question, but effort must be exerted as well in examining the nature of information and knowledge.

Interpretation and Intentionality

Galileo was imprisoned for life in 1633 for daring to discuss the motion of the earth, and was not redeemed by the church until 346 years later in 1979. He was also to be considered the founder of modern science which is based upon the principle of parsimony in scientific explanation, that of two hypotheses the simpler is to be preferred. And it was not until 1908 that Peirce discovered that Galileo meant not logically simpler, but that,

... it is the simpler Hypothesis in the sense of the more facile and natural, the one that instinct suggests, that must be preferred; for the reason that, unless man have a natural bent in accordance with nature's, he has no chance of understanding nature at all.

Thus, the importance of both interpretation and intentionality are well evidenced in the life of Galileo, and the time it has taken to recognize and acknowledge his contributions. We see here also, the diminishment of the boundary between quantitative and qualitative approaches, and that the principles of inquiry apply equally well to both. It is also a good (if extreme) example of the fact that intentionality is first and foremost a characteristic of the audience.

For purposes of the qualitative analysis of the PPA a criterion of naturalness has been adhered to in the framing of hypotheses and in the evaluation of findings. This is in fact the act of separating the *emic* from the *etic*, terms borrowed from the discipline of Linguistics to describe the separation of meaningful or relevant information from all the rest. Naturalness in linguistic description is a principle used to help determine that which is *emic*. In ethnology the terms have been used to refer respectively to inside and outside views, that is, what members of a cultural group hear, as opposed to the undifferentiated noises heard by the outsider. The objective of the anthropologist is to learn to hear *emically*, to separate the twitches from the winks in the Geertz analogy discussed below.

The poverty dialogue: basic assumptions in the PPA

fieldwork

The objective of the PPA is to define, in a manner that is representative of the country as a whole, what poverty means to the poor themselves, what they experience in their own words, what causes they identify for poverty, and what their recommendations are for the alleviation of poverty. The high degree of human and biological diversity that exists in the country, however, implies a methodology that is itself diverse, and that is capable and flexible enough to respond to the needs of the subject.

To this end, following consultations with relevant government agencies, international organizations and civil society, an instrument (a catalyst for engagement in dialogue), and an approach to the research were devised. Because the focus is on people and what they know, the anthropological view was considered to be the founding principle, the

basic task the collection and interpretation of data drawn from interactions with villagers on a symmetrical level by skilled professionals.

To use Geertz's (1973) analogy alluded to above, we have set out to distinguish the winks from the twitches, an analogy which he borrowed from the British philosopher Gilbert Ryle. A wink by one person and a twitch of the eye by another might appear the same to an outside observer, but their differences and their meanings to the insider are "vast and unphotographical". This is the great task facing ethnographers, and in fact all researchers. Indeed Geertz goes on to argue that anthropological research is more a matter of interpretation than it is of observation.

Or, we might say, it is more a mental activity than a physical one. (And it is to no small degree a matter of philology.) Small fragments of data may lead to huge insights, much as Swann's single taste of tea and *madeleine* evoked from his unconscious the seven long novels of Proust's *A la Recherche du Temps Perdu*. Only our *recherche*, while encompassing de facto the *temps perdu* seeks to explain rather the *temps courant*.

There are no established timelines for the analysis of cultures, though in general practice ethnographic research is a lengthy activity. To circumvent this for purposes of economic development, Robert Chambers in 1983 coined the expression "rapid rural appraisal" (RRA)⁹. And since its rise to popularity in the mid 1980s, has given birth to several offshoots, PRA (participatory rural appraisal), PAR (participatory action research), and so forth. All of these forms of rapid appraisal share the advantage of collecting relevant information in a timely manner. They share the weaknesses, however, of presupposed structuring molded on Western notions, an eschewing of the spiritual, and an over-reliance on the physical¹⁰.

Since our multicultural poverty dialogues are rife with the problems of separating the twitches from the winks, and yet have relatively little time in which to ascertain the sources and meanings of poverty, our task has been one of merging "thick description" with rapid appraisal, depending not upon a fixed litany of tools, but upon the selection of skilled and experienced researchers to unite the two in what might be described as a sensitive scan or probe of the poor. This was facilitated by a focus on poverty (as opposed to a culture at large), and by a flexibility to let the structure of the dialogue evolve naturally from the cross-cultural interaction between villager and researcher¹¹.

This we might regard as the base level of the PPA, where the primary investigators are Hmong, Tai Dam, and Lao, and where the ethnicities of the villages selected numbered filly. The second level of the PPA was the participation of the Central level Steering Committee from SPC, the CLCRD, the LWU, and the Lao Front for National Construction

⁹Beebe (1987). Chambers himself (1997) defines RRA and its derivatives and kindred approaches as subcategories of "Learning to Learn", an expression he appears to have borrowed without acknowledgement from Bateson's article "Social Planning and the concept of dcuitero-learning" (1942), a commentary on a paper given by Margaret Mead at the Second Symposium on Science, Philosophy, and Religion entitled, "The comparative study of culture and the purposive cultivation of democratic values."

¹⁰Standard textbooks on social research (e.g. Neuman 2000), while making reference to anthropological, ethnographic, and qualitative research generally, have not recognized either RRA or PRA in their discussions of methodologies or approaches.

¹¹An interaction here is of course already a frame, although in the PPA context it is a polyethnic one. Regrettably omitted by the frame would be such sanities as those practiced by some Native American decision-makers whose response to researchers might be to go fishing for a week before offering an uncompromising opinion.

who assisted in the research design and accompanied the field teams on much of the study. A third level added to the teams one or two members of the provincial offices of Health, Education, or Agriculture. Finally, the fourth level consisted of one member each from the MU and LFNC at the district. At each successive level of participation, more ethnic groups were represented. Educational backgrounds of the teams were many and varied as well: some were educated in Laos, some from France, some from Russia, some from China, some from Vietnam, some from other locations. The possible combinations of participants in the dialogues were indeed exponential, the twitches and winks uncountable, to a point where only the dialogue remains.

The only methodological requisite during poverty dialogues in the villages, apart from the agreement to enter into a dialog, was that all levels of participants were asked to take notes so that many viewpoints and interpretations of what was taking place were represented and available for analysis.

Poverty Analysis: the architecture of representation and meaning in data

Following the data collection phase of the fieldwork, the dialogues remain preserved in a series of notebooks and in memories in the minds of the researchers. The data then for the most part is now present in the form of a series of written texts in the Lao language. The interpretation and analysis takes place in three stages:

- 1) periodic consultations carried out by the team members while in the field, on the road, at the hotel, etc. which re-visit the village interactions, append new ideas, discuss nuances, make factual corrections, and generally advance the thinking for future reference;
- 2) compilation by the team leaders of the material into village profiles taking into consideration all views and information;¹²
- 3) analysis of the village profiles into a coherent representation of poverty as viewed by the villager participants in the assessment.

Compilation is an intellectually complex undertaking. It requires an individual to read and rethink every experience with the aim of explicating each village's portrayal of poverty. It requires that the data be transmogrified from textual representations of villager thinking, first of all into a reasoned Lao text, and secondly into a village profile that has meaning from the perspective of the analyst who must ultimately unify the complete corpus into a definitive whole. (Compilation is indeed a form of analysis, and the two concepts needn't be kept separate.) Selection, omission, interpretation, reification, and adjustment to a manageable level of specificity all fall within the purview of compilation.

There is in fact always a danger of going too far in the direction of expansion rather than concise profiling. As a Tibetan saying goes, "every word is a house." One may feel

¹²In the PPA, the compilation in fact went through an additional phase of translation into English for use in the computer program NUDIST (Non-numerical Unstructured Data: Indexing, marching and Theorizing), a specialist program for qualitative research which was used in the analysis. Ideally this should have been done in Lao, but the product at this stage in its development does not allow Lao fonts to be used. The program is flexible in other ways however which make it desirable, in particular its compatibility with SPSS and the potential of linkage to a larger GIS database.

inclined to write twenty pages explaining a single turn of phrase, examining every room in every "house." Many of our words derive their meaning from poetry or aesthetic appeal. How are these to be included? Will the audience ultimately understand? Bateson in his posthumous book co-authored with his daughter (1987) distinguished two opposing syllogisms that clearly illustrate the gulf that separates the thinking of villagers from the thinking of development economists, and is a distinction that is important to keep in mind at all times during our analysis:

The first is the classical form of logic known as the syllogism in Barbara, representative of the thinking of mathematicians:

Men die;
Socrates is a man;
Socrates will die.

The second, a syllogism for the reasoning of metaphor, which Bateson in fact takes to be the reasoning inherent in genetics and biological evolution generally, is closer to the language of the villager, and to the way in which villagers choose to represent areas of life that are important to them and to our ability to understand:

Grass dies;
Men die;
Men are grass.

Bateson termed this latter the "syllogism in Grass".

Consider that the poverty dialogues are structured according to meanings appropriate to Grass, and that this is to some degree represented in the texts¹³. How deep does one penetrate? How may these types of meaning be expressed for an audience whose ears are tuned only to Barbara? How is the gulf to be bridged? Yet this is the bridge the compilation must attempt.

Finally then, preceded by profiles of assessment villages, over 90 in all, a synthesis of the dialogues is assembled. Here the whole should emerge from the numerous representations of villager thought and the overall view of poverty become coherent. Here our second level data, the profiles, may be mined for the wealth of information they contain. To add to their depth and breadth each team leader was debriefed orally as well, to supplement from memory what may have been lost¹⁴. The final analysis might be described as an amalgamation of Grass and the "unphotographable," in a regrettably all

¹³The Khmou, for example, in many villages spoke of water and stones with respect to swidden site selection, but it was not until much later that it was discovered they were talking about the spirits of rice and buffaloes respectively. [cf. Chpt. 4].

¹⁴It is of importance to point out here a possible characterization of the ethnic Lao (and many other groups in the country), as primarily an oral culture, in spite of its long literary tradition. Story tellers exist who rival the Homeric traditions preserved in the Baltic states, with the difference that the tales are better classed as "romantic" rather than "heroic." It is common for such tellers to recite six-hour poems from memory.

too prosaic form, supplemented wherever possible, and to some extent paradoxically, by facts and figures, as well as photos.

Site Selection Process to Identify Poor Villages

The sites selected for the PPA were identified as the basis of several criteria in the following order of priority:

1. Identification through a quantitative analysis of the Lao Expenditure and Consumption (household) Survey (LECS 2) carried out in 1997-98. Districts selected as poor were those in which the average expenditure consumption of villages surveyed was below the upper poverty line. (See Map 1) These are shown in Table 4.1 below¹⁵.

¹⁵The sampling method used for the LECS is known as Probability Proportionate to Size (PPS) or weighted clustering. The result is a heavier sample in areas of higher population density. This would be adequate if rich and poor villages were relatively equally distributed throughout the area, but in fact this is not the case, so poorer villages were less frequently sampled since they are located in remote areas of lower population density.

Table 3-1 Statistical Selection of Poor Districts from LECS Data¹⁶

<i>North</i>	<i>District</i>	<i>% Poor</i>	<i>Status</i>	<i>East</i>	<i>District</i>	<i>% Poor</i>	<i>Status</i>
PSLY	May	83.1	POOR	HPNH	Xieng Kho	81.6	POOR
	Samphanh	96.2	POOR		Viengthong	94.5	POOR
	Nhot Ou	79.0	POOR		Viengxay	76.2	POOR
	TOTAL	64.2	POOR		Houa Meuang	77.1	POOR
					Xam Tay	88.0	POOR
ODXY	Na Mo	92.5	POOR		TOTAL	74.6	POOR
	Houn	80.5	POOR				
	TOTAL	73.2	POOR	XKNG	Kham	74.6	POOR
					TOTAL	34.9	
LGNT	Vieng Phoukha	90.3	POOR				
	Nalè	79.7	POOR	BKXY	Total	25.8	
	TOTAL	57.5					
BKEO	TOTAL	37.4		KMME	Gnommarath	74.2	POOR
					Xébangfay	90.3	POOR
LBNG	Pak Xeng	78.4	POOR		Total	41.6	
	Phonxay	89.1	POOR	<i>Central</i>	<i>District</i>	<i>% Poor</i>	<i>Status</i>
	TOTAL	49.4		VTEM	Total	12.2	
XBRY	Total	21.2		VTEP	Total	24.3	
<i>South</i>	<i>District</i>	<i>% Poor</i>	<i>Status</i>				
SVKT	Outhoumphone	67.8	POOR	XBSZ	Tha Thom	74.8	POOR
	Xépon	74.5	POOR		Total	55.0	
	Total	37.1					
SRVN	Ta Oy	87.1	POOR				
	Total	39.6					
XEKG	Dak Cheung	65.6	POOR				
	Total	45.7					
CPSK	Soukourmma	78.7	POOR				
	Total	35.6					
ATIP	Sanxay	87.6	POOR				
	Phouvong	70.7	POOR				
	Total	45.3					
LAO PDR		38.6					

- In addition, in order to include every province, two districts were chosen by the PPA Teams and the PPA Steering Committee from the provincial selection in those provinces where no districts were classed as poor by the quantitative analysis. The selection of these districts was further refined by the teams during the provincial workshops.
- In the exceptionally poor provinces of the North and East, Oudomxay, Phongsaly, Louang Namtha and Houa Phan, and in the largest province, Savannakhet, three or more districts were chosen. For Vientiane Municipality and Xaysomboun Special Zone, one district each was chosen. Otherwise two districts were selected for each province.
- Five districts, one each in Louang Namtha, Xieng Khoang, Khammouane, Savannakhet, and Champasak, were subject to disagreement by the provinces.

¹⁶These are from the most recent analysis. At the time of the site selection in April, thirteen additional districts had been selected, namely Nga, Beng, and Pak Beng in Oudomxay; Sing in Louang Namtha; Pha Oudom in Bokeo; Viengkham in Louang Prabang; Boualapha and Mahaxay in Khammouane; Vilabouly in Savannakhet, Samouay in Saravanh; Kaleum in (thong; Phonthong in Champasak; and Sanamxay in Attapeu. (See Map 2) Map 2) Two of these, Meuang Sing and Meuang Kham were reselected by the Provincial Committee during meetings on the basis that indeed many of the villages were poor.

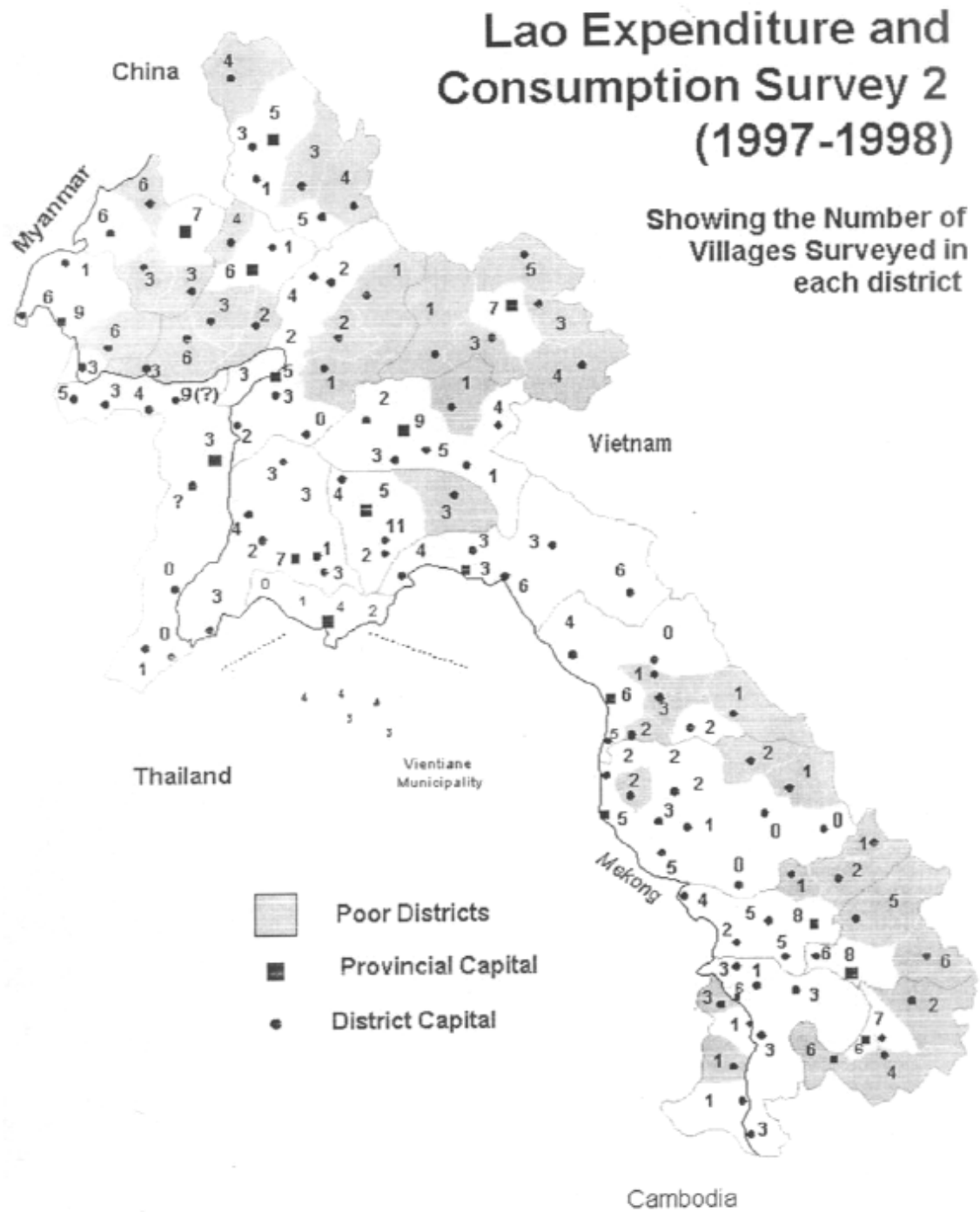
These were cases of districts selected by the LECS analysis but not by respective provincial committees. (See Map 2) Two of these, Meuang Sing and Meuang Kham were reselected by the Provincial Committee during meetings on the basis that indeed many of the villages were poor.

5. Further refinements, of the site selection were based upon consultations at the provincial and district levels. Villages were selected during consultative meetings with district committees.
6. In a few instances it was necessary to substitute villages because of inaccessibility due to the monsoons. In all cases care was taken to insure that poor villages were selected. With respect to districts several had not been included in the LECS (see Map I), and in some cases new districts had been created since the LECS. In cases where districts were substituted, the replacements were always classed as poor districts during the Provincial Committee meetings. Thus in several provinces the committees selected poor districts which had not been included in the LECS.

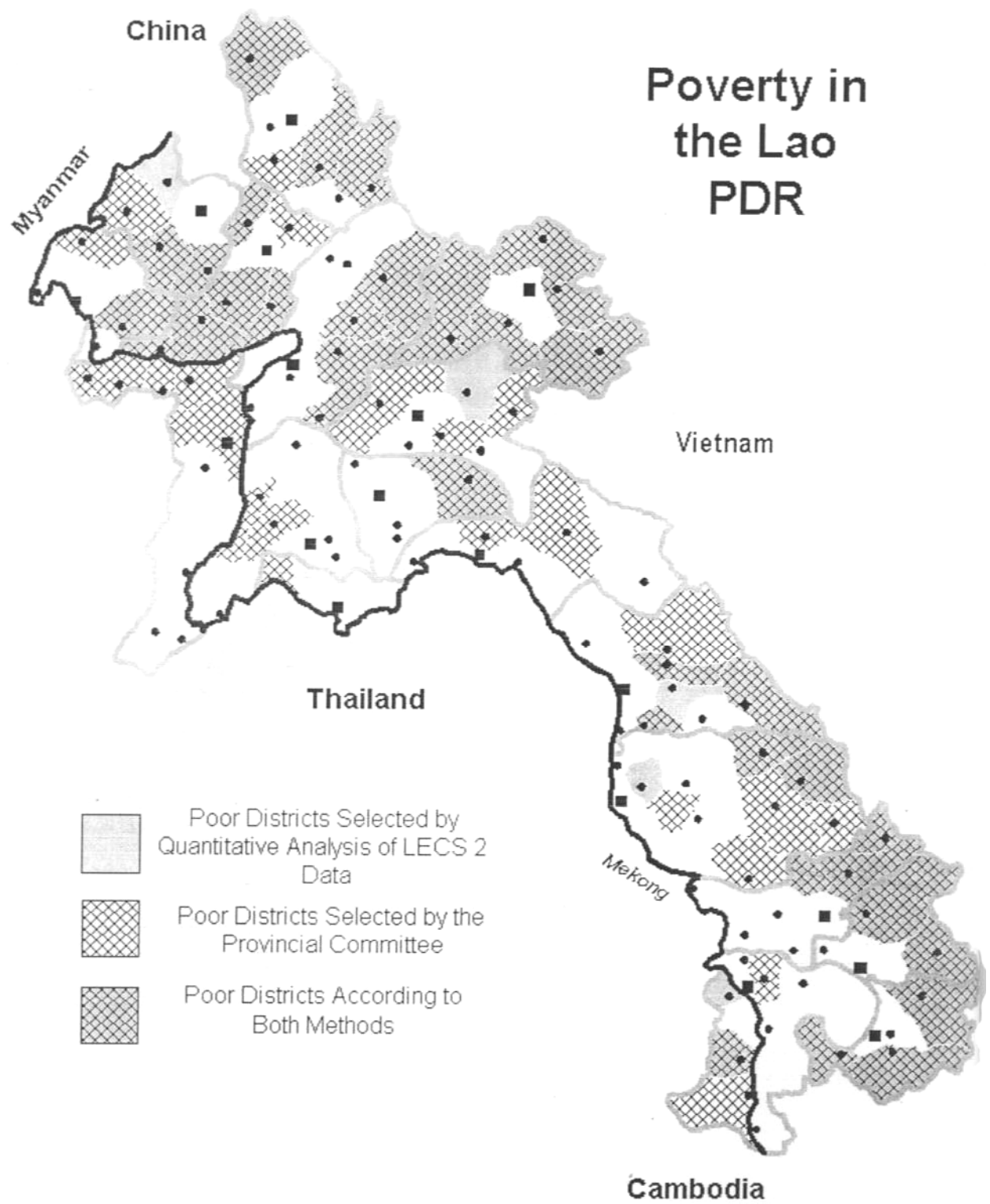
In the end, 43 districts and 84 rural villages were included in the assessment¹⁷, as shown in Map 3. It was felt by the team members, the steering committee, and the technical committee that the widespread distribution of the villages coupled with their socio-cultural diversity provided an exceptionally good representation of poor villages in the Lao PDR.

¹⁷Urban poverty was also assessed in the cities of Louang Prabang, Vientiane, Thakhek, and Champasak. The results are forthcoming.

Map 1

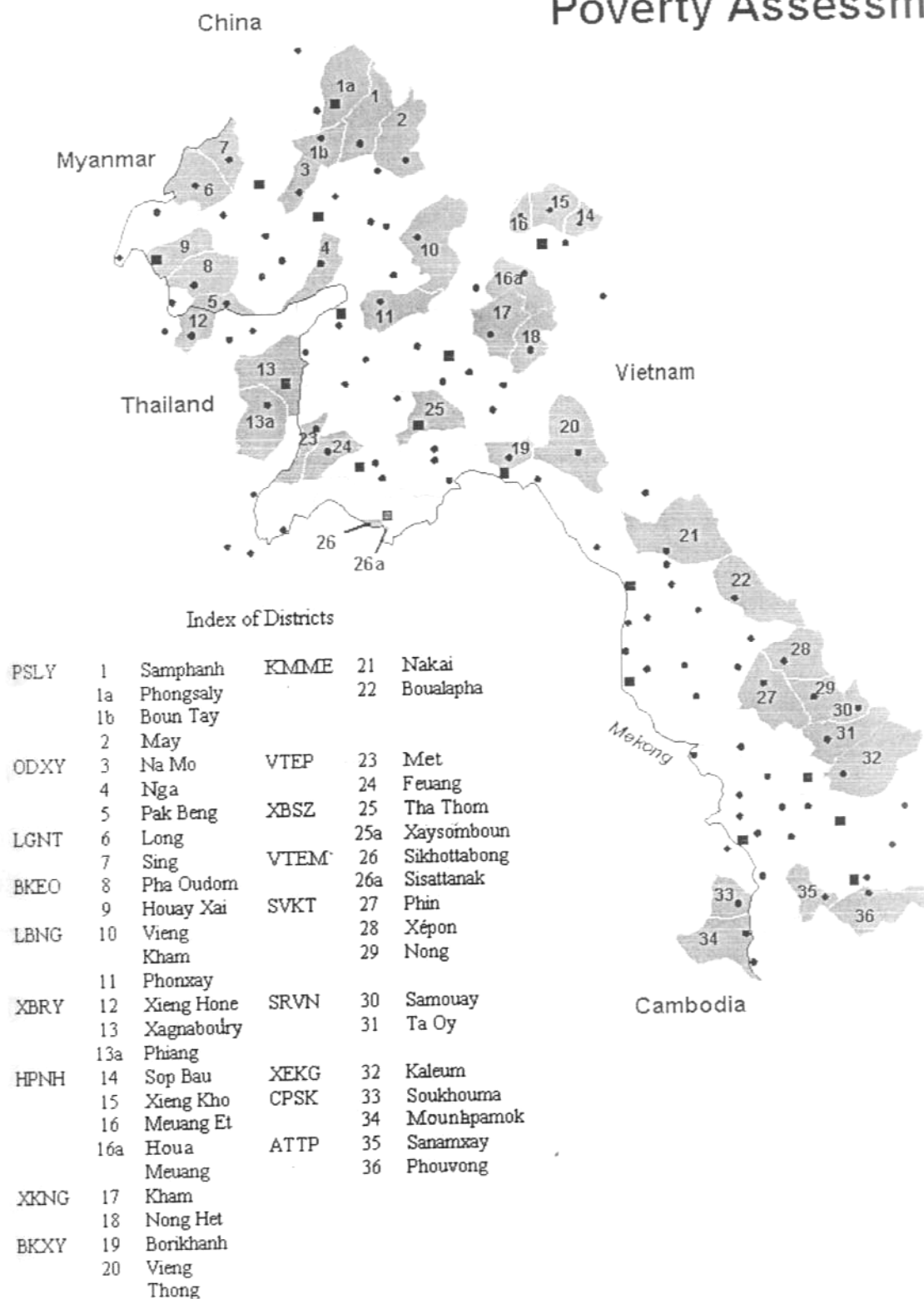


Map 2



Map 3

Districts Selected for Participatory Poverty Assessment



4. Chapter 4 — Culture and Poverty

In the Lao PDR, a country with over 230 ethnic groups, the importance of culture cannot be overestimated. Ethnolinguistic diversity is a strength, and in the parlance of the World Bank (cf below) each of the multitude of ethnic groups may be considered cultural assets in the sense that there is strength in uniqueness and diversity (following the analogy to biological or farming system diversity), and that there is a repository of indigenous knowledge that has not been tapped.

In Laos, the cultural domains represented by the main ethnolinguistic distinctions are broadly separable into highland and lowland, with the Tai-Kadai groups inhabiting the lowlands and cultivating paddy rice, the Mon-Khmer, Hmong-Mien, and Tibeto-Burman groups living in the mountains and practicing swidden agriculture. The highlands must then be further subdivided into the spatial realms of the latter three types. Together these four worlds overlies a labyrinthine topography through an intricate set of localized adaptations, which are the product of thousands of years of evolution.

From the outset of the PPA, beginning with the site selection process it was evident that poverty in the Lao PDR is inextricably related to culture and ethnicity, and that furthermore its locus is with highlanders. As shown in Table 4.2 below, Mon-Khmer groups are the poorest and represent fully 56 percent of the sample, compared to ethnic Lao who represented only seven percent of the sample out of an estimated 30 percent of the population. Furthermore the ethnic Lao villages assessed were found to be only temporarily in a poor state due a long spell of bad weather which had affected yields in an otherwise fertile and spacious area of the far south. In the case of the Tai-Thay villages, for the most part (with the exception of Borikhamxay) these are located in Houa Phan where land is collectivized by the Province and farmers are not willing to make investments in land currently under cultivation or to open new paddy for fear it will be reallocated to someone else. In other words, lowland poverty (not including urban poverty) is the exception and not the rule. Poverty in the Lao PDR, therefore, cannot be studied without reference to culture.

Mountain ecosystems are fragile and livelihoods are heavily dependant on soil regeneration made possible by long fallow periods and nutrient recycling in swidden cultivation cycles. There are advantages, however, including the morning mists which bring water to fruits and vegetables, clean water, lack of malaria, and healthy livestock. Swiddening is in fact the oldest sustainable form of tropical agriculture in the world, and traditional societies in Southeast Asia have existed in this way for thousands of years, the arrangements of diverse arrays of crops in the fields mimicking the composition of the forest.

At the heart of the relation between culture and poverty is a feature of culture that is usually ignored in development contexts. Condominas (1986), who established new standards in Southeast Asian ethnography with his classic studies of the Mhong Gar swiddeners in the adjacent country of Vietnam, coined the term 'ritual technology' to account for the inseparability of material and spiritual culture in agricultural work, which is to say, he would remind us, life itself. This is a critical issue, for the common trend to dissociate the two, leads to indescribable pathologies in society well-attested in the annals of economic development. Condominas pointed out that the burning of a swidden

field in a way that leaves the least rubble (and hence the least labor inputs afterwards) is an undertaking that requires both technological skill and the assistance of the village population, the spirits of the forest, the ancestors, and even the spirit of the rice itself. They are inseparable. Hence the term 'ritual technology.'

Cosmologies and ritual technology reside at the level of cultural premises underlying production. For evolutionary and environmental reasons, for lowland paddy cultivators the production of "enough" is ideal, whereas highlanders are maximizers. And among the highlanders of the Hmong-Mien and Tibeto-Burman groups, where maximization is realized in terms of production and labor outputs. They have arrived in Laos relatively recently from more northerly climes, and must be distinguished from the Mon-Khmers, original inhabitants, whose maximization tends to take the form of encouraging natural abundance. Both groups, however, share the propensity for feasting in almost potlatch style traditions in competition for the acquisition of ritual status both in this life and in the next.

Relating culture and poverty is not a simple undertaking because it is a factor of the degree to which a diverse array of systemic wholes have been disrupted by outside forces. When such events occur and the structures of ritual technologies are no longer viable, poverty may result; from loss of indigenous knowledge, from loss of morale, or generally from loss of strategies for adaptation and survival which may be intimately connected to particular niches.

Therefore caution must be advised in attempting a too physical view of poverty. Culture is a mental process, and because it is more difficult to observe than physical circumstances does not mean that it is any less real or any less subject to upheaval. From the perspective of the PPA, the relationship of culture and poverty is thus the most important aspect of poverty in Laos because it underlies, or is prior to, all aspects of livelihood, in particular rice production and livestock, in both the physical and spiritual aspects of these terms. These in turn relate directly to other aspects of development such as health, education and gender.

The Relevance of Culture

The importance of culture in poverty analysis is usually overlooked, but in the Lao PPA the interaction of poverty and culture was, simply speaking, just too obvious to ignore. The cultural presence began with the site selection, which ultimately included 50 distinct ethnic groups, followed by the village field work where innumerable cultural issues were immediately apparent, and ending with the analysis of a highly diverse set of data which in many cases seemed to defy explanation, where culture loomed large, a chiaroscuro casting its intricate pattern over the entire exercise. This chapter therefore attempts to lay a foundation for the inclusion of culture in poverty studies, but as will be seen, it is not a task that is readily open to simplification.

Culture has been defined in many ways by many anthropologists. Ruth Benedict called it "personality writ large," and Bateson referred to it as "an epidemic of mental health." However it is ultimately defined, the underlying reason for its link to poverty is in relation to introduced imbalances which have upset homeostatic systems, the process known technically as pathogenesis. It may result from planned development interventions, or from unexpected sources. In the villages assessed by the PPA, and elsewhere, one of the results has been poverty.



Figure 4-1 *Akha Chi Pya woman carry firewood back from the swidden*

- Phongsaly

Table 4.1 below illustrates only a very small portion of the complexity in terms of ethnic minority composition. The level of specificity varies for purposes of generalization, some categories represent a single group and some an ethnolinguistic branch. For example, Neua-Phouan refers to a large number of small lowland groups, as does the term Tai, but each category share many common linguistic and cultural characteristics. In some cases the percentages are off, primarily in the case of Vientiane Province and Municipality where large Neua-Phouan people takers were classed as Lao. This has upset the overall figures for ethnic Lao to a degree that is difficult to estimate, but it is probably safe to say the ethnic Lao number approximately 30 percent for the national population. It is also possible to see quite clearly through comparison with the statistical analysis in Chapter 1, that poverty is usually correlated with higher populations of non-ethnic Lao.

Table 4-1 Main Three Ethnic Group Percentages for Each Province¹⁸

Region	Prov	Pop (1997)	Share 1	%	Share 2	%	Share 3	%	Total 3 Grps	Total Mi- nority %
NORTH	PSUV	161.9	Khmuu	24.4	Akha	20.0	Phoumy	19.4	63.8	95.7
	LGNT	121.5	Khmuu	24.7	Akha	23.9	Lue	15.8	64.4	97.7
	ODXY	222.7	Khmuu	57.7	Hmong	13.1	Lue	12.2	83.0	90.9
	BKEO	120.3	Khmuu	23.8	Lue	20.6	Lao	20.6	57.8	86.6
	LBNG	386.4	Khmuu	45.9	Lao	28.6	Hmong	15.2	89.7	71.4
	XBRV	309.0	Lue	26.9	Khmuu	20.0	Lao	19.0	65.9	81.0
		1,321.8								87.21
CENTRAL	VTEM	555.1	Lao	92.6	Neua-Phouan	3.1	Hmong	1.4	97.1	7.4
	VTEP	303.5	Lao	64.8	Neua-Phouan	14.0	Khmuu	12.5	91.3	59.8
	XSPZ	57.3	Hmong	53.7	Lao	19.4	Khmuu	16.7	89.8	80.6
		915.9								49.26
EAST	HPNH	259.1	Tai	31.5	Neua-Phouan	30.0	Hmong	20.3	81.8	81.8
	XENG	212.5	Neua-Phouan	44.3	Hmong	34.2	Tai	10.2	88.7	88.7
	BKXY	173.3	Neua-Phouan	41.0	Lao	40.2	Hmong	9.2	90.4	59.8
	KME	288.6	Lao	59.4	Phou Thay	14.0	Brou	13.4	94.5	46.6
		935.5								69.22
SOUTH	SVKT	711.5	Lao	57.5	Phou Thay	18.9	Katung	8.7	85.1	42.5
	SRVN	271.4	Lao	60.0	Katung	13.3	Souy	8.1	81.4	40.0
	CPSK	531.1	Lao	84.8	Laven	4.9	Souy	2.4	92.1	15.2
	XEKO	68.0	Katu	24.3	Talieng	21.8	Alak	15.5	61.6	91.4
	ATTP	92.4	Lao	36.9	Lave	17.4	Oy	16.4	70.7	63.1
		1,731.7								50.44

¹ Percentages adapted from Inthasone Phetsiriseng p.c., however some of the ethnonym categories have been revised.

¹⁸ Percentages adapted from Inthasone Phetsiriseng p.c., however some of the ethnonym categories have been revised.

In the Lao PDR, a country with over 230 ethnic groups, the importance of culture cannot be overestimated. Ethnolinguistic diversity is a strength, and in the parlance of the World Bank (cf below) each of the multitude of ethnic groups may be considered cultural assets in the sense that there is strength in uniqueness and diversity (following the analogy to biological or farming system diversity), and that there is a repository of indigenous knowledge that has not been tapped.

In a news release dated Feb 8, 2001, Klaus Toepfer, Executive Director of UNEP, said:

The freeing up of markets around the world may well be the key to economic growth in rich and poor countries alike. But this must not happen at the expense of the thousands of indigenous cultures and their traditions. Indigenous peoples hold vital knowledge on the animals and plants with which they live. Enshrined in their cultures and customs are also secrets of how to manage habitats and the land in environmentally friendly, sustainable, ways.

The UNEP report goes on to cite (ibid.) four reasons why conserving indigenous knowledge should be urgently addressed:

1. [Indigenous peoples] have traditional economic systems that have a relatively low impact on biological diversity because they tend to utilize a great diversity of species, harvesting small numbers of each of them. By comparison settlers and commercial harvesters target far fewer species and collect or breed them in vast numbers, changing the structure of ecosystems;
2. Indigenous peoples try to increase the biological diversity of the territories in which they live, as a strategy for increasing the variety of resources at their disposal and, in particular, reducing the risk associated with fluctuations in the abundance of individual species;
3. Indigenous people customarily leave a large 'margin of error' in their seasonal forecasts for the abundance of plants and animals. By underestimating the harvestable surplus of each target species, they minimize the risk of compromising their food supplies;
4. Since indigenous knowledge of ecosystems is learned and updated through direct observations on the land, removing the people from the land breaks the generation to generation cycle of empirical study. Maintaining the full empirical richness and detail of traditional knowledge depends on continued use of the land as a classroom and laboratory.

In addition, culture's increasing importance in the development discourse is demonstrated by a surge of interest in the donor community as a whole. A good example is shown by the World Bank's recent concern outlined in Box 1. But the problem now facing development is the lack of research on the nature of the relationship between culture and poverty and how to plan and implement programmatic approaches which address the relationship directly.

Box 4-1 The World Bank's Recent Emphasis on the Relations of Culture and Poverty

The World Bank has recently come to recognize the importance of culture in the study and alleviation of poverty and in the promotion of sustainable development. In arriving at this realization the following rationale is noted¹⁹:

1. "The World Bank's cultural heritage work seeks a stronger poverty focus." For example, of the 29 Cultural Heritage projects supported by the WB in 1999, only six were classified as 'Poverty Targeted Interventions, this in spite of the fact that fully 49% of all the projects undertaken by the Bank in this period were so classified.
2. Most of the staff of the World Bank, including 88% of the project task managers, agree that projects need to be "tailored to cultures by participatory means but are generally not aware of how to integrate cultural assets into development."
3. "Most standard Bank projects do not respond to local cultural assets or practices."
4. "The scope for traditional skills and knowledge, and creative expression to provide a productive base – and preserve and build comparative advantage – is not well recognized or understood."
5. "Excellent Research" supported by the bank on culture and poverty is scarce.

During the PPA, the importance of culture was made manifest in very conspicuous and moving ways, from the brilliant colors of the various forms of traditional dress, to the total inability of entire villages to communicate in the national language.

Even rudimentary things that are taken for granted such as the days of the week may differ radically within a small geographical radius. The Man (Kim Moun) in Pak Nam Tong, Oudomxay, for example, have a 6 day week, whereas the Khmou Lue village of Pang Sa, only 3 km away, has a 10 day week. Indeed almost half of the villages in the assessment live according to a 10 day week, and for the Khmou Am, for example, the 1d and 8th are non-working days. The Lao in Vientiane, although they now use a Western solar calendar, among themselves count the days by the waxing and the waning of the moon, the lunar calendar by which Buddhist holy days are calculated.

The celebration of the new year in Laos is yet another example of coexisting concepts of time. The Hmong, the Khmou, and the Akha Chi Pya celebrate their new year towards the end of November or the beginning of December (depending on the beginning of the first lunar month). Interestingly, this is also the first month on the Lao calendar. But while the Western New Year, introduced during the French period, is celebrated throughout the urban areas of Laos, the Lao New year itself falls in fact around the middle of April (the Lao 5th month) just prior to the monsoon rains. For the Yao, the Lahu Shi, the Tai Dam, and many other groups, New Year is around the end of February (again according to the lunar calendar) coinciding with Chinese New Year and Têt in Vietnam. For many of the Mon-Khmer groups the New Year is the beginning of the new swidden clearing or the harvest of the old. And for still other groups there is no calendar, time being reckoned by the sounds of the forest, the voices of different species of cicadas, bird songs, muntjac calls, and so forth.

¹⁹From "Culture Counts: A Conference on Financing, Resource and the Economics of Culture in Sustainable Development." co-sponsored by the World Bank, UNESCO, and the Government of Italy. This was based on the work of the Cultural Assets and Poverty Reduction Group supported by the Dutch government. Nobel Laureate Amartya Sen remains the senior advisor for this research agenda. Cited in "Culture and Sustainable Development: A Framework for Action", November 2000 (WB Website).

It was found during the assessment that most ethnic minority swidders have strict practices which determine where and when a swidden field can be prepared. The details of the practices differ from group to group, but so strong are the beliefs that many villagers in the survey were prevented variously from clearing, planting, or harvesting their fields due to these cultural beliefs. The Khmou Lue mentioned above cannot prepare a field where a muntjac is heard, or if bees or hornets are present, or if certain birds are heard to call. An Akha Pouly village in Louang Namtha suffered serious rice losses that season because of rain on the only propitious day for burning. The Chaly of Boualapha in Khammouane cannot burn their swiddens until the leaves of the "*thone*"²⁰ tree appear, which in some years may be too late. It also became clear during the PPA that the original utility of these traditional diagnostic methods had in many cases been lost or irreparably damaged in villages which had been relocated. Traditional learning systems are intimately linked to the ecological system of the environment. When that changes, villagers are left without the investigative capabilities that have allowed them to adapt and survive. These capabilities are ethnic-specific, however, and the epistemologies of some groups are more adaptive than others. Whatever the case, the beliefs are strong, and villagers are willing to sacrifice rice yields to preserve cultural beliefs, and to expend household assets for religious purposes.



Figure 4-2 Yao woman in Meuang Met – Vientiane

When cultural knowledge is lost, as was the case in several Khmou villages in Bokeo where all of the older generation had passed away in epidemics leaving the villages without cultural leadership, villages may in fact disintegrate. Families move into other villages, young people move to the provincial capital or to Thailand to seek work. The village as a social and economic entity dies without the ritual component of its knowledge.

To comprehend the dynamics of the complex set of relationships that exists between ecosystems and cultural systems it is necessary to explore certain premises specific to the region and to Laos as a geographical area.

Ethnicity and poverty - highland and lowland

In Laos, the cultural domains represented by the main ethnolinguistic distinctions are broadly separable into highland and lowland, with the Tai-Kadai groups inhabiting the lowlands and cultivating paddy rice, the Mon-Khmer, Hmong-Mien, and Tibeto-Burman groups living in the mountains and practicing swidden agriculture. The highlands must then be further subdivided into the spatial realms of the latter three types. Together these four worlds overlie a labyrinthine topography through an intricate set of localized adaptations, which are the product of thousands of years of evolution.

²⁰ *Albizzia procera* BENTHE [Leguminosae].

The world of the lowlanders is essentially flat. Villages are located on level ground, in some cases nested in narrow valleys, in others diffusely sprinkled across broad fields and plains. And although they may look up into the mountains, and occasionally venture short distances into the forest, their existence is premised on the horizontal, on wetness, and on fish.

In terms of lowland agriculture in Laos the upper Mekong valley basins of Vientiane and Louang Prabang were practicing a form of wet-rice agriculture in bunded fields watered by the upland rivers since at least the thirteenth century. In fact it seems clear that most of the Tai populations up until the fifteenth century were located along the rivers of the north, not in the lower Chaophraya as they are today. "The ruler of Louang Prabang enumerated 300,000 male Laos subject to corvée as well as 400,000 non-Tais under his authority in 1376, while another successful Lao ruler around 1640 enumerated 500,000 male subjects capable of bearing arms. Such figures suggest a Tai population well over a million in the intramontane valleys at a time when the lower Chaophraya was principally one vast swamp."²¹

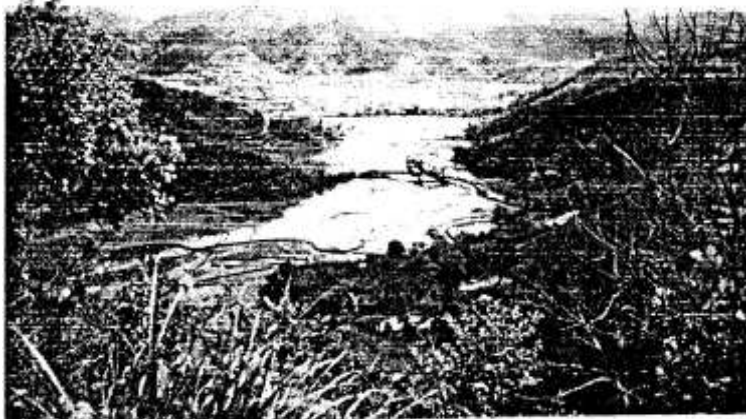


Figure 4-3 *Looking down on the city of Sam Neua. Paddy rice land is scarce and this valley floor has been cultivated for many hundreds of years. —Houa Phan Province*

Highlanders, on the other hand, live vertical lives, dominated by steep slopes, overpowering landscapes, enormous trees, and a vastness of space. Far below are the flat paddies which they may on occasion look down upon. Surefootedness is a prerequisite for life, or even for visiting a neighbor's house. Forests are deep, an "intimate immensity," said Bachelard, "their space prolonged indefinitely beyond the veil of tree-trunks and leaves, space that is veiled for our eyes, but transparent to action."²²

Climates change with altitude in the mountains creating vertical zonation in which soils and vegetation change accordingly. Annual rainfall although high, is not spread evenly either in time or space and is strongly affected by monsoon winds and wind patterns determined by the contours of ridges and valleys creating unique physical characteristics, steep inclines, hazardous topography, complex micro-ecosystems and climates, and remoteness of villages which remain inaccessible and largely incomprehensible to lowlanders. The peoples of the mountains are likewise only marginally involved with the political affairs of the state.

²¹ Reid (1998).

²² Marcault and Thérèse Brosse, *L'éducation de demain*. Cited in Gaston Bachelard 1958

However mountain peoples have always been involved to some degree in trade with lowlanders for manufactured goods and especially salt. They are also not static and are quick to adopt new additions to their repertoire of crops. Corn, cassava and other tubers, as well as opium have all been introduced since the 16th century and are now grown universally throughout the highlands of mainland Southeast Asia. Opium has indeed become the cash crop *par excellence*, a crop that not only is easy to transport and has a good market value, and, among the ethnic groups who cultivate it is also a model of gender equality, requiring equal labor inputs from men and women²³. Opium was first introduced to China by Turkish and Arab traders in the late 6th or early 7th century. In the 17th century the smoking of opium became popular throughout China; opium importations grew and it was at this time that local cultivation by tribes in Southern China, and eventually Laos, became lucrative. (And during the survey several villages attributed their poverty to the cessation of poppy cultivation in accordance with government policy.) Thus highlanders generally have not been completely isolated from the markets of Southeast Asia.

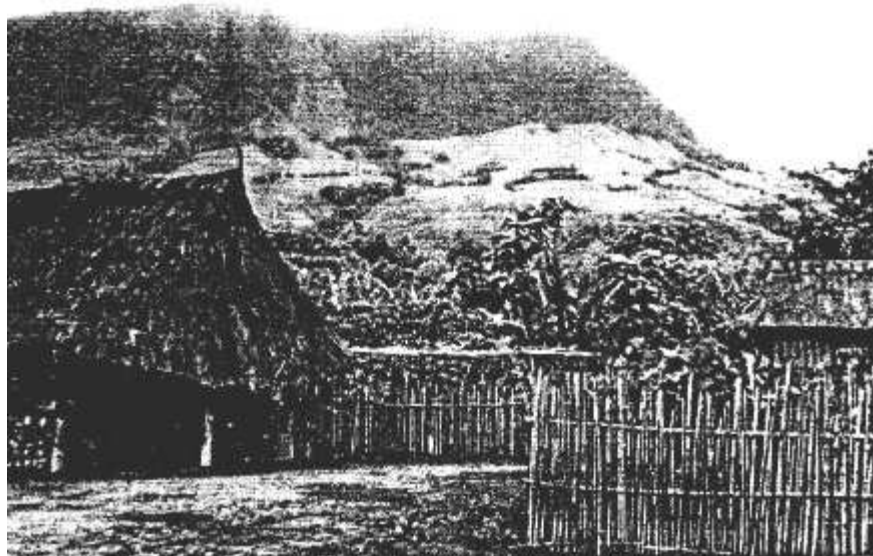


Figure 4-4 *Swidden fields belonging to the Pacoh village of Talo Tay, Samouay District - Saravanh*

Furthermore, northern Laos has always been a center for trade. Economically, it is of considerable interest that this region, especially southern China, northern Laos, northern Vietnam, northern Thailand and the Shan State in Burma has long been an area of commerce dating from at least the 13th century with Louang Prabang and the Kingdom of Lane Xang as the trade route crossroads. Although the area decreased in importance with rise of shipping and the maritime kingdoms of Southeast Asia in the 17th century, as late as the 19th and early 20th centuries silver crown weight coinage to support on-going trade was minted in Yunnan using both Lao and Chinese languages for use in this inland region attesting to its unity and to the fact that it did not disappear entirely as an economic zone. Items of trade from Laos included cardamom, benjoin, lacquer, beeswax, resins, ramie, silk, hemp, rhino horn, ivory, deer horn, pangolin scales, and animal skins, much the same products, in fact, that are still being traded from Laos to China today, and they are products, except for silk, largely provided by and traded by highlanders. And

²³David Feingold, personal communication. Some writers (e.g Kathirithamby-Wells 1998) have even implied that it was the introduction of corn that influenced the Hmong and others to reside at higher altitudes, which were then appropriate for opium.

now in the 21st century once again, with the rising importance of overland traffic routes, northern Laos is at the hub, its center having shifted only slightly from Louang Prabang to Oudomxay²⁴.

Mountain ecosystems are fragile and livelihoods are heavily dependant on soil regeneration made possible by long fallow periods and nutrient recycling in swidden cultivation cycles. There are advantages, however, including the morning mists which bring water to fruits and vegetables, clean water, lack of malaria, and healthy livestock. Swiddening is in fact the oldest sustainable form of tropical agriculture in the world, and traditional societies in Southeast Asia have existed in this way for thousands of years, the arrangements of diverse arrays of crops in the fields mimicking the composition of the forest.

We may assume such spatial realities of lowland and highland are reflected in the inner worlds of villagers as well, and that these mental landscapes lurk in the subtexts of the poverty dialogues:

From the outset of the PPA, beginning with the site selection process it was evident that poverty in the Lao PDR is inextricably related to culture and ethnicity, and that furthermore its locus is with highlanders. As shown in Table 4.2 below, Mon-Khmer groups are the poorest and represent fully 56 percent of the sample, compared to ethnic Lao who represented only seven percent of the sample out of an estimated 30 percent of the population. Furthermore the ethnic Lao villages assessed were found to be only temporarily in a poor state due a long spell of bad weather which had affected yields in an otherwise fertile and spacious area of the far south. In the case of the Tai Thay villages, for the most part (with the exception of Borikhamxay) these are located in Houa Phan where land is collectivized by the Province and farmers are not willing to make investments in land currently under cultivation or to open new paddy for fear it will be reallocated to someone else. In other words, lowland poverty (not including urban poverty) is the exception and not the rule. Poverty in the Lao PDR, therefore, cannot be studied without reference to culture.

Table 4-2 Percentages of Poor by Ethnolinguistic Family

Family	% Poor Sites	% Population
Mon-Khmer	56%	23.50%
Hnong-Mien	15%	7.50%
Tibeto-Burmese	9%	2.50%
Tai-Kadai	13% Tai-Tay	36.50%
	7% Lao	30%

²⁴cf. du Guemey, Chamberlain, and Hsu (2000).

Culture is more than isolated incidents of indigenous ecological genius which are usually cited in defense of cultural preservation (although these too are of great interest). At the heart of the relation between culture and poverty is a feature of culture that is usually ignored in development contexts. Condominas (1986), who established new standards in Southeast Asian ethnography with his classic studies of the M'nonong Gar swiddeners in the adjacent country of Vietnam, coined the term 'ritual technology' to account for the inseparability of material and spiritual culture in agricultural work, which is to say, he would remind us, life itself. This is a critical issue, for the common trend to dissociate the two, as Western science (and its epigones) under the influence of Cartesian mind/body dualism inevitably does, leads to indescribable pathologies in society well-attested in the annals of economic development. Condominas pointed out that the burning of a swidden field in a way that leaves the least rubble (and hence the least labor inputs afterwards) is an undertaking that requires both technological skill and the assistance of the village population, the spirits of the forest, the ancestors, and even the spirit of the rice itself. They are inseparable. Hence the term 'ritual technology.'

In a further refined expression of this same phenomena, Hutterer (1985) wrote:

Among the topics of major interest within the broader issues of human interaction with the environment are not just those concerning environmental and technical skills, but the conceptual and symbolic forms through which various societies have rationalized; directed, and reproduced their practices and integrated them into broader cosmological and transcendental world views.

These anthropological propaedeutics are a key to the analysis of culture and poverty, for it was found during the PPA time and again that villagers are faced with the problem of misunderstood ritual technology or worldview, which is to say, misunderstood holistic thinking. During consultations with provincial and district committees many traditional practices have been labeled as backward and primitive. And because government culture is concerned with segmentation rather than coalescence, misunderstandings are even more acute. One thing that the PPA has shown clearly is that the category of actions which could be said to be represented by telling the Khmou not to listen to the muntjac, or not to sacrifice to the spirits of the field will surely have an undesired effect because it breaks the bond between ritual and technology, a subject pursued in the sections which follow. Box 4.2 illustrates the complexity of ritual technology for the Khmou which is of special interest as this ethnicity comprised over one-third of the villages in the study — there are of course many subgroups of Khmou.

Box 4-2 The khmou Ritual Cycle for Swiddens

1. Finding, examining and marking a field (liap klong hre').
2. Pouring blood on the rice seed (baak hngo' smlah).
3. Closing the seed hole (kndap hnti' crmool).
4. Starting to eat the new rice (reek mah hngo' hmme').
5. Feeding the spirits of the field (liang hrooy hre').
6. Rice mother calling the rice child (ma' hngo' k'eeey koon hngo').
7. Feeding the soul of the rice before threshing (sngkhvan hmmaal hngo').
8. Feeding the soul of the rice before transporting it home (baak sngkhvan hmmaal hngo').
9. Calling the rice soul home to the rice house.
10. Ritual meals for the household spirit connected with work in the swiddens (for families which have constructed a ritual house for ancestors in that year). There are two: (1) ritual meal for the household spirit (mah pnggw), and (2) eating the new leaves ritual (mah tmbri').
11. End of harvest, New Year (greh). (Souksavang 1997)

Cosmologies and ritual technology reside at the level of cultural premises underlying production. Because of evolutionary and environmental reasons, for lowland paddy cultivators the production of "enough" is ideal, whereas highlanders are maximizers. And among the highlanders, the Hmong-Mien and Tibeto-Burman groups, where maximization is realized in terms of production and labor outputs, have arrived in Laos relatively recently from more northerly climes, and must be distinguished from the Mon-Khmers, original inhabitants, whose maximization tends to take the form of encouraging natural abundance. Both groups, however, share the propensity for feasting in almost potlatch style traditions in competition for the acquisition of ritual status both in this life and in the next²⁵.

Figure 4-5 *Swidden field near the Nge' village of Bak, Kaleum District*

- Xekong



²⁵Perhaps the most maximizing of all groups are the Hmong, many of whom are pioneering swiddeners who do not practice rotational fallowing, moving continually to new locations when resources are depleted. In this sense they are the ultimate maximizers. This aspect of Hmong culture may become a source of conflict over resources when villages relocate to lowland, or even midland environments near less maximized Lao-Tai or Mon-Khmer villages. The Mien, Mun (Lantène) and Tibeto-Burman groups employ more environmentally friendly production methods.

Another crucial aspect of mountain cultural systems is that they are highly labor conscious. This has implications for many aspects of daily life. More children leads to a capacity for maximizing cultivation plots, and thus family planning generally has not been well received. But the subject is more complex, and leads to a gender conundrum. Among the White Hmong in the village of Pak Ka in Nong Het Dist of Xieng Khoang, most women were found to have between 7 and 15 children, and there one woman very astutely observed that "many are born, but many die as well, and this makes us poor." Men however, viewed the situation in terms of rice yields, the weather, pests in the field, condition of the soil, and so forth, that is, the conditions which make maximization essential for survival in the mountain regime. Thus on one level, more children means more labor and more labor means more rice, while on another more children means more hardships for women and more sorrow when children die. Sorrow is indeed a form of poverty.

But as with the concept of ritual technology, there is a ritual aspect to maximization as well. More children requires sexual energy on the part of the man, and thus conservation of sexual energy is an underlying theme, and one that was echoed by a Khmou Ou woman in the village of Hat Lane, Samphanh District, Phongsaly who during the dialogue on division of labor said clearly "having sex is men's work, not women's," implying that the reason women have to work harder is so that men may conserve their sexual energy (and hence ritual power and potency), in order to maximize.

But if the goal of the man is to maximize potency through the acquisition of ritual status, the goal of the woman is one of the production of fertility. By conserving energy men maximize potency, and by working hard and bearing children, women maximize fertility. There needs to be, then, for each group, a social mechanism for maintaining the motivation to maximize, the onus of which falls on the religious systems, which in the case of the highlanders, with the exception of the Mien and the Moun who are Taoists, is animistic. With respect to livelihood, as we have seen in the discussion of "ritual technology" virtually all economic production and decision-making has an inseparable religious component.

Consequences of the value of labor in mountain cultures are evident in other aspects of culture as well, for example in marriage residency patterns which are predominantly patrilocal among the groups

studied²⁶. For the Khmou bride service which adds the son-in-law's labor to the wife's family is a mandatory part of the transaction. During this period villagers relate that the man must work very hard to impress his in-laws. Following this 2-3 year period, however, the couple relocates to the husband's home, and the situation is reversed, the woman works harder, and continues to do so even after they have split off to form their own household.



Figure 4-6 *Hmong women at the market in Xieng Hone - Xaygnaboury*

²⁶Exceptions are the Pray in Xaygnaboury and the Sou' in Attapeu.

Another impact is on girls' education. (1) a girl's contribution to the family labor force is seen as more valuable than that of the man, therefore the family is reluctant to let the girl attend school. (2) But also, if the girl does attend school, she will in most cases eventually move out of the home to live with her husband and the value of her education will not directly benefit her own family but rather that of her husband, again leading to disincentives in girls' education.

Most serious of all the labor-value issues is the case of debt, where the indebted family may be forced to pay back a debt with a child, either permanently or for a period of time. The child then becomes a member of the new family and a part of their labor force.

Art and religion - Correction and Maintenance of Cultural Systems

As previously alluded, it was found during the assessment that in the ritual technology of the Khmou, selection of a new field may be dependant upon a variety of factors, but what is common to all Khmou is the dream. Once a prospective plot has been chosen by the head of the household or clan swidden group, usually with special reference to the position of the sun, he will wait for a dream. In Suksavang's ethnography, a prayer is offered prior to the dream,

Make our sleep and dreams good,
dreams of swimming in the water [the allegory for the rice soul].
Dreams that we are holding big stones,
great stones [the souls of buffaloes and cows].

If the dream is of stones and water, this is a good sign and the clearing may begin. If he dreams of fire or falling leaves, this is a bad omen and a new location must be selected. The question then arises, of what possible survival value is the dream?

Bateson (1972) in his classic study of Balinese painting and in other works laid the groundwork for a systematic approach to the role of aesthetics in human adaptation. For Bateson, a holistic view of human society and environment (or mind and nature - they are inseparable) cannot be described without reference to this aspect of culture. Artistic experience, whether in the form of poetry, religion, or dreams, serves the evolutionary function of correcting human behavior in the direction of homeostasis and away from the pathogenesis of conscious purpose run amok.

...mere purposive rationality unaided by such phenomena as art, religion, dream, and the like, is necessarily pathogenic and destructive of life; and that its virulence springs specifically from the circumstance that life depends upon interlocking circuits of contingency, while consciousness can see only such short arcs of such circuits as human purpose may direct.

... What the unaided consciousness (unaided by art, dreams, and the like) can never appreciate is the systemic nature of mind.

More could be said, but let this statement suffice for our purposes here. Taking Bateson's idea as a basic premise, it may be suggested that for the Khmou the act of clearing the forest is a violent and purposefully destructive act, at its heart a raw sacrifice of the forest in order to obtain rice, an act of brutal unmitigated exchange. Note that in the poem just cited, the names of the spirits are not spoken openly and metaphors must be used, since the crass utterance of the name is too purposive. The act needs to be softened and made less hostile appealing to the spirits through the medium of poetry and dreams. At the least sign of dissatisfaction on the part of the spirit world, clewing cannot take place, the call of the muntjac is the voice of the forest and cannot be disobeyed. The Klunou show subservience and obedience to the spirits at all times. The land they use belongs to the spirits and permission must be granted at each step. When eventually the harvest takes place, a large percentage of the rice is turned into rice wine for use in spirit ceremonies, that is, it is given back to the spirits in the form of pleasure. And the more rice wine a household is able to produce for the spirits, the more ritual potency and fertility is acquired. (The preparation of rice wine is the responsibility of the women in the household.)

To continue with the example. If there is no dream, then an arm's span length of bamboo is cut (measured from the fingertip of the right hand to the fingertip of the left hand), the household head begins jabbing the length of bamboo in the ground at the site of the prospective plot, all the while chanting a prayer to the spirits of the land, the sky and the forest. Prayers are always spoken in poetic form, prayers-in-verse, so to speak. After the prayer has ended, the stick is measured again, if it is longer than before, then this is a propitious site and clearing may begin. If the length has not changed, then a new site must be selected.

Many other variables restrict the selection of swiddens for the Khmou. The plots of siblings cannot be within line of sight of each other, and the fields of a younger sibling cannot be higher than that of an older sibling. The divinations performed in the selection process are clan specific, and prayers are always begun by announcing the triune of the lineage totem which is an animal or plant²⁷.

We see then, in the livelihood system of the Klunou, a reliance on the unconscious aspects of life such as dreams, poetry and religion which taken together with the accompanying physical acts form the whole of ritual technology. It is a system whose efficacy as a sustainable survival strategy is borne out by four to six thousand years occupancy of Mon-Khmers on the mainland of Southeast Asia²⁸.

The same is indeed true for all ethnic minorities in the country, although the specific details of the content differ considerably. When the term "livelihood" is used throughout this study, it is taken as inclusive of this meaning. It goes without saying that the intricacies of any given livelihood system determine its competitive advantage in relation to any other group. And here, with such a large number of ethnic groups living in close proximity, the number of possible variations in interethnic relationships is enormous.

²⁷The social is centered on exogamous totemic patrilineages with names such as 'Giant Fern', 'Civet', 'Tiger', 'Termite', 'Munia', 'Wagtail', 'Sparrow', 'Wild chicken', 'Bat', 'Monkey', and so on. A member of the lineage who touches the totem will be burned, if the totem is killed then the offenders teeth will fall out and he or she will die young. All of the totems are associated with origin myths which describe how the ancestor of the lineage was killed under circumstances related to the totem.

²⁸This synthesis is a gross oversimplification of a livelihood system, but it is sufficient for the purposes analysis of poverty at this preliminary stage.

When livelihoods are placed in jeopardy through interference, as will be seen in cases where villages have been prohibited from carrying out traditional swiddening practices and offered non-workable substitutes or no substitutes at all, few alternatives remain. The tools of ritual technology have been usurped and cease to function. Upheavals and disturbances in the balance of livelihood systems, result in pathologies of the system, which may be manifested as poverty, and frequently other ways such as witnessed during the assessment, in the form of alcoholism among the Khmou or opium addiction among the Lantène. These are perhaps most usefully viewed as attempts to correct a situation which is technically insane through an appeal to the unconscious and as such will be addressed in Chapter 7 as an issue of mental health.

The Costs of Culture

Each of the rites and ceremonies carried out to insure good relationships with the spirit world carries with it a price in terms of produce and livestock. Villagers proved to be very adept at estimating the numbers and quantities of these expenditures, a demonstration of the degree of importance they attach to religion.

Rice wine is a requisite part of many ceremonies, especially among the Mon-Khmer groups. A Khmou Lue village in Meuang Nga district of Oudomxay estimated that at least 1,000 jars of rice wine were produced annually for use in ceremonies. (The average ratio is 2.5 kg of rice per jar.) This means an average of 20 jars per household. Other villages reported figures ranging from 7 jars per household in Meuang Kham, Xieng Khoang to an estimated 28 jars per household in a Sou' village in Sanamxay District, Attapeu.

Table 4-3 Per Household Consumption of Rice Wine in Ceremonies

District/Province	Ethnicity	Jars per hh
Nga, ODXY	Khmou Lue	20
Na Mo, ODXY	Khmou Lue	25
May, PSLY	Khmou Ou	20
Kham, XKNG	Khmou Ou	7
Nong Het, XKNG	Khmou, Chang	15
Houa Meuang, HPNH	Kaniang, Khmou	20
Viengkham, LBNG	Khmou Am	10
Phouvong, ATTP	Brao (Lave)	5
Sanamxay, ATTP	Sou	28

In some villages, however, rice wine, while still produced, appears to be not as common as whisky which may be distilled from any number of plants in addition to rice, for example cassava or corn. Kwene and Lamet villages in Bokeo reported consumption of 26 and 29 bottles respectively in addition much smaller amounts of rice wine.

Livestock may also be used for fines for individuals who violate village or ethnic customs. The Brou of Phongsavang in Nakai District of Khammouane are required by tradition to perform the "liang seng" ceremony each year which requires expenditure of one chicken and one jar of rice wine per family, those families who do not participate are fined one pig (if the ceremony is performed too early then a tiger will come to punish the family). In the Brao (Lave) village of Houay Kout in Phouvong District of Attapeu, young people must be formally betrothed before they may sleep together, but if this rule is broken, the fine is a pig or even a buffalo which must be sacrificed to appease the spirits.



Figure 4-7 *Pacoh long house in Samouay District* - Saravanh

In the Lamet village of Hat Kham, annual livestock expenditure for rituals is estimated at 10 pigs, 15 dogs, 2 buffaloes, and 100 chickens. This is modest compared to the Hmong village of Houay Sangiam in Xaynaboury which estimates an annual ritual expenditure of 15 cows, 50 pigs, and 1,000 chickens. Generally speaking, buffalo sacrifices are more common in the Southern Region, where four animals per year is not unusual. At the "lapeup" ceremonies of the Katuic groups which occur only at larger intervals of several years, sacrifice of 12-15 buffaloes per ceremony is common in the interest of obtaining ritual potency. Apart from the ritual use, however, livestock are not usually killed, or even sold unless absolutely necessary (as a social safety net) as they are linked to wealth and status. Thus it is not incidental that for the majority of villages surveyed, livestock were the most important determinant of wealth, and the primary area where villagers were willing to accept credit.

Another category of ceremonies involves expenditures for ceremonies in times of illness. These will be described in Chapter 7.

That these expenditures continue, even in the face of poverty, and may even be increased by the condition of poverty since one method of alleviation is an appeal to spirits for assistance, is evidence of the level of importance placed on religion. Such expenditures should not however, be construed as wasteful. They should in fact be considered as necessary and beneficial on both physical and mental grounds: physical in that more protein is consumed (especially important in times of illness) and mental because the experience is satisfying, the celebrants having increased ritual merit in the eyes of the spirits.

Poverty and Convention

An underlying obstacle to the understanding of poverty is that the conventional view molded by lowland city biases, is constructed of a series of moral judgments, that the poor may be classed as either deserving or undeserving. These are judgments centered on such issues as the family, the economy, national identity, morality, crime, law, women, or human nature. They are in fact what Cloke (1994) has referred to as "cultural constructions of rurality and poverty."

The problem was evident in the majority of provinces and districts among officials who frequently characterize poor villagers as "lazy" or "living in chaos." Similar opinions were expressed in national level forums on poverty, including the deduction that one of the main problems of the poor is their "family structure" which many participants felt should be "improved" or "changed" although no one could say how this should be carried out, least of all in the multiethnic context.

Such value judgments bear out Handler and Hasenfeld's (1991) statement to the effect that:

Social welfare policy cannot be fully understood without recognizing that it is fundamentally a set of symbols that try to differentiate between the deserving and the undeserving poor in order to uphold such dominant values as the work ethic and family, gender, race and ethnic relations.

Without pursuing this topic further, it may be concluded that a major constraint on poverty alleviation is the conventional view, and that this view is fostered by authorities who have little or no understanding of culture and its role both in the identification and causation of poverty, as well as its alleviation.

Conclusion: Poverty as a Consequence of Social Change

(New Poverty)

We have seen via the PPA a series of systemic pathologies and we have called them "poverty." And yet, poverty in Laos does not readily fit conventional definitions.

IFAD, for example, has a 5-fold classification for causes of poverty throughout the world²⁹.

1. *Interstitial Poverty*: pockets of poverty surrounded by power, affluence and ownership.
2. *Peripheral poverty*: found in marginal areas mainly among smallholder farmers and the landless in upland areas and on marginal agricultural land.
3. *Traumatic or sporadic poverty*: caused by natural or social calamities such as war or natural disasters. Nomadic peoples are particularly vulnerable.
4. *Overcrowding poverty*: results for population growth in areas of high agricultural productivity, eg Bangladesh and E. India
5. *Endemic poverty*: caused by low productivity and poor resource base resulting in low income, and poor nutrition and health.

Most of them do not apply well to Laos except perhaps some aspects *mutatis mutandis* of number (3). There are still some after effects of the Indochina War which would be classified as "social calamities," especially where relocation has occurred and economic systems have been consciously altered by the government or rice distribution dependencies have evolved. Poorly implemented development programs would be classed here as well. Thus poverty in Laos, as revealed in the PPA is a new poverty, the result of upheavals which have taken the form of attempts at what can be classified as social engineering, and intermittently the weather. (Social engineering, it is fair to say, has been about as successful in human history as engineering the weather.)

The ideology of development must accept part of the blame for this new poverty. Outside pressures to promote economic growth and modernization have led prematurely to the institution of programs and policies which have led systematically to the pathologies we now define as poverty. For it is safe to say that poverty, as it is defined by the poor today, was not an original condition for the peoples of Laos. In the languages encountered by the PPA, the terms for 'poor' refer not to economic circumstances (there are no indigenous terms for this) but to individual conditions, associated with misfortune or suffering precipitated by outside forces, not an endemic state. Then, at some point developers began to associate lack of economic growth with poverty. But lack of economic growth has little meaning for villagers for whom hunger has not been a problem, and for whom systemic wholes are the smallest unit of consideration — until now. Hence the qualification of poverty in Laos as "new poverty."

It goes without saying that social change is a deeply cultural issue. Mountain peoples live in delicate ecological niches and are governed by sociocultural norms representing equally delicate balances of ritual technology, the generation of enhanced potency and fertility, and morale. And while swiddening is a sustainable agricultural system in the abstract, these bio-cultural complexes are vulnerable in the face of economic change.

Potency and fertility are the crucial maximizing aspects of mountain cultures. In the words of Thomas Kirsch, "each householder is conceived to be a 'religious entrepreneur,' trying to maximize his 'potency' in relation to — but not at the expense

²⁹Taken from Gordon and Spickler (1999).

of —other householders ... [this system] might be thought of as manufacturing 'fertility.'" Continuing his economic analogy, Kirsch writes:

... in this hypothetical model of hill tribes society total monopoly of ritual status cannot occur because such status is measured only in relation to other similar units, and the economy cannot be completely "closed." That is, there is no theoretical limit to the "profit" in terms of "potency" since it is measured relatively rather than absolutely. ... Any tendencies to close this economy through an absolute monopoly would involve a complete transformation of the economy and a shift to a new set of rules, i.e. radical sociocultural change ... a radical redefinition of all the norms and values governing the system³⁰.

In real terms, this would mean something of the magnitude of an ethnic Akita being transformed into an ethnic Lao. It simply doesn't work.

But all of the above should by no means be taken to imply that highland minorities are not capable of change or adaptation, or that they are not interested in bettering their lives, only that each ethnic group has its own epistemology and methods of investigation. Most are curious and monitor innovations that are made within the scope of their geographical terrain and are continuously adopting those aspects of other cultures which they find appealing. But unless changes 'make sense' within the frame of the particular epistemological referents, that is, if decisions that imply change are not arrived at through indigenous decision-making processes, there is a risk that development measures will lack ownership and adaptation will not occur.

The best example of this that occurred during the assessment was the Khmou Rok villager of Mr. Kham One described in Box 4.2. It is the best example because the innovations that were undertaken were internally motivated and expressed in the villagers own language and logic. It must be stressed that the system of fines is not the key factor here, but rather the cultural frame within which the changes transpired. (It can be safely ventured that if fines were imposed from the outside the efforts would fail.)

³⁰Kirsch notes that, the amount of ritual power held by, say, a chief does not limit the amount of power available to others, in contrast to the political model of Leach. "The religious model used here is not zero-sum. The amount of grace, merit, or ritual efficacy in these upland systems is not fixed and the amount of this quality attributed to one person does not automatically limit the amount that may be attributed to others"

Box 4-3 The Village of Mr. Kham one

Mr. Kham One is a Village Chief, and is a former army captain responsible for food supply at army general headquarters. Kham One is himself a Khmou Rok, married a Tai Lue girl from Meuang Ngeun. They have 3 children. In 1995 he left the military to establish his family in his home village of Vang Sa. In 1997 he was elected Village Chief. He decided, based on his experience and observations all over the country, that he would eradicate poverty in his village of 37 hhs.

Ban Vang Sa is located 3 km off the main road between M. Ngeun and M. Xieng Hone. (About 30 min walk up the mountain by Khmou calculation.)

After he became Village Chief, he called a meeting of the village and established a rule with the agreement of the villagers: "whoever is lazy and doesn't work to improve the livelihood of his family will be fined 400 Baht per day."

After 2 years there is no rice shortage in the village. They do swidden in 3-4 year rotations. But at first they did not know what else to emphasize that would earn good incomes. So, after Mr. Kham One and his wife had explored the market in Meuang Ngeun, they had another meeting to decide what to do for cash crops, and they decided on the following:

1. plant paper mulberry for bark which sells at 10 Baht/kg. This is easy to grow and easy to harvest.
2. grow sesame, because sold at 15 B/kg.
3. exow peppers, valued at 20 B/kg.
4. grow "mak hOUNg thet", sell at 10 B/kg.

From the forest, they focused on "mak tao" [palm hearts – Caryota sp.] which sell at 10 B/kg. Last year they collected 40 tons. And fines were also set for anyone destroying these trees during the harvesting.

It was agreed that each household must plant at least one of the cash crops in at least one-fourth of the swidden plot. The penalty was a fine if they didn't carry out the plan.

Last year, household cash incomes varied between 3-6 million kip. As for Mr. Kham One, he has just purchased a rice mill for the village. *"I am doing this for real. We won't accept having less than other villages. Now some households are richer than I am. My own younger brother is one of them."*

Whether or not internal motivation can be programmed is a more difficult question, and one for which there is no ready answer. One conclusion though, is that indigenous culturally appropriate leadership is a key factor in addressing poverty, in planning and in correcting the errors of the past. It is also clear that emphasis should be placed on facilitating the conditions by means of which internal motivation may supervene.

Relating culture and poverty is therefore not a simple undertaking because it is a factor of the degree to which a diverse array of systemic wholes have been disrupted by outside forces. When such events occur and the structures of ritual technologies are no longer viable, poverty may result; from loss of indigenous knowledge, from loss of morale, or generally from loss of strategies for adaptation and survival which may be intimately connected to particular niches.

But as alluded to earlier, caution must be advised in attempting a too physical view of poverty. Culture is a mental process, and because it is more difficult to observe than physical circumstances does not mean that it is any less real or any less subject to upheaval.

From the perspective of the PPA, the relationship of culture and poverty is thus the most important aspect of poverty in Laos because it underlies, or is prior to, all aspects of livelihood, in particular rice production and livestock, in both the physical and spiritual aspects of these terms. These in turn relate directly to other aspects of development such as health, education and gender.

5. Chapter 5 — What is Poverty?

The primary aspects of livelihood that signify well-being in all villages are the degree of rice sufficiency and the number of livestock, especially cows and buffaloes. Thus when these are perceived to be in decline, they are also the primary signifiers of poverty. For all groups, rice and livestock are possessed of souls, and when the balances between humans and spirits is upset, misfortune, that is to say, poverty, results.

Accompanying the primary signifiers of poverty are secondary effects: protracted problems with land and water which affect rice yields; diseases which affect livestock; poor health which meets labor supply. Villagers work harder in unproductive fields for smaller returns, the yields of the swiddens are disproportionate to the amount of labor expended, usually because of soil depletion resulting from reduced fallows. At the same time, status symbols of the modern world are creeping into the market and other peripheries of village experience. These, along with expenses for school and medicine, place additional pressures on enfeebled livelihood systems which are deteriorating just at a time when they are in need of fortification.

Decreases in rice or livestock represent disturbances in the balance of the whole system which need to be corrected by ritual as well as by physical means. The essence of poverty, for villagers in the PPA is the inability to make the necessary corrections, and the painful awareness of this reality.

From the point of view of the villagers in the I'PA, the fundamental causes of poverty in Laos are those which affect livestock and rice yields. These causes may take the form of natural disasters such as floods or drought, or of manmade traumas introduced through poor implementation of projects or programs, especially those which affect ecological systems or agroecosystems of subsistence farmers, or the area of production land over the long term. Of the various programs the one most frequently identified by villagers throughout the PPA was Land-Forest Allocation. This has led to shortened fallow cycles and directly or indirectly to soil degeneration, lack of biodiversity through habitat loss of varied fallow forest types, over-hunting of wildlife, especially predators, and excess gathering of forest products, leading to epidemics of crop pests, and ultimately exponential decreases of rice yields.

Disease and lack of veterinary services has led to loss of livestock to epidemics. Livestock play an indispensable role in villages as a social safety net. They can be sold to purchase rice when yields are low, sacrificed in times of illness providing protein to the sick sold to pay for medical costs in cases of severe illness, or sacrificed at special ceremonies providing spiritual protection for the village and for individual families.

The combination of low rice yields plus livestock disease thus places a double strain on villagers leaving them with no recourse other than the increased exploitation of natural resources or performing labor for other villages in exchange for rice or cash with which to purchase rice.

Lack of technical knowledge ranks high in the lists of priorities, while lack of formal education ranks low. In other words, in those areas where livelihood concerns remain high, it is technical knowledge that is more highly valued. A related theme that was brought out in all regions is the lack of commercial knowledge, of how to buy and sell and compete in the marketplace. Since most of the poor are ethnic minorities, they have less exposure to lowland style markets. They tend to sell their produce at low prices to experienced marketeers and are perceived as gullible by the lowlanders. They also have little experience with bargaining.

Most of the solutions suggested by villagers relate directly to causation. They also reflect a need to modify livelihoods away from subsistence in the direction of surpluses in order to meet cash needs for the new market, but in so doing disclose the difficulties in making the transition when constrained by a subsistence cosmology.

In general, the main priorities for solutions are still centered around land and livestock, but with the added features of irrigation for paddy expansion and cash cropping, which can be interpreted as the beginnings of a trend towards realizing needs for economic growth beyond subsistence. Also reflected here is mindfulness on the part of the poor that they are unable to effect many kinds of solutions on their own, and thus preference is given to solutions which can be achieved with minimal outside inputs. Irrigation, for example, implies government assistance, and cash cropping requires new technical knowledge which cannot be acquired independently. But a review of land allocation, or livestock vaccinations are areas where in the eyes of villagers, a little effort can go a long way. That having been said, roads, water supply, and hospitals still ranked high in the discussions, second only to land and livestock. In the South roads were the primary solution followed by irrigation. Agricultural extension services also ranked high overall.

From the point of view of the villagers in the assessment it is clear that poverty in Laos is 'new poverty,' not an endemic condition. Poverty is the result of events external to the villager over which he or she has no control, especially, weather, war, resettlement, poorly implemented development programs, and livestock disease. And, because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma, etc., and hence its substance is both physical and spiritual. Also, poverty in Laos is not synonymous with hunger. Abundant natural resources have provided sustenance for poor villagers but these resources are showing signs of dwindling through over-exploitation in search of food or cash with which to purchase food and to meet the new expenses associated with health, education and the market. Some poor villagers have become depressed, despondent or have turned to opium, but the overwhelming majority of the poor are trying to make the most of a bad situation, and still live in hope of finding solutions to their livelihood problems.

This Chapter examines the characterizations of poverty evidenced in the assessment together with villagers' own causal explanations and the solutions which they have proposed. The causes and solutions are presented as prioritized lists according to the frequency with which they occurred in the across the data set. These are then broken down by region since considerable differences in priorities were found to exist between regions.

Meaning and Significance

As has been mentioned elsewhere in this report, the meanings of terms in the various languages spoken by villagers in the assessment which are translated here as 'poor' or 'poverty' signify subjective conditions resulting from ill-fate, misfortune, or acts of God. An individual is 'poor' if he or she has been widowed or orphaned, sick, or fallen on hard times for karmic or various other reasons. In the Buddhist sense, the source of the term in Lao, it is the condition or state of mind of all sentient beings who have not reached enlightenment. The philological conclusion then, for Laos, is that 'poverty' in the prototypical Western sense of 'unproductive' was not originally a condition that was endemic to any of the peoples of Laos. And furthermore, as we have seen with such terms as livelihood or technology, its causes and solutions have metaphysical components as well.

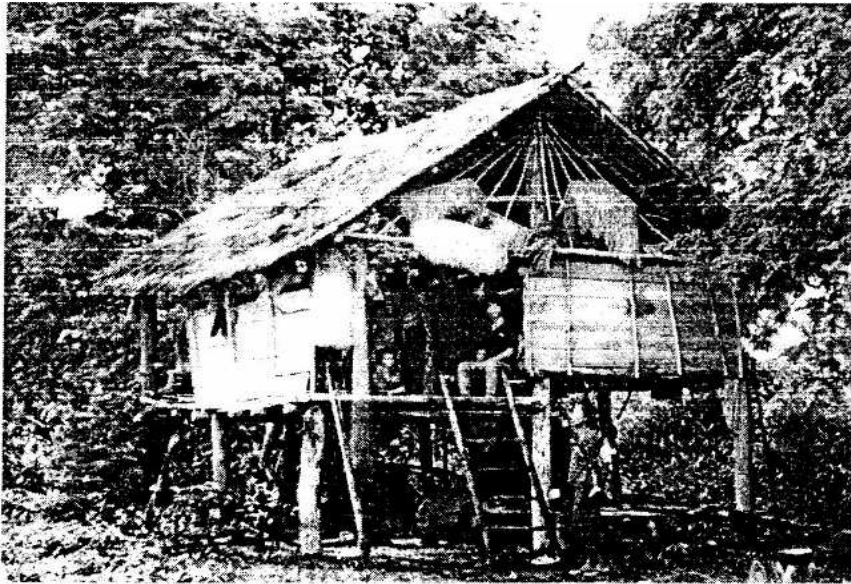
It is worth pointing out here that in Buddhist philosophy the first of the four noble truths taught by Gautama Buddha, *Dukkha* the truth of 'suffering', is the etymological root of the Lao word for 'poor'. Whatever is subject to the law of causality, that is non-eternal, is characterized by *dukkha*. There are furthermore three types of *dukkha*, that is, (1) 'torment' old age, sickness, and death; (2) the absence of pleasure; and (3) the necessity of giving up what one loves because of the transitory quality of all phenomena.

The second noble truth is *Saniudaya* "the truth of the origin or cause of suffering" which is caused by craving based on ignorance. The third, *Nirodha* is the truth of the goal or the alleviation of suffering, accomplished by mental processes, not physical ones, namely 'non-striving' and awareness of the origin of *dukkha*, that is, *Nibbana* [Nirvana]. The fourth truth is *Magga* the truth of the way to the alleviation of suffering which is meditation, what Trungpa (1987) refers to as finding the right path. Since the origins of poverty in Laos (what we have called "new poverty") reside in what the Buddhists would call confused states of mind, or erroneous thinking relating to development, it is doubtful, from this perspective, that continued manipulation of the physical world will serve to correct the problem. (We will return to this problem in the concluding chapter.) The four noble truths, however, serve as an appropriate allegory to the purposes of the PPA, (1) to recognize poverty; (2) to identify and understand the cause; (3) with a goal to alleviation; and (4) finding the right path to alleviation.

The primary aspects of livelihood that signify well-being in all villages are the degree of rice sufficiency and the number of livestock, especially cows and buffaloes. Thus when these are perceived to be in decline, they are also the primary signifiers of poverty³¹. This fact is borne out by the priorities listed in the attributions of causality and the solutions proposed by the villagers in the assessment in the sections which follow. As in the Khmou examples provided in Chapter 4, for all groups, rice and livestock are possessed of souls, and when the balances between humans and spirits is upset, misfortune, that is to say, poverty, results.

³¹The only exceptions to this generalization are the last remaining hunter-gatherer societies in Laos, the Mlabri of Xagnaboury, and in Khammouane, the Atel, Themarou, Mlengbrou of Nakai, and the Cheut of Boualapha. Traditionally they have no cultivated agriculture, and no domestic animals other than the dog. Their main staples are wild tubers.

Figure 5-1 *Household in the Sou' village of Hat Oudomxay*



Accompanying the primary signifiers of poverty then, are resultant or secondary effects: protracted problems with land and water which affect rice yields; diseases which affect livestock; poor health which affects labor supply. All of these are perceived as being caused by discontented spirits. Villagers work harder in unproductive fields for smaller returns, the yields of the swiddens are disproportionate to the amount of labor expended, usually because of soil depletion resulting from reduced fallows. At the same time, status symbols of the modern world are creeping into the market and other peripheries of village experience. Specifically cited in the PPA were clothing, permanent houses, and various utensils and equipment. These then, along with expenses for school and medicine, place additional pressures on enfeebled livelihood systems which are deteriorating just at a time when they are in need of fortification.

The remedies for illness and misfortune are ceremonial, and extensive pantheons of spirits need to be appeased. Atonement entails sacrifice, and sacrifices expend livestock, and thus what savings villagers have accrued in the form of livestock are expended in rituals as well as in exchange for rice deficiencies in order to alleviate their poverty. The poor become poorer.

Decreases in rice or livestock represent disturbances in the balance of the whole system which need to be corrected by ritual as well as by physical means. *The essence of poverty, for villagers in the PPA, is the inability to make the necessary corrections, and the painful awareness of this reality.* In several cases this has led to despondency.

A villager in Itham District, Xieng Khoang said, "we have exhausted all of the possibilities at our disposal. Its up to the authorities to bring solutions, or we will have

to wait for our children and grandchildren to become educated and lead us to the solutions."

This was echoed by a Tai Chang man from Nong Het who stated, "from hiring out labor we can earn enough to eat each day, but there is nothing left over. We don't know how to earn more than this. We have received no inheritance from our parents, they were poor and so are we."

Causality

From the point of view of the villagers in the PPA, as is to be expected given the definitions of wealth and poverty, the fundamental causes of poverty in Laos are those which affect livestock and rice yields. These causes may take the form of natural disasters such as floods or drought, or of manmade traumas introduced through poor implementation of projects or programs, especially those which affect ecological systems or agroecosystems of subsistence farmers, or the area of production land over the long term. Of the various programs, the one most frequently identified by villagers throughout the PPA was Land-Forest Allocation. This has led to shortened fallow cycles and directly or indirectly to soil degeneration, lack of biodiversity through habitat loss of varied fallow forest types, over-hunting of wildlife, especially predators, and excess gathering of forest products, leading to epidemics of crop pests, and ultimately exponential decreases of rice yields.

Disease and lack of veterinary services has led to loss of livestock to epidemics. Livestock play an indispensable role in villages as a social safety net. They can be sold to purchase rice when yields are low, sacrificed in times of illness providing protein to the sick, sold to pay for medical cost in cases of severe illness, or sacrificed at special ceremonies providing spiritual protection for the village and for individual families.

The combination of low rice yields plus livestock disease thus places a double strain on villagers leaving them with no recourse other than the increased exploitation of natural resources or performing labor for other villages in exchange for rice or cash with which to purchase rice.

It is interesting that in all regions except the Central, lack of technical knowledge ranks high in the lists of priorities, while lack of formal education ranks low. In other words, in those areas where livelihood concerns remain high, it is technical knowledge that is more highly valued.

A related theme that was brought out in all regions is the lack of commercial knowledge, of how to buy and sell and compete in the marketplace. Since most of the poor are ethnic minorities, they have less exposure to lowland style markets. They tend to sell their produce at low prices to experienced marketeers and are perceived as gullible by the lowlanders. They also have little experience with bargaining.

The Central Region

In general, the Central Region, due no doubt to its proximity to Vientiane Municipality, and its composition as inclusive of the large resettled Hmong communities in Xaysomboun Special Zone, are more conscious of the negative effects of population growth and the potential benefits of formal education. But agricultural livelihood concerns are likewise of the high priority.

In some cases, such as in a Khmou Krong village in Meuang Feuang, Vientiane Province, the people expressed a strong dislike for paddy cultivation and preferred hiring out labor to planting rice. They are said by the Phouan co-residents to sell their land in order to buy motorcycles and consumer goods without thinking about the future. They also have large families, as many as 13 per household. Looking at the history of the village, it was originally settled in 1979 by 17 households of Khmou from Nan District in Louang Prabang who moved south looking for better land. But then large numbers of Khmou, Phouan, and Tai Deng, from Vang Vieng and Kasy were here, along with 8 households of Hmong. Now there are 199 households and among the Khmou, at least, there appears to be an attitude of 'live-for-today' most likely as they are unable to compete with the non-Khmou arrivals, and many are indeed working on a by-the-day basis.



Figure 5-2 *A mixed village of Ph and Hmong in Viengthong District Borikhamxay*

A similar situation exists in the village of Nam Mo in Xaysomboun, a village of mixed Khmou and Tais (Tai Darn, Tai Deng, Phouan). The village was founded in 1961 by Khmou from Xieng Khoang and later became the recipient of resettlers of other ethnicities. Although the relationships between ethnic groups appear to be better here, the Khmou say they are unhappy and would like to move. As a result they do not make improvements in land or agriculture. They are unable to compete with the Tais and hire out labor to them regularly. Six Khmou boys do not attend school because they cannot afford the uniforms, and of the 22 children who have continued on to lower secondary school, only 3 are Khmou. Intermarriage is possible between Khmou and Phouan, but not between Khmou and the Tai Dam or Tai Deng.

The pest problems in the Central region are symptomatic of a higher degree of forest degradation than the other regions resulting from shortened fallows coupled with higher population density. The problem consists primarily of rats, *meng kheng* [Pentatomidae] or stink bugs, and grasshoppers. A village chief in Meuang Met observed.

"Prior to the land allocation our village produced enough rice to last the entire year, now, following land allocation, we can only produce enough rice for 5 months out of the year. In addition, because of the reduced fallow periods, we have rat and grasshopper problems. There are so many rats we have to catch them in mosquito nets when they are swarming, and in each net we get enough to fill a 50 kg sack."

Two main difficulties created by land allocation are thus highly visible in the Central Region (1) title to land allows it to be bought and sold easily, and naive villagers, especially ethnic minorities for whom land ownership is a foreign concept, sell their land to buy high-priced consumer goods such as TVs and motorcycles; (2) shortening fallow cycles limits production land, exacerbates environmental degradation and reduces biodiversity as discussed above.

Livestock disease which ranked high as a cause of poverty in the other regions was not reported as a major problem in the Central Region, although holdings were in some cases substantial. This may indicate a greater awareness of vaccinations and more comprehensive veterinary services in areas closer to the capital. In terms of solutions, however, veterinary services were the first priority in the Central Region.

The North

In the Northern Region, ethnically the most diverse, land reform problems were found to be severe among the poor in all provinces. Kwene villagers in I3okeo say they were allotted the poorest, least fertile land and then were forbidden from cultivating slopes of over 25 degrees.

"After the land allocation was carried out we have begun to be short of rice to eat. If they allotted us some oldie paddy given to the Ilmong that would have been better, because they have more than there need."

An Akha Chi Pya village in Phongsaly was moved by the district chief from its original location to a new one along the road. The reason for the move, they were told, was forest conservation. According to Akha custom living on the road is forbidden so from the beginning the move was psychologically damaging. Now their allocated production land is limited and rice yields have dropped from an average of 2.5 tons per hectare to 1.2 tons because of soil depletion. No livelihood substitutes were provided for the villagers. When the PPA team arrived a baby was dying in the arms of its mother, ironically less than 20 meters from a new clinic which had been constructed especially for the village by AUSAID and staffed by two female nurses who were ethnically Tai Lue. (The mother and baby were driven to the district hospital in the team's vehicle, and the baby, it was reported later, survived.) During discussions with the villagers they reported that they cannot communicate with the nurses because of the language barrier, and as a result, the nurses do not venture into the village, and the villagers do not patronize the clinic which they say only has three kinds of medicine anyway.

In a Khmou village in Na Mo District, Oudomxay, land allocation implemented in 1995, has reduced fallow cycles from 7-8 years down to 2-3 years, with resultant decreases in yields from 2 tons down to 700 kilograms per hectare. The paddy provided by the district is unusable because of a non-workable irrigation stream. The paddy indeed was known to be unusable even prior to land allocation

"We didn't understand the technology (of the weir) and the design of the whole (irrigation) system was difficult. This is an old problem for us, even throughout the terms of five or six district chiefs they have not been able to help us. Our swidden land has been reduced (by land allocation) and soils are depleting from overuse so we can only get poorer."

Following land and livestock problems, the third most frequently mentioned cause of poverty in the North was opium addiction. In several cases, the addiction appeared to have originated in response to irresolvable livelihood problems associated with decreasing rice yields and lack of solutions available. A Kim Moun (Lanténe) village in Oudomxay reported 48 addicts out of a total population of 183 villagers. The village was relocated to its present location in 1985, and land allocation was carried out in 1995 allotting 88 hectares to the village, including 28 hectares of potential paddy, which after remarkable labor inputs it turned out were unusable because the irrigation scheme did not work³². About 20 families abandoned the village at this point, moving to join other Kim Moun villages in Louang Namtha. Opium addiction began in that same year as well.

The East and South

In the East and in the South, all-weather roads were seen as major concerns, implying that there is already good potential for increased agricultural production if villagers had the means to transport produce to markets, and had knowledge of which crops are in highest demand. Poor areas in these regions are least accessible in the rainy season and the historical precedent for trade relations is weaker by comparison to the Northern Region.

³²Being unused to the system of paddy cultivation, having expended the manpower necessary to clear the fields and construct the bunds separating the fields, villagers worked a buffalo to death plowing the fields in preparation for the water which never came.



Figure 5-3 The Nge' village of Ban Bak, the stakes in the foreground are used to tether buffaloes for sacrifice during the "lapeup" ceremonies.- Xekong

The Ngè' village of Ban Bak, for example, is located on the Xekong River in Kaleum District of Xekong Province. It takes 2.5 hours, with two portages over rapids, to travel by boat from the village to the district seat, and the market. Travel to the provincial capital and the market there, takes two days by boat, but is preferred by villagers because the prices are better. Fish, basketry, cardamom, and *mak chong* [*Sterculia lychnophora*], are sold at the markets, and with the cash villagers purchase such items as salt, MSG, fishing equipment, clothing, and medicines.

In another case, the Sou' village of Hat Oudomxay in Attapeu is accessible only by river during the wet season. It is a five hour trip to the district seat by boat with many rapids. Because boats are small it is difficult to transport much produce to the market during this season.

For the South, natural disasters ranked first as a cause of poverty, especially intermittent drought and flooding over the past six years which has negatively affected the production of paddy farmers. Livestock disease has been a major concern, as well as the depletion of natural resources.

For the Lavè village of Ban Houay Kout in Attapeu, the main reason for poverty is natural disaster, drought and flooding. In 1997 the planted 38 hectares of paddy, but were able to harvest only 10 tons because of drought and flooding. Then in 1998 they planted 39 hectares and harvested 30 tons. Finally, in 1999 the were able to harvest a little more because the drought and flooding were not as severe, and because some villagers borrowed 2.5 million kip from the government to plant 7 hectares of dry season rice that yielded 21 tons and allowed repayment of 1.8 million of the loan. The rest is still outstanding. Dry season cropping depends on pumping water form the river and the main expense is the fuel for the pumps. The 21 tons was sold at 500 kip

per kilogram (for husked rice) or 10.5 million kip total. The 1.8 million kip payment on the debt is thus equivalent to 3.6 tons. The rest 17.4 tons, was consumed by villagers to make up for wet season deficiency. Thus the debt to the government is still there and still earning interest. Epidemics have killed off much of the livestock (i.e. villager savings) and they lack the elementary irrigation system that would allow additional dry season cropping. Although villagers report that there are many sources of livelihood that could be exploited given the good natural setting, they lack transportation, roads, marketing know-how, and the cash investment needed to get things going.

In the village of Khanh Mak Nao, beginning in 1978-79 there have been problems with drought and flooding, there is drought when the rice is first planted, and flooding just before harvest. In 1996 the entire village produced only 4.5 tons. And in 1998-99 they lost 70% of the crop. In 1999 they produced only 11 tons. This has resulted in having to sell livestock to buy rice, and in having to use every available human resource in gathering natural food to eat every day. Deficiencies are compensated for by eating cassava, corn, wild tubers and shoots, and other forest food. Basketry is produced for sale, and fish are caught to sell in order to buy rice by the kilo. This in turn causes hardship in taking time away from rice production. Villagers estimate that they now spend only 60% of their time in paddy and swidden production, and 40% looking for food to make up for rice deficiencies, including hiring out labor for cash to buy rice. There is no irrigation and no cash to get out of the impoverished condition. Although there is ample land for large livestock there have been serious problems here as well. The numbers were originally high as in 1999 there were 110 buffaloes. But by 2000 this number has dropped to 42 because 46 buffaloes were sold to buy rice, and 22 died from disease. The number of pigs dropped from 20 to 1 during the same period. Because of the rice shortage, many natural resources have been used up, and some forest products are completely gone. Wildlife is rare. Tree monitors, squirrels, birds, snakes etc. are scarce and may be eaten as little as once per year. Sambars and barking deer usually only one per year, and some years none at all. All edibles in the forest are consumed: mushrooms, rattan sprouts, palm sprouts, etc. especially in times where rice has failed there is great pressure on natural sources, including fishing. This year villagers say it has become much harder to find wild food, and fish catches are lower every day. Now there is an attitude of waiting for the government to help them since they cannot help themselves.

The prioritized lists provided below are based upon frequency of occurrence in the data. They are arranged here by region as many of the causes are region specific or have different priorities depending on the region.

Causes of Poverty — North

Priority 1

- livestock disease
- land allocation, swidden cycles too short, production land area insufficient

Priority 2

- soil losing fertility environmental degradation
- pests, insects, rats, birds, wild pigs, bears

Priority 3

- opium addiction

Priority 4

- natural disasters
- lack of irrigation / water supply
- lack of technical knowledge and skills
- lack of cash savings for investment
- frequent illness affects labor outputs
- lack commercial knowledge, cannot compete
- lack of cash crops and markets

Priority 5

- usable paddy land not available
- low education level
- lack of local leadership
- our parents were poor, therefore, so are we
- theft of cows and buffaloes, not allowed to shoot thieves
- crops promoted by government have no market
- forbidden to grow opium
- lack of clean water
- lack of roads

Priority 6

- lack village leadership
- production time limited by need to hire out labor
- forest products supply dwindling
- increasing prices
- resettlement. relocation
- labor shortage, young people have abandoned the village to go to the provincial capital or to Thailand to find work, and not returned

Causes of Poverty — East

Priority 1

- land allocation, swidden cycles too short, production land area insufficient
- soil losing fertility, environmental degradation.

Priority 2

- livestock disease
- paddy land not sufficient, or not available

Priority 3

- lack technical knowledge, skills

Priority 4

- lack of all-weather road to village
- no cash savings for investments in livelihood

Priority 5

- unnatural disasters, weather, floods, drought, logging
- land allocated to replace swiddens not feasible for cultivation
- do not like paddy cultivation, or, lack know-how

Priority 6

- lack of irrigation, water supply
- lack of health services, or, not sufficient
- families too large, population increase
- lack knowledge of commerce, cannot compete

Priority 7

- cash crops cannot grow due to climate
- low education level
- village far from hospital

Priority 8

- pests, insects, rats, birds, wild pigs, bears
- production time limited by need to hire out labor
- forest resources dwindling
- waiting to be moved from dam site, don't want to invest in improvements
- frequent illness affects labor outputs
- our parents were poor, therefore, so are we
- UXOs

Causes of Poverty — Central

Priority 1

- pests. insects, rats, birds, wild pigs. bears
- production land area too small
- lack of cash savings for investment
- too many children, population increasing

Priority 2

- lack of irrigation, water supply
- low education level
- no access to health facility
- poor health

Priority 3

- lack of roads
- not smart, lack intellect

Priority 4

- do not like paddy cultivation
- lack technical knowledge, skills
- no knowledge of commerce
- lack trained teachers
- lack clean water

Causes of Poverty — South

Priority 1

- natural disasters, floods and drought

Priority 2

- lack of roads, cannot market produce

Priority 3

- livestock disease

Priority 4

- lack technical knowledge, skills

Priority 5

- land allocation, swidden cycles too short

Priority 6

- pests, insects, rats, birds, wild pigs, bears, and monkeys
- loss of soil fertility, environmental degradation
- frequent illness affects labor outputs

Priority 7

- lack of irrigation, water supply
- low education level
- lack knowledge of commerce, competitive disadvantage
- increasing consumer prices
- exhausted all possibilities, its up to authorities
- gender inequality, women do most of the work

Priority 8

- lack of cash crops or ability to cultivate
- forest resources dwindling
- no enough paddy land available
- must sell livestock to buy rice
- UXOs
- borrow rice at usurious rates

Priority 9

- do not like paddy, don't know how to cultivate
- lack funds to increase livestock holdings
- health services insufficient
- epidemics
- no cash savings for investment
- labor insufficient due to having to compensate for rice deficiency
- resettlement and the burden of having to open up new fields, providing food during this 3-yr period
- Theft of cows and buffaloes

Solutions

Most of the solutions suggested by villagers relate directly to causation. They also reflect a need to modify livelihoods away from subsistence in the direction of surpluses in order to meet cash needs for the new market, but in so doing disclose the difficulties in making the transition when constrained by a subsistence cosmology.

In general, the main priorities are still centered around land and livestock, but with the added features of irrigation for paddy expansion and cash cropping, which can be interpreted as the beginnings of a trend towards realizing needs for economic growth beyond subsistence. Also reflected here is mindfulness on the part of the poor that they are unable to effect many kinds of solutions on their own, and thus preference is given to solutions which can be achieved with minimal outside inputs. Irrigation, for example, implies government assistance, and cash cropping requires new technical knowledge which cannot be acquired independently. But a review of land allocation, or livestock vaccinations are areas where in the eyes of villagers, a little effort can go a long way. That having been said, roads, water supply, and hospitals still ranked high in the discussions, second only to land and livestock. In the South roads were the primary solution followed by irrigation. Agricultural extension services also ranked high overall.

"We don't understand how cultivate paddy fields. We tried to plow with the buffalo but the buffalo died [overwork]. Then the water didn't come as promised by the district agriculture officials. The weir they built was lower than the level of then paddies. The Quakers who were here at the time told them it wouldn't work, but they went ahead and built the weir anyway."

- Lantene villager in Oudomxay

Several villages suggested loans for the purchase of livestock to increase holdings and were willing to accept the debt for this, whereas in other areas of concern there was a general fear of debt. But in one Tri village in Savannakhet, the district offered a cattle raising project in 1994-95 to the village but they refused, saying "these are the government's cattle, what if they die? Then we will be in debt and not able to repay."

In the North, there was interest in opium detoxification since many of the villages reported opium addiction as a problem. In Khoun Phone, a Mien (Yao) village in Xaygnaboury, there were 50 opium addicts, but following a detoxification program only 10 remain. Opium still remains a key factor here and when cultivation was discontinued the village became poor. Hence, among the solutions proposed were cash crops that would be of equal value in order to make up for the loss of opium to the village economy. An ethnic Pray village in a neighboring district has a similar situation, as do many others throughout the North.

Some villages related that they had no capacity to devise solutions and can only wait for the government authorities to alleviate their poor conditions. This is an interesting response because it can be interpreted in three ways: (1) at face value, that is, villagers are unable to better their lives given the current sets of constraints; (2) that they are bitter over resettlement, village consolidation, or imposed restrictions on land use and do not want to openly voice their discontent; or (3) that they have exhausted the possibilities, have become despondent, and lack the will to look for additional solutions.

Finally, a Khmou Rok village in Xieng Hone, Xagnaboury was resettled in 1994 by district officials, in order to, (1) cultivate paddy rice; (2) have a shorter distance, 2 kilometers, for a road to the village; and (3) to be able to more easily provide health and education services. In this village approximately one-third of the 46 households related they would prefer to return to the old village. They provided the following reasons:

1. the livestock can roam free, doesn't have to be penned up like the pigs here;
2. Swiddening can be done close to home, don't have to walk far like in new village;
3. Fencing for plots doesn't have to be so strong. In the new village villagers must spend a lot of time and labor on fences because the cows and buffaloes from neighboring villages will break in and eat the crops;
4. Cash expenditures in the old village were few, not like here where money is necessary.

These are in fact some of the main transitional issues that are at stake when new livelihoods are imposed rather than adopted by consensus. It is clear that although new services are available, even after 6 years villagers feel the pressure of the need for cash, and, that even though they are resettled in a lowland area, they must still practice swidden. The discussions revealed that only 10 kilograms of seed may be planted each year, enough for one hectare that is divided between two families. One school for grades 1 and 2 was constructed, but classes are not regular because the teacher does not come often. Most children eventually finish only grade 2, and only 10 have completed primary school in a Lue village 2 km walk. Health wise, there are no latrines and the health situation was said to be not good. Five people have died in the past year.



Figure 5-4 *Tri house in the village of Houay Hok, Xepon - Savannakhet*

In the East, the transition from swidden to paddy following relocation or land allocation has likewise been problematic. In some areas, villagers appear to have had no exposure to lowland agriculture. Even Hmong villagers, who are normally quick to adapt, were asking for technical assistance. In one village in Viengthong District, Borikhamxay, they told the team, "please come and teach us and we will teach the other groups in the village."

Family planning ranked among the first priorities for the Central Region as did the provision of health clinics and doctors. In addition, this was the only region to suggest that latrines as a solution for poverty implying a burgeoning awareness of the causal relation between sanitation and disease. Also unique to the Central Region was the recommendation for secondary education, and for electrification, although the latter did not occur frequently.

In the South however, which had the highest percentage of villages with no schools (see Chapter 7), even the suggestion for a school was of relatively low priority. Roads and accessibility were first priority in the South as many villages there have the capability for production but no means of getting produce to the market. This has delayed development of lucrative cash crops such as coffee and bananas in many areas. In at least one village, however, the fear was expressed that when a new all-weather road is complete in late 2001 that other more experienced villages will move to their territory which is very fertile and their own village will not be able to compete economically. Most of the PPA villages in the South were accessible only in the dry season, or by boats which have limited transport capacity.

Prioritized solutions as provided by villagers in the PPA are presented below.

Solutions – North

Priority 1

- Provide means of increasing holding of buffaloes and cows

Priority 2

- provide water supply for paddy expansion
- provide veterinary services and vaccinations for livestock

Priority 3

- cash cropping and relevant technical assistance

Priority 4

- provide souksala

Priority 5

- raise more small livestock
- redo land allocation to provide sufficient agricultural land
- agricultural extension for livestock, marketing, NTFPs, rice sufficiency
- clean water system

Priority 6

- add more grades to school
- do not have any solution, wait for authorities to decide
- all weather roads, road improvement
- provide markets with fair prices

Priority 7

- fish raising with TA
- permanent school
- opium detoxification

Priority 8

- opium crop substitution
- medicines
- resolve the problem of theft of cows and buffaloes

Priority 9

- Dry season paddies
- access to paddy land
- school
- village medical kit
- return to old village
- Handicraft improvement, weaving

Solutions – East

Priority 1

- agricultural extension for livestock, marketing, NTFPs, rice sufficiency

Priority 2

- provide water supply for paddy expansion

Priority 3

- cash crops with technical assistance

Priority 4

- access to paddy land
- sell more forest products
- no solution, wait for authorities to decide
- all-weather road, road improvement

Priority 5

- redo land allocation
- handicraft improvement, weaving

Priority 6

- provide means of increasing holdings of buffaloes and cows
- provide veterinary services and vaccinations for livestock
- rice bank
- market with fair prices

Priority 7

- Dry season paddy
- remove large rocks from paddy fields
- souksala
- clean water system
- train medic for village
- UXO removal

Solutions – Central

Priority 1

- provide veterinary services and vaccinations for livestock
- agricultural extension for livestock, marketing, NTFPs, rice sufficiency
- souksala with doctor
- family planning

Priority 2

- permanent school
- all weather roads, road improvement

Priority 3

- provide water supply for paddy expansion
- cash cropping and relevant technical assistance
- Dry season paddies
- secondary school
- trained medic for village
- latrines

Priority 4

- medicines
- clean water system
- market with fair prices
- electrification

Solutions – South

Priority 1

- all weather roads, road improvement.

Priority 2

- provide water supply for paddy expansion

Priority 3

- provide means of increasing holdings of buffaloes and cows
- provide veterinary services and vaccinations for livestock

Priority 4

- souksala with doctor
- medicines

Priority 5

- cash cropping and relevant technical assistance

Priority 6

- agricultural extension for livestock, marketing, NTFPs, rice sufficiency
- school
- a permanent school, full primary

Priority 7

- dry season paddy

Priority 8

- access to paddy land
- clean water
- market with fair prices
- UX0 removal
- permission to send children to Thailand for school

Solutions to Poverty Mentioned Specifically by Women

1. Women in many areas, especially lowland ethnic minorities in the North and East, would like technical assistance in silk raising and in improving the quality of weaving. They also need advice on marketing their product.
2. Family Planning or birth spacing.
3. Rice mills to reduce women's labor in pounding rice.
4. Water supply to reduce water hauling by women and girls.

Conclusions

From the point of view of the villagers in the assessment:

- It is clear that poverty in Laos is 'new poverty,' not an endemic condition³³;
- Poverty is the result of events external to the villager over which he or she has no control, especially, weather, war, resettlement, poorly implemented development programs, and livestock disease;
- Because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma, etc., and hence its substance is both physical and spiritual;
- Poverty in Laos is not synonymous with hunger. Abundant natural resources have provided sustenance for poor villagers but these resources are showing signs of dwindling through over-exploitation in search of food or cash with which to purchase food and to meet the new expenses associated with health, education and the market;
- A minority of poor village's have become depressed, despondent or have turned to opium, but the overwhelming majority of the poor are trying to make the most of a bad situation, and still live in hope of finding solutions to their livelihood problems.

³³In other words, from the point of view of the villagers, the economy of subsistence agriculture is not equated with poverty.

6. Chapter 6 — Livelihood

Livelihood systems in Laos may be said to comprise (1) cultural beliefs (ritual technology); (2) land (territory); (3) rice cultivation; (4) livestock; (5) corn, tuber, and vegetable crops; and (5) natural resources (fish, wildlife and other forest products).

There are basically two rice production systems: swidden or dry rice cultivation, which was the predominant system found in poor villages; and Paddy or wet rice cultivation, found only in a very low percentage of poor villages, and then only in special cases as will be noted below.

Of the poor villages that emerged from the selection procedure, 90 percent were dependant upon swidden agriculture as their primary means of livelihood. But it was also characteristic of poor villages that their swidden systems had been traumatized in a variety of ways resulting from at least two (and sometimes more) of four types that were identified during the assessment: natural disasters, pests, relocation and land allocation.

As regards wet rice or paddy cultivation, suitable land was a major problem for the poor villages surveyed as the poor tend to be located in mountainous areas where flat land is scarce. In the villages where paddy cultivation had been proposed by planners as a substitute for swiddening, the paddies were found to be barren or unproductive due to non-auctioning irrigation schemes. Paddies were also found in many instances to be culturally maladaptive by many traditional swidden societies who spoke nostalgically of the great diversity of crops and forest products in the upland plots compared to the relatively monotonous environment of the paddy. Of the 10 percent of the villages which were traditional wet rice cultivators, poverty was found to be a factor of either natural disasters (Attapeu and Champasak), or land ownership (Houa Phan), that is, factors beyond the control of villagers.

The primary indicator of poverty in the eyes of the poor is the degree of rice sufficiency. This is reckoned universally in terms of months per year providing an effective indicator and avoiding the pitfalls of calorie-based or kilograms-per-month based figures which do not take into account calories expended vs. calories produced. It is also the most appropriate indicator for labor intense agrarian societies who are more conscious of the staple intake needs necessary for subsistence and is thus a composite figure which represents both intake and necessity. As such it is not directly comparable with rice intake figures provided in LECS 2 which for the whole country is estimated at 582 grams per person per day, 600 for rural areas. Rice sufficiency is also more useful for targeting interventions since it represents actual situations in specific geographical areas.

From the PPA, average rice sufficiency for the poor can be estimated at 6.8 months. It is interesting, however, that ethnicity provides a finer and more definitive variable of this calculation than region. A clear pattern exists in the ascending progression from the Mon-Khmer to Tibeto-Burman to Hmong-Mien to Lao-Tai, whereas regional differences are less' Shirk.

Lund Allocation implementation which has not followed the policy is a major cause of poverty and has caused severe hardships for many swidden cultivators. The worst problem has been reduction fallow periods which in the majority of cases now average 3-4 years. Rejuvenation of biomass and soils is insufficient for forest regeneration. More intensive cropping of slopes without soil improvements and inadequate time for soil renewal causes declining fertility and destruction of soil structure, leading to reduced yields. In addition, resultant degraded forest cover and soil damage leads to erosion. Yields have decreased, in many cases 10 less than half of the original pre-Land Allocation amounts even though labor inputs remain the same.

Apart from rice sufficiency, the most important indicator of well-being was found to be livestock. This was a major finding that was not previously apparent .from household surveys. From the importance attached to livestock (hiring the village discussions, the critical nature of livestock in the lives of poor villagers cannot be emphasized enough.

Livestock functions as a savings mechanism to compensate for losses in times of need the sale of one buffalo can buy rice to feed a family of .four or .five for one year. the sale of one buffalo can pay a hospital bill crud .save a life, .yet many villagers' said they would rather die and leave the buffalo for their family. In discussions of health, villagers often preferred to discuss' the diseases of their livestock rather than their own health.

The majority of villages reported that prior to their becoming poor, rice and agricultural production generally were sufficient. Costs for education, health, and consumer goods were either low or non-existent. Now, they are caught in a double bind of declining rice yields and increased needs. 16 make up for rice deficiencies and to cover the cost new costs, poor villagers are more and more having to exploit new means of supplementing livelihoods.

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These means vary depending upon ethnic groups and setting, but they fall generally into the categories of : increased reliance on natural resources; labor; sale of produce and livestock; sale of handicrafts. These categories are not mutually exclusive and it is. not uncommon to find that two or more such means being employed simultaneously in a given village.

The PPA found very high percentages of wild food consumption, both meat and vegetables at the sites selected. 7 here is no good correlate for these figures in the LECS since sources of meat, fish, and vegetables were not investigated. And while the percentages are high, it should be noted that there is a tendency by villagers to underreport where wild animals are concerned as the hunting of many species is against the law. Still, many villages reported that virtually all of their meat and fish came from wild sources, domestic animals being reserved for strictly ceremonial purposes or maintained as symbols of wealth and status or as social safety nets.

Livelihood Systems

Livelihood [lit. 'life' + 'load] systems in Laos may be said to comprise (1) cultural beliefs (ritual technology); (2) land (territory); (3) rice cultivation; (4) livestock; (5) corn, tuber, and vegetable crops; and (5) natural resources (fish, wildlife and other forest products).

Swidden and Paddy Land

There are basically two rice production systems: swidden or dry rice cultivation, which was the predominant system found in poor villages; and Paddy or wet rice cultivation, found only in a very low percentage of poor villages, and then only in special cases as will be noted below.

Of the poor villages that emerged from the selection procedure, 90 percent were dependant upon swidden agriculture as their primary means of livelihood. But it was

also characteristic of poor villages that their swidden systems had been traumatized in a variety of ways resulting from at least two (and sometimes more) of four types that were identified during the assessment: natural disasters, pests, relocation and land allocation.

In poor villages, when such traumas or disturbances in a livelihood system occur, rice yields decrease. Villagers must then cope with or compensate for the decrease in other ways such as: the sale of livestock (which negatively affects the family or village economy); increased reliance and over-harvesting of forest products and wildlife (which negatively affects ecosystems); and the hiring out of labor (which may negatively affect social systems through exposure to outside diseases and influences leading to a breakdown of family values). All of these negative effects were found to increase vulnerability through loss of savings, loss of hedging or back-up systems, and through loss of dignity and cultural pride.

As regards wet rice or paddy cultivation, suitable land was a major problem for the poor villages surveyed as the poor tend to be located in mountainous areas where flat land is scarce. In the villages where paddy cultivation had been proposed by planners as a substitute for swiddening, the paddies were found to be barren or unproductive due to non-functioning irrigation schemes.

Paddies were also found in many instances to be culturally maladaptive by many traditional swidden societies who spoke nostalgically of the great diversity of crops and forest products in the upland plots compared to the relatively monotonous environment of the paddy.

"If next year we have the same problems we will die. With such food shortages our strength is waning day by day, and there is nothing else we can do. Both adults and children are sick frequently for lack of enough to eat, and yet we still have to work hard — twice as hard as in normal times."

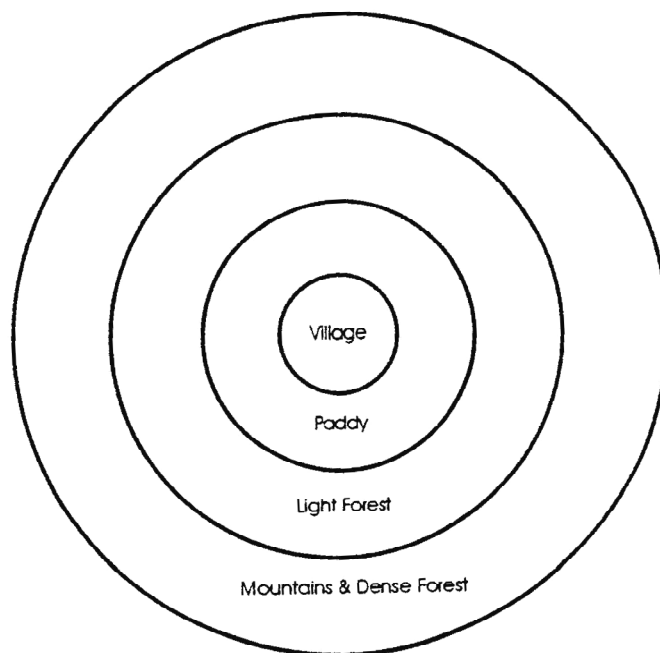
- Lave villager in Ban Chalong May which has been heavily affected by droughts and floods.

Of the 10 percent of the villages which were traditional wet rice cultivators, poverty was found to be a factor of either natural disasters (Attapeu and Champasak), or land ownership (Houa Phan), that is, factors beyond the control of villagers³⁴.

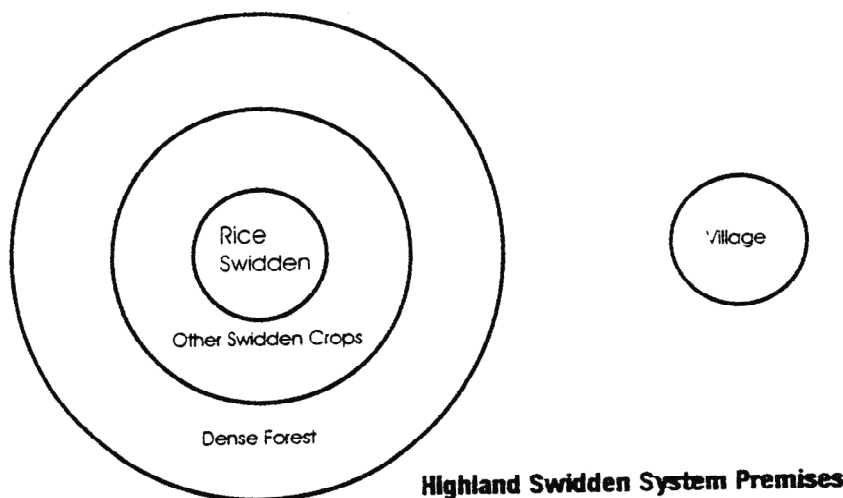
Different foci of paddy and swidden settlements represent mental as well as physical patterns of spatial organization. (see Figure 5.1). A typical paddy rice system has the village as its focal point, but by contrast for swidden systems the swidden rice field is the focus (or one might suggest here a duality of focus). Swiddeners spend from 6-9 months of the year in the field sleeping in temporary structures caring for the plants and guarding against pests, and the village is usually situated at a lower altitude than the swidden. In the swidden there is an abrupt boundary between field and forest, whereas for the village focused paddy cultivator, there are several layers of spatial types which intervene between the village from the forest. Paddy cultivators see the forest as fearsome and wild, swiddeners see it as a colossal and friendly resource.

³⁴One example of a third type was found in the Lao village of Louang Tong in Pak Beng District, On-domxay. This was historically a village of traders located on the Mekong River, one of the primary trading points on the river between Houay Xai and Louang Prabang. These were middlemen in the flow of trade from the interior highlanders to the trade route of the river. When the location of the trading point was moved to the city of Pak Beng, the villagers were left without livelihoods.

When there are epidemics in villages, as there are frequently among the Mon-Khmer highlanders, the village moves to escape the conditions, either physical or spiritual which have cause the disease, but the always locate near the former village, because the fields remain the same.



Lowland Paddy Rice Livelihood System Premises



Highland Swidden System Premises

Figure 6-1 Typical Orientations of Wet Rice versus Swidden Societies

Practically speaking, highly disparate focalities such as these have far-reaching ramifications: (1) swidders are necessarily a repository of indigenous

environmental knowledge (which is an untapped national resource), and because swiddening is more complex and labor intensive, migration, when it has occurred historically, is always from upland to lowland and not the reverse; (2) uprooted swiddeners living in paddy-based systems face significant physical and psychological adjustment problems; (3) classroom-style education does not readily adapt to the bifocal residence pattern; (4) health services must be seasonally timed; (5) dietary habits are more difficult to measure in swidden systems³⁵; and (6) transport of produce from swidden field to village is a major undertaking in terms of time and energy. All of these factors must be taken into consideration in assessments and in development planning.

Rice Sufficiency

The primary indicator of poverty in the eyes of the poor is the degree of rice sufficiency. This is reckoned universally in terms of months providing an effective indicator and avoiding the pitfalls of calorie-based or kilograms-per-month based figures which do not take into account calories expended vs. calories produced. It is also the most appropriate indicator for labor intense agrarian societies who are more conscious of the staple intake needs necessary for subsistence.

Rice sufficiency by month is thus a composite figure which represents both intake and necessity. As such is it not directly comparable with rice intake figures provided in LECS 2 which for the whole country is estimated at 582 grams per person per day, 600 for rural areas³⁶. Rice sufficiency expressed in terms of months per year average per village is also more useful for targeting interventions since it represents actual situations in specific geographical areas.

It is noteworthy that 600 grams daily intake represents already 2,130 calories, that is, slightly more than the poverty line set at 2,100. In addition, even at the provincial level, excluding Vientiane Municipality, rice intake falls below 2,100 calories in only four provinces, all in the South: Savannakhet, Xekong, Champasak, and Attapeu.

However, in the South, a subsidiary complication in measurement arises in that rice production is used as the measure even in those cultures where traditionally, by preference, tubers, both wild and domestic, comprise a sizeable portion of the starchy staple intake. The assessment found that propensities for tuber preference, over or equal to rice, are especially prevalent in Mon-Khmer groups in the Southern Region³⁷. This no doubt accounts for the conclusion in LECS 2 that rice intake is lower in remote areas in the south, for example Xekong and Attapeu where intake was estimated at only 433 and 465 grams per day, compared to Phongsaly 660 and Oudomxay 666, a conclusion borne out in the Table below where the South has the lowest reported rice sufficiency.

The phenomena is not limited to the South, but it is not yet possible to estimate the degree to which tubers are preferred throughout the country. Cassava and yams, for

³⁵The swidden residence pattern calls into question generally the efficacy and the accuracy of household surveys carried out in villages as opposed to fields.

³⁶And when this is coupled with other foods it is difficult to find situations where people in the Lao PDR are actually caloric deficient in real terms. Thus the parameters of poverty are better focused on future directions, where present trends are leading, inequalities, and how improvements can be found to ease hardship conditions and stimulate growth.

³⁷Further study of this tendency would be valuable for its affect on statistical analyses.

example, are cultivated in addition to rice and while caring for swiddens the amount of time farmers spend in the forest gathering wild tubers is considerable³⁸. Hence it should also be pointed out that failure to include tubers, either wild or domestic, in the Lao food basket for poverty line calculation is a major shortcoming given the enormous quantities consumed annually throughout the country.

From the PPA, average rice sufficiency for the poor can be estimated at 6.8 months. It is interesting, however, that ethnicity provides a finer and more definitive variable of this calculation than region. A clear pattern exists in the ascending progression from the Mon-Khmer to Tibeto-Burman to Hmong-Mien to Lao-Tai, whereas regional differences are less stark.

Other disparities are significant as well, for example in the North, Xanaboury³⁹ averaged 10.7 months, compared to 4.8 months in Oudomxay. The overall sufficiency for the Khmou was 6.5 months per year, higher than the Northern total for Mon-Khmer as this figure was lowered by the Bit, Doi and Ksing Moul, vulnerable minority groups whose cultures are greatly at risk.

Table 6-1 Average Rice sufficiency: Months Per Year

Ethnicity/ Region	Mon- Khmer	Tibeto- Burman	Hmong- Mien	Lao-Tai	Total
North	6.2	7.0	8.2	11.5	7.2 ⁶
East	6.3	-	7.8	6.5	6
Central	7.9	-	8.0	10.8	8.5
South	5.5	-	-	9.3	5.5
Total	5.9	7.0	8.1	9.0	6.8

The overall figure for Lao-Tai villages was lowered due to poor yields in Houa Phan which averaged only 5.6 months sufficiency, the lowest of any wet rice producers. The situation there is directly attributable to collective style land policies where land is redistributed every 3-5 years. The villagers, fearful of not benefiting directly, were found to be reluctant to invest in land improvement or expansion.

But while rice sufficiency is an indicator of poverty in the eyes of farmers, it is not necessarily an indicator of food security. There are additional complicating factors which arise in relation to poverty. Many poor villagers who are short of disposable income sell "green" rice, that is rice that is not yet harvested, at very low land paddy farmers in the South. Others, particularly Mon-Khmers, reported selling all or part of their rice immediately after harvest for cash and must make up for the deficiency later through other means. Thus rice sufficiency, while it is the quintessential indicator of poverty, may or may not be related to caloric intake and food security. Cash necessities related to health and education and to the temptations of new goods in the market all have significant effects on the economy and the use of rice as a cash crop.

³⁸Some cultures that were not included in the PPA, such as the hunter-gatherers of Nakai and Boualapha, indeed rely entirely on wild tubers as a source for carbohydrate.

³⁹If Xagnaboury, a wealthy province generally, is subtracted sufficiency drops to 6 for the North.

The Impact of Land Forest Allocation

Land-Forest allocation was originally conceived as a way of preventing illegal logging by provincial and district level entrepreneurs by giving villagers ownership of forest resources through a process of participatory land use planning. This was a very astute and laudable intention on the part of the government. However in the course of succeeding plans for development, this original intention became diluted through the intervention of the program to reduce shifting cultivation and the rural development focal site approach of bringing villages to services (as opposed to bringing services to villages) which has involved relocation and village consolidation.

Since swidden agriculture using long term rotational cycles is sustainable and environmentally friendly, it is assumed that the original targets for this program were the pioneering shifting cultivators, especially the Hmong, whose agricultural practices in many areas have denuded large portions of forest lands leaving nutrient-depleted soils in their wake to a degree where forests cannot regenerate and erosion may occur on slopes where only *imparata* grass has survived. In effect all swidden agriculture has been characterized by the practices of a single group.

Since 1997 the Land Law has provided the primary legal basis for the Land-Forest Allocation Program. The instructions on 'Land-Forest Allocation for Management and Use'⁴⁰ and on 'Continuation on Implementing Land Management and Land-Forest Allocation'⁴¹ support its implementation. The program's major objectives are: 1) sustainable management and use of natural resources; 2) reduction and gradual elimination of shifting cultivation; and, 3) promotion of commercial production (Resolution of Nation-wide Review Conference on Land Management and Land-Forest Allocation, 19 July 1996). (ILO 2000)

Three governmental organizations have been directly involved with the implementation:

- 1) The Office of Land and Housing Management (Ministry of Finance) the central agency for land management and administration, including land titling.
- 2) The Ministry of Agriculture and Forestry, in particular, the Department of Forestry and the National Program for Shifting Cultivation Stabilization, responsible for land allocation in rural areas.
- 3) The Central Committee for Land Management and Land-Forest Allocation (Prime Minister's Office the central agency for a land titling, (originally funded by the World Bank beginning in 1996 with the goal of issuing 300,000 land titles in five provinces: Khammouane, Savannakhet, Champasak, Louang Prabang and Vientiane.

⁴⁰(No.0822/AF, 2 August 1996)

⁴¹(No.03/PM, 25 June 1996)

Land-Forest Allocation is premised on the lowland notion that permanent agriculture is comprised only of paddy cultivation, gardens, orchards and plantations. These latter are not subject to re-allocation since they are classed as permanent and land title is given automatically providing it can be verified by local authorities. Swiddening, on the other hand, is considered impermanent and is therefore the target of the national goal to "reduce shifting cultivation" in the name of "stabilization." The Land-Forest Allocation Program issues temporary land certificates to upland farms only if they meet the 'permanent' criteria.

In principle, obtaining land use rights under the Land-Forest Allocation Program begins with the issuance of a temporary land use certificate valid for three years. At the end of this period, if land is used as specified, a land title for long-term use may be requested. It may be inherited, sold, and leased according to land registration procedures and land tax payment requirements. Land Forest Allocation is therefore a policy of the government designed to assist villages with high quality land use planning and land titling. As a policy the program has the potential to assist poor farmers both with technology and land rights.

Problems in implementation encountered in the PPA involved: non-uniform practices by district and provincial agricultural officials (eg crops, forestry, etc.); lowlanders taking advantage of system and clearing land only to gain title to uplands; villagers, in order to produce enough rice, are forced to travel to remote areas to create swiddens in forested areas unnoticed or inaccessible by officials.

But insofar as the poor villages in the assessment are concerned, Land Allocation implementation, which has not followed the policy, has caused severe hardships for many swidden cultivators. The worst problem has been reduction of fallow periods which in the majority of cases now average 3-4 years⁴². Rejuvenation of biomass and soils is insufficient for forest regeneration. More intensive cropping of slopes without soil improvements and inadequate time for soil renewal causes declining fertility and destruction of soil structure, leading to reduced yields. In addition, the resultant degraded forest cover and soil damage leads to erosion. Yields have decreased, in many cases to less than half of the original pre-Land Allocation amounts even though labor inputs remain the same.

⁴²Original fallow cycles were said to average 15 years and longer. In some areas of higher concentrations of population these have been gradually declining. As early as 1958 the Khmou in the vicinity of Louang Pra bang are reported to have been practicing fallow cycles of only 7-8 years which was considered a hardship (Halpern 1958). However, population densities are still relatively low, averaging between 8 and 15 persons per square kilometer in the poorest areas compared to a national average of 20 (1995 Census).

Adequate "permanent" livelihood substitutes have not been successful. Most families are given paddy land that cannot be cultivated due to poor soils or lack of water. In addition, there was not a single instance cited of technical assistance to support either paddy or permanent upland cropping. And, suitable available paddy land to allocate, especially in mountainous zones, is not enough to meet the needs of the program. Villagers are being left with no alternatives.

The result has been impoverishment of swidden families through decreased rice yields, and, increased deterioration and degeneration of wildlife and forest resources by families attempting to compensate for rice shortages, including in some cases total elimination of some species in the area. In many areas villagers in the assessment blame Land Allocation for ecological changes, and epidemics of pests.

"After the land allocation was carried out we have begun to be short of rice to eat. If they allotted us some of the paddy given to the Ilinong that would have been better, because they have more than they need"

-Kwéne villager in Bokeo

In general villagers in the study felt that land allocation is unfair and thus emerges from the analysis as one of the main causes of poverty. In Phongsaly Province, according to a member of the National Assembly, himself a Khmou, one-third (over 13,000 people) of the entire Khmou population of that province has fled the province to avoid land allocation.

Livestock

The Importance Of Livestock

Apart from rice sufficiency, the most important indicator of well-being was found to be livestock. This was a major finding that was not previously apparent from household surveys. From the importance attached to livestock during the village discussions, the critical nature of livestock in the lives of poor villagers cannot be emphasized enough.

Livestock functions as a savings mechanism to compensate for losses in times of need. The sale of one buffalo can buy rice to feed a family of four or five for one year. The sale of one buffalo can pay a hospital bill and save a life, yet many villagers said they would rather die and leave the buffalo for their family. In discussions of health, villagers often preferred to discuss the diseases of their livestock rather than their own health. The cost of renting a buffalo for plowing is very high, again an indication of the value of the animal, ranging between 500-600 kgs of rice per animal per season (that is, enough rice for two persons for one year). Often the assessment teams in the field would go without meat because the villagers would not sell a chicken or duck for a meal, even when offered double the market value.

Finally, livestock are highly significant spiritually as sacrifices (the only occasion on which they may be killed traditionally for most ethnic groups). In this role they maintain the balance between humans and spirits.

Of major concern, therefore, was that 70 percent of the sites related livestock disease as a major problem – and are in need of assistance from the District Agricultural and Forestry Office or the Livestock Department. It is not surprising, then, that livestock disease is the source of much anxiety; the loss to the family is every bit as traumatic as the collapse of a bank in which all of one's savings were held.

"We depend upon the sale of livestock when rice production is insufficient, but now we also have the problem of animals dying."

- Khmou Ou villager in Phongsaly

The relationship of livestock to poverty has eluded quantitative research. The original poverty analysis of the 1997-1998 LECS data (Stenflo 1999) showed no correlation between poverty and ownership of large bovines, very poor ownership averaged 3.32 animals per household, poor ownership averaged 4.02, and non-poor averaged 3.31. The recent analysis of the same data by Daft and Wang (2001) showed a similar pattern of 2.96, 3.61, and 3.39 respectively. The figures from the PPA are considerably lower as can be seen on Table 6.2 below, with an overall average of only 1.9 animals per household:

Table 6-2 Ownership of Large Bovine per Household

Ethnicity/ Region	Mon- Khmer	Tibeto- Burman	Hmong- Mien	Lao-Tai	Total
North	.8	1.6	1.4	1.3	1.1
East	2.5	-	-	1.9	2.2
Central	1.1	-	6.6	1.3	2.7
South	2.5	-	-	3.6	2.6
Total	1.	1.6	2.9	2.1	1.9

These figures represent an aggregate of cows and buffaloes, but in fact there are considerable differences from the village viewpoint. Buffaloes are draft animals and are thus associated with wet rice cultivation. In the uplands where their significance is related to wealth and status, they may be raised in a semi-feral fashion. Buffaloes are well adapted to forests and streams. They are preferred in most remote areas because, unlike cows, they are capable of fending off tigers. As domestic animals they predate cows in Southeast Asia. Cows are less able to fend for themselves in the face of predators, and are not good as draft animals, especially in mountainous areas, and cannot pull a plow. But they are considered to be easier to raise and to reproduce more rapidly. In the flat lowlands oxcarts are of course drawn by cows more often than buffaloes.

Horses were found in only five villages in the assessment, and goats were being raised in 21 of the sites. Pigs and chickens were found in all villages, but were found to be the most susceptible to epidemics.

Other Crops and Cash Crops

Other crops found commonly in swiddens, either intercropped or in separate plots include corn (for animal feed or home consumption); cassava (animal feed or home consumption).

Vegetables, fruits and other utilitarian crops grown either in swiddens or in separate garden plots, include: squash, calabash, gourds, Chinese cabbage, yams, taro, sweet potato, other tubers, watermelon, Lao melon, sesame, peppers, string beans, cucumbers, eggplants, onions, garlic, galinga, ginger, tobacco, cotton, hemp, kanaf, kapok, papaya, mango, limes, grapefruit, jackfruit, coconut, starfruit, mak nyom, several varieties of bamboo, peanuts, and soy beans.

Cash crops: (usually under-produced due to lack of market access) coffee, bananas, pineapples, sugarcane, opium, longans, green tea, and kachiap.

The Pacoh village of Ban Talo Tay in Samouay District of Saravanh is an interesting example for the diversity of its indigenous livelihood system. There has been no land allocation in this village. Currently the following are being cultivated:

Swidden:	11.13 ha (7-10 year rotational cycles)
Wet Season Paddy:	10 ha
Dry Season Paddy:	3 ha
Coffee Trees:	3 ha (only two years old)
Cassava Fields:	10 ha
Bananas and Sugarcane:	3. ha
Pineapple:	5 ha
Vegetable gardens:	3 ha
Tobacco:	2 ha
Peppers:	2 ha
Fruit trees:	3 ha

The village is still short on rice by about 2 months every year. But this is compensated with cassava (2,000 – 4,000 plants per family) which is so plentiful that the villagers have not had to seek wild tubers for 3-4 years now.

Coffee has been planted for two years now and nurseries have been established with 8,000 - 9,000 seedlings. They plan to begin realizing profits from the coffee in 2-3 years.

There is ample land for expansion of cash cropping and the climate, cool with frequent light rain is good for coffee.

The main obstacles to continued agricultural development are

- 1) UXOs which are said to be so many that villagers are afraid to venture too far into the forest (perhaps as a result, wildlife is plentiful, with elephants, bears, gaur, kathing, tigers, sambar, barking deer, monkeys, gibbons, wild pigs, and peacocks, inhabiting the surrounding area);
- 2) Lack of roads to transport produce to markets. The only markets are at Samouay District, 18 kilometers walk; and a market at the Vietnamese border, 28 kilometers walk.

;

Crop diversity is characteristic of swidden systems generally and there is a good opportunity to exploit this advantage in the future development of upland agriculture. At the outset, however, the first task is to understand the existing farming systems of the upland peoples thoroughly before suggesting radical changes.

Coping with Livelihood Deficiencies

The majority of villages reported that prior to their becoming poor, rice yields and agricultural production generally were sufficient. Costs for education, health, and consumer goods were either low or non-existent. Now, they are caught in a double bind of declining rice yields and increased needs. To make up for rice deficiencies and to cover the cost new costs, poor villagers are more and more having to exploit new means of supplementing livelihoods.

These means vary depending upon ethnic groups and setting, but they fall generally into the following categories:

- Increased reliance on natural resources
- Labor
- Sale of produce and livestock
- Sale of handicrafts

These categories are not mutually exclusive and it is not uncommon to find that two or more such means being employed simultaneously in a given village.

Exploitation of natural resources

The most common form of compensating for rice shortages among poor villages was found to be consumption and sale of forest products. In addition such sales are used for to cover new costs, including health care and medicines, education, transportation, clothing and miscellaneous goods in the market. Consumption of forest products for villagers' own needs has always been a traditional activity. But

currently among poor families the forest is out of necessity being used more and more as a source of income. That this form of exploitation of natural resources is not sustainable is expressed by villagers themselves who report dwindling supplies and even extinction of many plants and animals that were formerly plentiful.

The sale of forest products includes especially cardamom, damar resin, broom grass, paper mulberry (*Broussonetia*), palm hearts, bamboo shoots, and rattan shoots. Wildlife, which is in increasingly short supply, includes primarily fish, mammals, reptiles, and birds.

In some areas prices for wildlife were quoted openly, as in the table below:

Table 6-3 Some Examples of Wildlife Prices

Ban Na Mo, Xaysomboun		Ban Pak Heuang, Borikhamxay	
<i>Animal</i>	<i>Price (Kip)</i>	<i>Animal</i>	<i>Price (Kip)</i>
wild pig	10,000 kg	wild pig	6,000 kg
mouse deer	45,000 ea	birds	3-5,000 ea
squirrels	4,000 ea	pheasants	25,000 ea
jungle fowl	20-25,000 ea	squirrels	6-8,000 ea
birds	2,500-8,000 ea	softshell turtles:	25,000 kg (small sp.)
		<i>Pelochelys</i> :	18,000 kg (large)
field rats	3,000 ea (dried)	fish (scaly)	12,000 kg
monitor lizards	9,000 kg	fish (non-scaly)	16,000 kg
rat snakes	15,000 ea	monitor lizards	12,000 kg
civets	35,000 ea		

Brou villagers in Boua Ma, Khammouane reported earnings of 4,000 kip per kilogram for cardamom, at an average of 150-200 kilograms per household per annum. Damar resin is sold at 1,000 kip per kilogram, at an average of 200-300 kgs per household. Monitor lizards are especially plentiful, and sell for 16,000 kip per kilo. In the rainy season they are readily captured when they come out to sun themselves, as many as 2-3 per day per family.

Labor

The hiring out of labor was found to be extensive. The most common type is day labor as farm workers in neighboring villages, almost always of a different ethnic group. Both men and women participate. Men may also be hired specifically to saw wood. Only in the South were men reported leaving home for up to three months to work as coffee pickers on plantations located on the Bolovens Plateau in the South.

Some examples of labor rates and situations from around the country are as follows:

Box 6-1 Examples of labour and amounts of payment received

- In the Khmou Lue village of Ban May in Oudomxay the rate is 10,000 kg unhusked rice per day (or 15 kg if is for a longer period).
- Lave men from Ban Chalong in Attapeu may work in sawmills for 200,000 kip/mo for an average of 3 mo per yr.
- The Tai Chang of Din Dam in Xieng Khoang hire their labor to the Hmong in Laos and Vietnam at 8,000 kip per day.
- In the Kwene village of Done Chanh, both men and women do farm labor at 5 kg husked rice per day.
- The Lave of Houay Kout in Attapeu have worked at the rate of 7,000 kip/day digging a canal for the district.
- The Khmou Rok villagers of Houay Koua, Xaygnaboury reported working as farm laborers at 6,000 kip per day.
- Khmou Am villagers from Houay Loung Theung, Louang Prabang, hire out their labor for 2-3 kgs husked rice per day.
- In Houay Pa May, Vientiane Province, all family members over age 13 work hire out as farm labor at 6,000 kip per day.
- In Champasak, 15 people, 10 of them women, from Ban Kadian traveled from Mounlapamok district to work as coffee pickers at 200,000 kip/mo/pers.
- In the Lave village of Khanh Mak Nao, 30 young people_ 12 women, went to work as coffee pickers on the Bolovens Plateau at a rate of 200,000 kip/mo/pers. They stayed between 3-6 months last year.
- The Doi of Ban Mouang in Louang Namtha prefer hiring out labor to growing their own rice, and work as farm labor for 10 kg unhusked rice per day.
- The Khmou of the village of Nam Mo, Xaysomboun, hire themselves out to the Tai Dam and the Phouan of the same village for 8,000 kip per day for farm labor.
- In the Khmou Krong village of Nam Phoen Neua, Vientiane Province, the villagers sell their rice crop immediately after harvest, and then work as farm labor or in sawmills at 10,000 kip/day. All of the households in the village are reported to do this, all members of the family over age 14.
- The Khmou Am of Phongsavang, Louang Prabang, hire out labor at rates between 3,000 – 5,000 kip per day depending whether the labor is heavy or light.
- The Lahu Shi of Phon Samphanh, Louang Namtha, for for the Hmong an average of 2-3 months out of the year, at 5,000 kip/day.
- The Lue of Ban Pong in Xaygnaboury may hire out their labor within the village, or they may go to Thailand. Currently there are 15 villagers working in Thailand.
- The Akha Pouly in Ban Seua Deng of Louang Namtha hire out their labor regularly at 12,000 kg unhusked rice per day. They also work in nearby sugarcane plantations but are not paid until the cane is sold.

At the present time such labor arrangements are relatively informal, but they are becoming more and more prevalent in the lives of the poor and will undoubtedly become a major coping mechanism in the future.

In all of the daily wage cases, payment may be either cash or rice. They are interchangeable.

Also of significance are cultural propensities for the hiring out of labor. Of the Hmong villages, for example, only one reported doing so and that was an unusual case where

there was no alternative. For the Khmou, on the other hand, whose villages comprise fully 29% of the sample, all of the villages were found to be hiring out labor.

Sales of Produce and Livestock

Produce is mostly consumed rather than sold, only a few villages reported selling crops. In one case, the Khmou Krong of Houay Pa Mat, Vientiane Province, were growing large amounts of taro along a stream bed and selling this at 500 kip per kilo, averaging 110 kilograms per household per year. Large quantities of cassava and corn are produced and together with cultivated yams and taro serve as starchy staple substitutes for rice in the diet in all of the villages, albeit in varying degrees.

Selling of livestock, especially large bovines, was found to be the last resort as a way of generating cash to buy rice. This practice increases vulnerability because livestock function as a form of savings or social safety net, not to be used except in cases where there is no alternative. Thus only 18% of the villages assessed were found to have sold livestock in the past year in order to purchase rice.

Handicrafts

Another type of compensation for rice shortages is the sale of handicrafts, usually basketry for the Mon-Khmer groups from bamboo and rattan, items include winnowing baskets, many types of carrying baskets, mats, and small tables. The Lamet and the Bit are famous in the northwest for their basketry, and the Pray are well-known for their mats. Basketry is customarily the role of the man, but women may participate as well. In the South, it was found that groups living nearer the Lao- Vietnam border trade basketry for rice in Vietnam.

The Hmong and the Mien are known for their metal work making tools, especially knives, machetes, and spades. The Mien in addition are silversmiths, for the buttons, hair ornaments and necklaces that form part of their traditional dress. They also do traditional embroidery. These traditional ornamental handicrafts are produced only on consignment for export to relatives abroad, or for home use. The Hmong, on the other hand, sell embroidery locally as well as abroad.

Finally, among the suggestions for the alleviation of poverty presented in Chapter 5, the women, especially the lowland ethnic minorities who have strong weaving traditions, felt that upgrading of technology and materials in weaving would assist them in generating income.

Food and Eating

Percentages of wild vs domestic consumption of meat and vegetables

The PPA found very high percentages of wild food consumption, both meat and vegetable at the site selected. There is no good correlate for these figures in the LECS since sources of meat, fish, and vegetables were not investigated. And while the percentages are high, it should be noted that there is a tendency by villagers to underreport where wild animals are concerned as the hunting of many species is against the law. Still, many villages reported that virtually all of their meat and fish come from wild sources, domestic animals being reserved for strictly ceremonial purposed or maintained as symbols of wealth and status or as social safety nets.

The vegetable figures are usually lower because agricultural production of vegetables is considerable. Non-rice staples such as corn and cassava are not included as vegetables in villager thinking

As consumers of wild food, the Mon-Khmers of the South rank highest. The Hmong Mien number are exceptionally low because most of the villages in the study belonging to these groups were residing in more controlled situations, usually relocated villages where forest resources are scarce. In the case of the Hmong in Xaysomboun (Central Region), the bulk of the meat was purchased from the market.

Table 6-4 Percentage of Non-Rice Diet Comprised of Wild Food (Meat/Vegetable)

Ethnicity/ Region	Mon- Khmer	Tibeto- Burman	Hmong- Mien	Lao-Tai	Total
North	.68/73	66/63	38/46	50/50	61/65
East	85/84	-	55/35	76/72	79/75
Central	92/88	-	5/30	90/80	67/71
South	93/79	-	-	92/78	93/79
Total	82/79	66/63	35/40	81/74	74/71

Although the degree to which these estimates represent an increase over a pre-poverty phase is not known, villagers report intensified utilization of forest resources to compensate for decreases in rice yields as discussed in the proceeding section.

Cash Needs

One of the topics addressed in the PPA was the amount of cash, as opposed to proxies, that was necessary per capita to pay for necessities throughout the year. The amounts varied considerably, from the equivalent of \$226 in Pha Kha Tay, a mixed Kaniang and Khmou village in Houa Meuang District, Houa Phan Province, to \$15 in the Khmou

village of Pong Koum, Pha Oudom District, Bokeo Province⁴³. In the case of the former, the village had received considerable development assistance from the U.S. Embassy Narcotics Unit, and was more market-oriented. In addition, of the two groups, the Kaniang appeared to be much better off than the Khmou. The average figure for all of the villages that felt capable of providing an estimate was \$52 per year per person. The average for the Khmou villages was \$46. Pong Koum Village where the estimate was lowest, was a new village established in 1986 following an epidemic in the former village that took the lives of all older people, leaving the village essentially leaderless and without cultural direction. At the time of the PPA the oldest person in the village was aged 50.

Village History

In addition to the types of livelihood factors already discussed, in actuality another dimension must be added which can be thought of as governing the others, and that is the history and the experiences of the village. These circumstances may be broken down into three critical types: the effects of war, relocation (voluntary, involuntary, epidemics), and the age of the village. They are not, however, mutually exclusive, and with the wide range of variables in Laos, every village has its own history and its own story to tell.

Effects of War

Thirty percent of the villages in the PPA had been seriously disturbed by the war. The majority of these had to flee their villages in the late 1960s during the bombing of the Ho Chi Minh Trail and the villages were subsequently destroyed. Beginning in 1973 the villages began to reassemble in the former locations where they had to reconstruct their villages and livelihoods. In most cases they were unable to remain in the old location and eventually moved to new locations, usually not far from the original sites. In these villages the villagers felt strongly that because of their sacrifices during the war, the government should accept more responsibility for their well-being and should and assist them to establish more lucrative livelihoods.

The Nge village of Ban Lacaiss is a typical example. Prior to the war its name was Ban Koung and was located on the Xekong River some 16 kilometers from the district seat of Kaleum. During the war they fled to the forest and returned to their village only in 1973 following the ceasefire. The village had been destroyed so they established another about 2 kilometers from the old location and named it Ban Chakoey. This turned out not to be a satisfactory location. There was illness and the space for cultivation was not adequate. So in 1981 the village moved once again to a new location on the Houay Lacaiss, adjacent to the main road between Kaleum and Xekong, approximately 18 kilometers from the district seat. The new name was Ban Chakoey Phou. Here they were stricken by an epidemic in 1999 and 32 people died suddenly, including 12 children and 6 women. So they left again this time moving up to the source of the Houay Lacaisse at a place crossed by the road. The village was named Ban Lacaiss after the creek. The new village is located about 2 kilometers from the last one on a plateau with ample space and surrounded by mountains with dense forest.

Another Ngê' village, Ban Bak, (originally Ban Kalong) was said to be over 100 years old. It was abandoned during bombing in 1964 and people did not return until 1973. They established a new village only 100 meters from the old site, but after about 12 years

⁴³US Dollar equivalents were calculated at a rate of 2,400 Kip = 1 US Dollar.

many people became ill and the village was becoming overcrowded with no room to expand. They moved the village to the other side of the Xekong River and downstream about one kilometer and renamed it Ban Lankong. This in turn became too large and split into two villages, Lankong and Bak. Finally, in 1994, another group was moved into the village from near the boundary between Kaleum and Ta Oy Districts and established a third village, Taleng, about 800 meters from Ban Bak. These were consolidated as a single village, for administrative purposes but the locations have remained the same.

A Lave village in Attapeu was originally situated on the Cambodian border, about four days walk from the present location. The area was heavily bombed during the war and the villagers fled into the forest and began to reassemble sometime between 1971-76. The old village had been burned to the ground. A new village called Changmangchoek was established about one day's walk from Ban Chalong. In 1997 they were moved to a new location where paddies could be cultivated, on the Xekong River, at the mouth of the Houay Chalong in Samakhixay District, an area known as Done Xay. They opened new paddies and fenced off gardens and grew many varieties of crops. However they were beset by constant droughts followed by floods, the rice was insufficient, and there was a great deal of sickness. In January, 1999, the village decided to relocate once again to the source of the Houay Chalong where they had identified 50 hectares of potential paddy land, interspersed with grassy knolls and copses, and surrounded by dense forest. The environment looks healthy and relatively unspoiled. The new village is called Ban Chalong May.

The Lave village of Khanh Mak Nao is an old village of some historical import, said to be over 100 years. Two old people, a man and woman who say they are 120 years old, claim to have been born here. They relate that the person who established the village was named Ya Yeum, and that that the people originally came from Ban Lamam in Tha Teng District of Xekong Province after the uprising of Ong Keo and Ong Kommadam of whom Ya Yeum was a follower.

(This is reported to have begun in 1901 and ended in 1910, but there had been a series of uprisings prior to this one going at least as far back as 1850, so this time frame is certainly not far off. Bac My, a rebel predecessor of Kommadam, indeed operated in Lamam. Kommadam was a Jru' of the Bolovens. Both Bac My and Kommadam were Bahnaric speakers, as are the people of this village; but the languages are different so there are some questions remaining to be answered.)⁴⁴

Ya Yeum at first brought 13 families to found the village, which was called Kaba'. Shortly thereafter Ya Yeum brought additional families from the village of Ban Khanay to the new location bringing the population to 30 hhs, and the name of the village was changed to Khanh Mak Nao.

⁴⁴Another interesting feature of this village is reverence for the large lizard known as the water monitor [*Varanus salvator*]. It is a sacred animal which is considered to be an ancestral spirit and cannot be killed or eaten. (However, other Lavé villages in the area do not have this interdiction.) This is a very ancient belief which may be traced back to the ancient Khmers. A 9th century Chinese expedition to Cambodia reports monitors in moats surrounding the temples, and large sculptures of monitors are found on the lintels over doorways at Angkor Wat, and at Vat Phou in Champasak, an 8th century temple complex. Furthermore, the word "hia" is used in Thailand as a term of abuse, undoubtedly derives from the Khmers who once occupied the territory that is now Central Thailand. Other scholars have remarked on the resemblance of Bahnaric languages in Attapeu to ancient Khmer.

The villagers here were active during the revolution and many served as soldiers, and there seems to be a feeling that special attention is owed them by the government because of their heavy losses during the Indochina war. Flooding and drought over the last several years has severely affected the village and if there is no other recourse, the village will request rice donations from the district.

Relocation

Relocation among the villages that were selected for the PPA has taken many different forms, including relocations due to epidemics, relocations carried out by district authorities in accordance with government policy to reduce shifting cultivation or land allocation, movement of villages by authorities to become part of a focal site development area, voluntary movements of villages usually to be by the roadside, and in one case relocation from an irrigation reservoir. Relocation may impact villagers physically as well as socially and psychologically.

"We do not want to leave the old village and build a new one with empty hands. We are already poor and this will only make us poorer. As for growing coffee, we can do that just as well right where we are without having to move. Just give us the seed and show us how to do it. As for the hospital, it's not that far, but what is important is the money to buy medicine. What good does it do to go sleep on their bed with no medicine, that makes no sense at all. What we really need is an educated village chief who will provide leadership to help us improve our livelihoods now."

- Kado man from Samouay, Saravanh

In many instances relocation, especially involuntary resettlement has resulted in two or more ethnic groups inhabiting the same village. 23% of the villages in the PPA sample were ethnically mixed: 7% of the North; 69% of the East; 71% of the Central; and 0% of the South. These remarkable contrasts appear to signify more than simply the degree of upheaval, but speak to the level of avoidance of interethnic mixing characteristic of the respective regions. With respect to poverty within ethnically mixed villages, clear systems of economic dominance were apparent, Lao-Tais were always better off than any of the others; Hmong-Mien were always better off than Mon-Khmer. There were no example of Hmong-Mien and Tibeto-Burman in the same village. Inter-marriage between groups is rare, and may only occur in prescribed ways. In some cases it is culturally impossible, as between the Matrilineal Pray and the Patrilineal Hmong because of the opposing clan and residence systems. In many instances ethnic groups were found to have lived in the same village for more than 10 years without a single marriage between ethnicities.

The village of Nam Mo in Xaysomboun is a case in point. It is home to four ethnic groups, Khmou, Tai Dam, Tai Deng and Phouan. Khmou may intermarry with Phouan so long and the man is Khmou and the woman is Phouan, the reverse is not possible. Villagers say the Khmou and Hmong are the elders, and the Lao and Phouan the younger. Thus it is natural for older to marry younger, but not the reverse. Tai Dam, Tai Deng and Phouan may intermarry, but not Tai Dam or Tai Deng and Khmou.

The village of Thong Kap in Xagnaboury is the main village of a government Focal Site priority development cluster. The village was originally established in 1930 by ethnic Lue, a lowlander Tai speaking minority. In 1993 a group of 55 households of Hmong from Phou Li were resettled here, and in 1994 the district sent a group of Pray here as well.

The Pray are said to have come from Thailand in 1989⁴⁵. There are 3 Rural Development officials placed here to carry out development projects. They have overseen construction of one health clinic and one schoolhouse. Although there is paddy land available, there is no water, so the Hmong are doing swidden rice plots on the flat land where the soil will support this. When they first arrived, 10 people died in the first two years from illness, but now there is a health clinic. They relate that while lowland life is easier in some respects, they still prefer life in their old village where the rice was sufficient, there were abundant natural resources, and they had cash reserves because there were no temptations as there are in the market now. The Pray also still practice swidden because of lack of water for paddies. They also collect paper mulberry and broom grass for sale in the market. They have requested water for paddies and fish ponds, and for guaranteed prices in the market. Now the prices are kept low by the marketeers and then all sales are taxed leading to a lack of incentive⁴⁶. This is also an example of a mixed village where no interethnic marriages have taken place.

In another instance, over 500 households Hmong moved in 1995 from Houa Phan, Xieng Khoang, and Louang Prabang to Louang Namtha. They came after listening to the government radio broadcasts exhorting tribal people to move there because free paddy land was available. They were all placed initially at Ban Done in a camp-type situation. Then an epidemic struck and during the first year 300 people died. Villagers say that even the Japanese health personnel providing assistance were afraid to enter the area. The Hmong fled in all directions, those with enough money returned to their place of origin, but others have used all of their savings to make the move and these settled at the present village of Ko Mouang. There was, in fact potential paddy land available, but there was no water and the soil was not fertile. So all families must do swidden. "Nothing has changed," they remark, "we are still doing swidden like before only under worse conditions." The swiddens are permanent, that is they are done on the flat land that would otherwise have been converted to paddy if water supplies were sufficient.

The Brou village of Song Peuay was formerly located on the Phou Xang He mountain, at the source of the Houay Sakhouang stream. They were swiddeners. Sometime between 1930-1940, 21 hhs moved to the area of what is now the Sakhouang reservoir, about 8 km from the present location. This was a very favorable location with an abundance of land and natural resources. There were never any food shortages. But then in 1985 the government brought inmates from the Xetamouak re-education camp to build an irrigation system which flooded the entire village and all of the fields forcing the village to relocate.

"At that point all of the families were instantly poor and we had nothing to eat except our tears."

Although the village was re-established near the dam, they have been poor ever since. At the time they requested assistance from the district and provincial authorities, but to no avail, and after 15 years, nothing has been done to assist them and they have been struggling to eke out an existence ever since. Now the village is about 4.5 months short of rice each year. Villagers say fish and frogs are becoming increasingly hard to catch. Not only is the village population increasing, but people from other villages are competing for the same resources. And the area as a whole has become more densely populated

⁴⁵The Pray are a Mon-Khmer group whose traditional territory spans both Xagnaboury and adjacent areas of Nan Province in Thailand.

⁴⁶Taxation in this district appears to be an autonomous decision of the authorities here. "For example, paper mulberry bark is taxed at 3 Baht per kilogram; palm heart is taxed 5 Baht per kilo, at the Thai border. If we bring in corrugated roofing sheets to improve our houses he [the government official] taxes us 50%, and in addition we are taxed on general income!"

and all of the land has been staked out with no room for expansion of either paddies or swiddens. Land allocation has been implemented, but logging being carried out as well. Water in the reservoir is beginning to be staked out by surrounding villagers as private fishing grounds, and use of water for irrigation of paddies must receive permission from the irrigation department.

Conclusion

The primary indicator of poverty in the eyes of the poor is the degree of rice sufficiency. This is reckoned universally in terms of months per year providing an effective indicator and avoiding the pitfalls of calorie-based or kilograms-per-month based figures which do not take into account calories expended vs. calories produced. It is also the most appropriate indicator for labor intense agrarian societies who are more conscious of the staple intake needs necessary for subsistence and is thus a composite figure which represents both intake and necessity. Rice sufficiency is also useful for targeting of interventions since it represents actual situations in specific geographical areas.

Average rice sufficiency for the poor can be estimated at 6.8 months. It is interesting; however, that ethnicity provides a finer and more definitive variable of this calculation than region. A clear pattern exists in the ascending progression from the Mon-Khmer (5.9 months) to Tibeto-Burman (7 months) to Hmong-Mien (8.1 months) to Lao-Tai (8 months). Regional differences, however, are less stark.

Although it is true that the majority of the poor in Laos are swidden cultivators, this should not be construed to imply that swiddening causes poverty. It was in fact characteristic of poor villages that their swidden systems had been traumatized in a variety of ways resulting from at least two (and sometimes more) of four of the interlinked types that were identified during the assessment: relocation, land allocation, pests and natural disasters. It is also necessary to distinguish between the two types of swiddening: rotational and pioneering. Traditionally, only the latter type that has been responsible for environmental degradation.

With respect to wet rice or paddy cultivation, suitable land was found to be the major problem for the poor villages as they tend to be located in mountainous areas where flat land is scarce. In the villages where paddy cultivation had been proposed by planners as a substitute for swiddening, the paddies were found to be barren or unproductive due to non-functioning irrigation schemes. Paddies were also found in many instances to be culturally maladaptive by many traditional swidden societies who spoke nostalgically of the great diversity of crops and forest products in the upland plots compared to the relatively monotonous environment of the paddy. Of the 10 percent of the villages which were traditional wet rice cultivators, poverty was found to be a factor of either natural disasters (Attapeu and Champasak), or land ownership (Houa Phan), that is, factors beyond the control of villagers.

Livestock are the next most important aspect of livelihoods in Laos. Apart from being a symbol of wealth and status they are an essential element in village cultural and religious systems, a form of social safety net to be used in times of necessity, and, in the case of large bovines may be used to draw a plow or oxcart.

The most serious and compelling problems associated with livelihood are those related to the coping mechanisms associated with rice deficiencies. Here it is the wealth of natural resources upon which villagers have relied most heavily. And this in fact amounts to an over-reliance which cannot be sustainable for the future. In many areas populations of wildlife and availability of forest products are reported to be decreasing rapidly.

The importance of livelihoods in all of the extended holistic parameters of that meaning, especially in the sense of farming systems as inclusive of indigenous knowledge of resource management, should not be overlooked. The understanding of the many diverse livelihood systems is the most important key to poverty alleviation.

7. Chapter 7 — Sectors and Services

The environments of the Lao PDR are suffering due to the fact that a large portion of the poor villages are located in remote areas where the level of biodiversity is high. In normal circumstances this would be an ideal condition for environmental protection, but in times of poverty, villagers look first to the forest as a means of coping for rice deficiencies, and in so doing exploit natural resources beyond the limits of sustainability. Villagers themselves are aware of dwindling availabilities of these resources but lack the capacity to change the situation given the outside pressures that militate against correction.

Programs that limit swidden land use have upset ecological balances and caused runaway increases in pest populations as well as soil depletion that has reduced rice production capacity. Wildlife diversity has brought many species to the threshold of extinction as villagers faced with rice deficiencies and the new needs for cash in the market economy become involved in the wildlife trade.

Education, especially formal education or literacy was found to be of only secondary concern. The level of work in poor villages necessitates all family members participate in farming in order to produce enough to eat. There is also a chronic problem of the linguistically and culturally unsuitable curriculum which is impossible to implement at the present time. Archaic, inflexible, and uniformed education policies have prevented the institution of innovations that would serve the educational needs of poor minorities with the result that they cannot participate. In many instances villages have consciously chosen not participate in education because they feel it has no relevance to their lives. Even among lowlander minorities who were consulted in the course of the PPA were cynical because there is no follow up benefit to education for most families. Many are now literate but there is nothing to read.

The Government's vaccination program for mothers and children was found to be the most successful of all Government programs. Most of the poor villages have been accessed Malaria and dysentery are still major problems however and more permanent forms of health care systems were not available to most of the poor. Clinics (souksala) were mostly not accessible or not functioning for a variety of reasons, not least of which was language. Mental health problems in the observable form of depression, despondency or opium addiction were apparent in some villages. The majority of villages in the study had not heard of HIV/AIDS.

Most of the villages in the survey were not accessible by road in the wet season. Some had river access to districts. Transportation problems in the wet season were found to prohibit marketing of many crops such as bananas, pineapples or coffee.

Poverty and the Environment

Ecological affects of poverty

A large portion of the villages visited in the PPA are located in areas where there is a high level of biodiversity. These areas are remote and difficult to access, especially in the wet season, a fact which has undoubtedly aided in their preservation. Villagers know their areas well and now in times of lowered rice yields, it is the environment that has allowed them to survive.

However the carrying capacity of the various ecosystems encountered here is unknown, and villagers in many areas note decreasing reserves of many plants and animals which used to be plentiful. Left unchecked, deterioration and degradation will undoubtedly set in and villagers will be left without the subsidiary livelihoods which the environment has provided.

Notes from the PPA team in the South may serve as apt examples of the natural abundance of these ecosystems:

Box 7-1 Environmental Descriptions from the PPA

ATTP Hat Oudomxay	Nature is still bountiful and the villagers rely on the forests for their livelihood all year. Cutting of small trees and bamboo for housing is allowed, but for large trees, which are considered the property of the government, permission must be granted from the district forestry officials and a tax paid of 20,000 kip per tree. (But this is only for utilitarian purposes.) The forest, including conservation forest, may be used for forest products and small game, in small numbers without requesting permission. But large animals, gaur, elephants, sambars, barking deer, bears, etc., are strictly protected. All guns have been confiscated. Fish are a staple for the villagers, and fishing is an economic activity. Total amounts taken are estimated to be around 500 kg per year per hh for both home consumption and sales. This has become, in fact, the basis for their livelihood. The villagers would like to establish 2-3 deep areas in the river as spawning grounds in order to preserve the fish populations, but neighboring village have not agreed to this. To date the plan has not been carried out and the catches are declining rapidly.
ATTP Houay Kout	The nearby forest is rich in wildlife, including: squirrels, tree shrews, civets, wild pigs, sambar, barking deer, and bears. These are protected and the government has confiscated all guns. Now the animals are still hunted, but with the less efficient methods of traps and crossbows. And the animal populations are said by the villagers to be returning. The environment in the vicinity of the village looks fine and healthy.
CPSK Kadian	The village is about 200 years old. The people here came originally from 4 locations, and settled at the Kadian Creek which springs from a small lake called the Kadian Lake, about 5 hectares of which has water all year round and serves as a watering hole for wildlife, people and domestic animals. The original name was Non Samphanh, but later it came to be named after the lake and the creek. There are fish here as well that spawn in the wet season. The village is surrounded by many hundreds of square kilometers of open fields that have not been settled and are interspersed with small copses on rises throughout. All types of wildlife with the exception of rhinos are present. This area is the richest source of rice and fish in Champasak province. It is also an area which has been settled since ancient times, with Vat Phou style ruins (8 th c) still standing nearby.
CPSK Non Dou	The new location is very bountiful, with elephants and tigers and wild bovines and deer. The village is located in the center of large fields interspersed with small copses on knolls throughout. The nearest village is 5 hours walk. There was a big flood in 1998 and everything was under water except the village which sits upon a knoll.
CPSK Non Khoum	The forest is very rich in wildlife, including Elds's Deer [almost extinct elsewhere], sambar, barking deer, red cow, kathing, gaur, pangolins, monitors, civets, turtles, wild pigs, snakes, monkeys, gibbons, peafowl ... and even a few elephants. Guns have been confiscated, and any hunting must be done with crossbows and traps. Villagers estimate that 80-90% of their food comes from the forest apart from rice.
SRVN Bong Nam	The forest is used extensively for food – vegetal and wildlife. Fish, frogs, crabs, snails are caught in the Salai stream, but fish are small. Wild life is plentiful, including: wild pigs, monkeys, kathing, red cow, gaur, bears, jackals, tigers, civets, sambars, barking deer and many birds including peafowl. No elephants seen.
SRVN Talo Tay	In the forest nearby wildlife is plentiful, with elephants, bears, gaur, kathing, tigers, sambar, barking deer, monkeys, gibbons, wild pigs, peacocks, etc... Most people do not go into the deep forest because they fear the tigers and other large wild animals; they fear the UXOs; there are no established paths through the jungle. The large jungled cliffs and escarpments are even less accessible and unexplored, but are said to contain plentiful wildlife as well. There is no gathering of forest products to sell, only for villagers' own use. Only the scrap metal is sold. Three stream pass thru the village all year and are used for drinking water. Bathing and washing is done in the Xékong.
SVKT Sène May	A mountainous area, still in good condition. Aquatic life is plentiful and consumed regularly as are wildlife including: birds, rats, squirrels, tree shrews, wild pigs, sambar, barking deer ... Medicinal plants are collected as well. Last year guns were confiscated and the numbers of deer, wild pigs, and monkeys is on the increase. These must now be hunted by trapping and crossbow. Without the forest resources the villagers say they would starve.

Increasing Dependency Upon Natural Resources

Although a wide variety of wild animals are eaten, there are also many culturally imposed restrictions; but as poverty increases, restrictions are beginning to be ignored, and even these indigenous conservation practices are disappearing. In tropical ecosystems animal mass, while diverse, is small by comparison to plant mass. Sources of wild meat are therefore declining more rapidly than wild vegetables, so there is a gender implication here as well because in general women are responsible for vegetables and men for meat. (Fishing may be more equal, but fishing from boats and casting nets tends to rely more on men. More than 75 percent of the fish reported was from natural sources.) Also, in many villages, especially Mon-Khmer ones, wild tubers are in principal fact a staple.

Pests and Natural Imbalances

Increasing numbers of pests in the fields may be ecologically related to the general problem of degraded habitat caused by reduction in fallow periods in swidden systems as well as to the problem of over-exploitation of natural resources to make up for rice deficiencies, especially for the wildlife trade which may upset food chain balances so that natural predators of potential pests are no longer extant. The wild pig problem, for example was found to be ubiquitous throughout the country where their populations have undoubtedly increased as a result of the killing or trapping of big cats such as tigers, natural predators of the pigs. That this is the case is evidenced by swidden populations who do not know how to resolve the problem of pigs. In the Lantene village of Pak Nam Tong farmers had hired Hmong from a nearby village to provide technical assistance in dealing with the wild pig problem.

"We do not know how to deal with the wild pigs. They destroy large portions of our swidden fields, both rice and corn. This year we have asked the Hmong in a nearby village to help us in return for a portion of the rice"

- Villager in Oudomxay

In Xaygnaboury, for example, Pray villagers reported that wild pigs were the biggest problem they faced in agriculture with several herds in the area numbering 200-300 animals. Bears were a problem here as well, and in the past year two people had been killed by bears in the same village. Sambars and rats also added to the problem. Altogether villagers estimated they had lost one-third of their rice and corn crops to these animals every year.



Figure 7-1 Wild Pig eating corn – Cheminaud (1935)

The problem of pests was found to be of high priority in the North and Central Regions. In the Central Region, however, the biggest problem has been with insects and rats, as opposed to the North where larger animals are involved. The East

reported the least problem with pests, possibly because of climatic and ecological differences. In the South, Mon-Khmer villagers traditionally build strong fences around fields capable of withstanding wild pigs, though even here the problem was rated of moderate priority.

Poverty and Education

It is clear from the assessment that for poor villagers, formal education is a luxury, either unavailable or unaffordable, and remains a concern that is secondary to livelihood as an activity. Problems in education that emerged included: the quality of education, that is, the qualifications of the teachers and the regularity of teacher attendance; the language of the teacher and the curriculum since most of the villages in the survey were ethnic minorities who had either a poor or a total lack of understanding of Lao; and the usefulness or relevance of education for the villagers.

At the present time, the assessment shows that the educational facilities of poor villages has little effect on the peoples' lives. Looking at grade levels available in the formal system, the PPA found that 31% of the Mon-Khmer villages and 47% of all villages in the South had no school at all. 100% of the Tibeto-Burman villages had Grade 2 or below. (See Tables 7.1 and 7.2 below.)

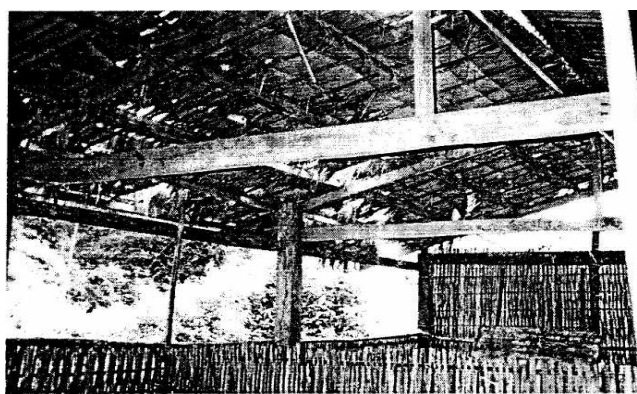


Figure 7-2 School at Houay Kout, Phouvong District - Attapeu

Table 7-1 Percentages of School Levels Available by Ethnicity

Ethnicity	None	P2	P3	P4/5	S
Mon-Khmer	31	29	30	10	0
Tibeto-Burman	29	71	0	0	0
Hmong-Mien	25	25	0	38	12
Lao-Tai	0	25	50	25	0
All	26	33	15	25	1

P=Primary; S=Secondary

Table 7-2 Percentages of School Levels Available by Region

Region	None	P2	P3	P4/5	S
North	22	44	3	31	0
East	16	31	23	30	0
Central	0	17	17	60	16
South	47	18	35	0	0
All	26	33	15	25	1

But these figures tell only a part of the story. In many villages children did not attend because of language or cultural difficulties. In 15% of the villages assessed, the majority of people could not speak the Lao language at all, and in many others the villagers were far from fluent. In these cases children feel uncomfortable in school and drop out early in the school year. In addition, it was found that children of different ethnic groups do not study well together, as the groups have varying propensities for Lao language acquisition and for classroom education generally. In some villages, like the Ksing Moul village of Houay Lang in Houa Phan, parents say their children cannot study beyond the second grade because they are poor and cannot afford to bring a good lunch to school. As one mother said,

"Other children (in the Xieng Kho school) bring sticky rice to eat, but our children can only bring tubers, and the same is true of uniforms, other children have nice clean ones, but our children are dressed in tattered clothes. They are looked down upon and laughed at. They become depressed and don't want to go to school."

In Tai Dam village in Meuang Kham District, Xieng Khoang, a boy was prevented from entering school because his feet were too big and could not find regulation style shoes that would fit. His family offered to trade a buffalo for a pair of shoes the right size but none were available nor could they be made to order. Finally after an appeal was made to the District Education Office special dispensation was granted for the boy to further his education.

But the biggest deterrent to education was found to be the need for children as part of the family labor force. Since 90% of the sites selected were swidden cultivators who spend 6-9 months of their time in the fields, families cannot afford to remain in the village solely for children to attend school. Livelihood takes precedence.

Only a very few villages cited education as an issue in poverty, and those were lowland villages with an educational tradition already firmly established. The content and curricula of the formal system have little relevance to the lives of swiddeners. Even in lowland villages the complaint was heard in remote provinces such as Phongsaly, that students who had completed secondary education were just sitting around idle because there is nothing for them to do. In these cases education has become only a status symbol of families who can afford the expenses associated with secondary education.

A Tri village in Savannakhet, located only 1.5 kilometers from Route 9 has 60 school age children but no school. They say the only schools are in ethnic Phou Thay villages and they cannot afford to attend these and have no time to construct a schoolhouse of their own.

And in one case, in Borikhamxay, a student was sent by his parents to the provincial capital to complete his Baccalaureate (Oudom) degree and to take the exam to enter the forestry school. But his place at the forestry school was given to another, ostensibly because of corruption. When the subject of education was raised during the PPA discussions, the student's furious mother berated the team (which included the provincial agricultural and forestry officer), saying, "Why should we support education, what good is it!"

In the Brao village of Houay Kout in Attapeu, The language of the classroom is Lao but with explanation in Brao when necessary. For the most part students know both languages. Uniforms are a problem, some students have no clothes at all and must come to class naked. Parents, though, are said to be supportive of education.



Figure 7-3 School at Ban Bak - Xekong

Non-Formal Education

Non-Formal Education programs have either operated or are currently operating in only 12% of the sites, with varying degrees of success. Essentially the problems are the same, that is, the relevance of literacy in the daily lives of poor villagers has yet to be demonstrated.

"I tell my husband to study how to read and write, but its like telling him to die! He just won't go to the class."

-Woman in Nam Mo,
Xaysomboun

But there would seem to be potential here because the non-formal approach is, in principle, less rigid and could adapt to the local conditions of poor villagers with the presentation of functional knowledge so that the value of reading and writing can be shown. At present there is little written material available that is of interest to poor villagers, especially non-Lao ethnic groups.

Access to Information

In the area of learning, however, lack of involvement in formal education does not imply a lack of respect for knowledge, it is simply the case that knowledge is viewed from the point of view of the villager within the frame of his or her epistemological system. It goes without saying that every people has a wealth and store of indigenous knowledge which has been accumulated over many millennia. Such knowledge is vital to the survival of ethnic groups, and can be of great importance to modern science as well when properly investigated before it is destroyed.

In addition, upland peoples are continually investigating new developments in their environments, and adapting those aspects which they consider relevant to their daily lives and livelihoods. In the course of their observations, a number of villagers expressed interest in obtaining new knowledge, in particular new techniques in animal husbandry and horticulture, as well as marketing. They would like to know how to prevent their livestock from dying, how to select and cultivate new cash crops, and how to deal with the market and a cash economy.

"We have been like this, poor and poor, for many generations. If we want to do something, we don't know how. If we want to engage in trade we don't know how because we have never accorded any importance to education."

- Hmong man in Nong Het, Xieng Khoang

A Pray woman in Xaygnaboury was observed exchanging a new sticky rice basket, the product of at least one day's labor, for ten ice cream sticks (worth about 200 Kip each to give to the children in the village. When a member of the team asked the vendor why he took such an unequal exchange, he said it was a long walk and he has to pay the ice cream maker even for ice cream which melts.

Likewise, Khmou villagers selling produce in the markets in Oudomxay and Louang Prabang do not sell for the best price, but only to old acquaintances, albeit at much lower prices. A Khmou man in the Vieng Kham District market in Louang Prabang was observed exchanging a calabash which would have a market value of about 15,000 kip for two bags of salt with a combined value of 1,000 kip.

Mr. Kouan, a Thay Bo man in the village Boua Ma in Khammouane is wealthy by local standards. There are only his wife and one son living in the household and he owns over 70 buffaloes, 20 pigs, and more than 100 chickens and turkeys. He also owns the only rice mill in the village. He has no formal education. One day he decided he wanted to open a small shop to sell things in the village. He walked to the district seat and for three days observed the shop owners in the market there in order to learn how to buy and sell. Then he traveled to the provincial capital at Thakhek to purchase goods to sell in the village. But after several months now, he still remains mystified. He sold all the goods, but there was no profit and he doesn't understand where the money went.

These examples show the need for a type of knowledge that does not come from the classroom, and yet is difficult to impart in any other medium.

Poverty and Health

Diseases

Malaria and dysentery are the two most prominent health problems encountered. 71% of the villages reported dysentery as a main problem and 64% reported malaria as a main problem. In most instances these illnesses were mentioned together.

Epidemics were reported as having occurred in many of the villages, though villagers were not able to identify the diseases by name. Some geographical areas seem to be more susceptible. In the Tri village in Xepon, Savannakhet, cited above, the following was reported by the PPA team:

The village was formerly located in the mountains at the source of the Xe Bang Hiang, 20 km from the road and called Ban Prong. Then in 1990 one of the villagers died from leprosy and the village got scared and moved to a location at the source of the Houay Hok stream. In 1994 another villager died from leprosy so they moved once again to the present location. The other two villages in the cluster had moved from other locations as well

Livestock roam free in village. Drinking water comes from streams and water not boiled. People look thin and pale, as if they work too hard without enough rest, and insufficient nutrition to support the amount of work necessary.

In this area there are serious epidemics (cholera?) every year with many deaths. The people flee into the forest to escape, abandoning the bodies. Dogs, they say, can be seen carrying body parts around the village.

The team arrived in the middle of such an epidemic which was affecting 98 villages and over 100 had already died, sometimes as many as 7 or 8 people in one village.

Malaria and dengue are prevalent as well. But the major concern is leprosy. It still occurs in the village, and they are receiving no assistance and villagers do not know how to treat it.

The Khmou Ou village of Sang Khene in May District of Phongsaly is a typical example: The village was established in 1999 after moving from the old location 5 km inland from the road (in which there are still 14 hhs remaining). They moved to be near the road.

"The land around here has always belonged to us. Our parents brought us to live here from time to time in the past, about every 15 years. The village moves every so often, especially when there is an epidemic we move to get away from it immediately."

In some cases epidemics can affect only the older segment of a village population and the effects of this can be socially devastating. The Khmou village of Pong Koum in Bokeo was established in 1986, having moved from the old location (Ban Khom), two hours walk from the present location. There was an epidemic in the old village which killed over 30 people, so they moved. Villagers did not want to discuss customs and traditions because it turned out that about two-thirds haven't followed the old culture strictly, but another on-third have. The main problem was that all the people in the village over age 50 died. So there is a lack of direction and leadership. There isn't

even a shaman, and they must ask for a shaman from neighboring village when one is needed. Now there are fifteen opium addicts in the village, five of them female. Health problems persist, the main ones being dysentery and malaria. These are treated with modern medicines as well as with spirit ceremonies and opium. In the past year 4 children have died. In addition there is also a lack of labor, many of the young people have left the village to seek work in the city or in Thailand, and have never returned.

Another impact on health has been relocation of villages from highlands to lowlands as highlanders have poor resistance to lowland diseases and climatic conditions generally. Relocated villages in the PPA included one of 194 households in Long District of Louang Namtha where 80 people died within one year, and another in Sing District, a large consolidation of approximately 500 households where 300 died in the first two years.



Figure 7-4 *Mould on the food tray. Spirits forbid the Kado from washing the food trays and mould gathers as shown here in the village of Ban Meo in Samouay District – Saravanh*

In most of the villages visited, traditional healers, shaman and midwives were present in the village. 15% of the villages had medics, with either local training from district health officials, or training from the military. In most instances, villagers, with or without a trained medic, rely on a combination of spiritual, herbal, and modern medicine for treatment. Indeed this situation depicts well the Lao situation in a microcosm, retaining traditional practices, but ever ready to assimilate new methods when these prove to be beneficial. This type of system has been referred to as integrative.

"The ones carrying the sick person to the hospital die before the sick person."

- Lave villager in Attapeu

The Cost of Health Care

High costs of medicines and access to hospitals are a major impediment to good health care. Throughout the country villagers reported they would prefer to die in the village among family and friends rather than risk being transported long distances

over difficult terrain to a hospital where meeting the costs would mean selling a cow or buffalo. It is also seen as a great imposition on who must carry the person to the hospital and perhaps have to carry the body back to the village if treatment is unsuccessful.

The Ta Oy village of Bong Nam is located 28 kilometers from the district and is accessible only in the dry season. For the villagers, going to the district hospital means selling a cow or a buffalo and most are resigned to die in the village rather than go to the hospital.

In the Brou village of Bouama in Nakai, Khammouane, the average visit to the hospital costs 500,000 Kip so most people do not go. They say if they go to the hospital and can't afford the medicine they die anyway.

In Houay Pa Mat, a Khmou Krong village in Vientiane Province, malaria is very bad as is "bloody dysentery", which is so serious several families moved out of the village to get away from it. There is no souksala in the village. Most healing is done by traditional medicine. If the villagers go to district hospital (8 kilometers walk in wet season) there is no medicine and villagers cannot afford to buy it from a pharmacy. There is a medic in the village who travels to pharmacy if necessary and administers injections and pills. If the illness is serious a trip to the hospital costs an average of 300,000 Kip per visit, and one usually has to go into debt to pay this, and must work in the neighbors paddy fields to pay off the debt.

Special Programs

In the vast majority of villages surveyed, the Mother and Child Vaccination Program had sent personnel regularly to carry out vaccinations, and by comparison with other sectors, surfaces as the most effective and successful program that is universally and positively assisting the poor. The success of this program demonstrates that outreach programs can access the poor in spite of their remoteness.

In one village of Phong and Hmong in Vieng Thong, Borikhamxay, a district health person come regularly to exhort women to allow their babies to drink mother's milk. "Do they think we are stupid," one woman said, "if babies don't drink mother's milk, where else are they going to get milk?"

The Souksala Health Clinic

Most villages in the PPA had no access to a health center. But even where these exist there are two major problems: (1) too few medicines, or none at all; and (2) language problems, that is, villagers and health personnel cannot communicate, with the result that villagers do not go to the center and health workers do not do outreach and visit the villagers in their homes. The facilities themselves, at least the ones observed during the assessment, were very attractive and had been built with foreign aid money.

Of the 84 rural villages in the study, only 7 reported access to a health clinic (souksala), and there were difficulties with these, as shown here:

Village	Comments on the Clinic:
Done Chanh	Distance of 8 kilometers walking
Khone Piat	Have clinic but no medicine
Nam Ph&	Distance of 20 kilometers walking
Nam Phoen Neua	1 hour by taxi
Na Toy	Distance of 7 kilometers by pushcart
Phon Samphanh	Built by CIDSE, functioning, but with difficulty because the medic at the clinic cannot speak Lahu Shi, the language of the village and no one in the village can speak Lao
Sano May	Build by AUSAID, villagers don't use it because of the Akha language barrier and because there are only 3 kinds of medicine with limited uses

Sanitation

Of the 84 rural villages, only 8 had latrines for every household. Approximately 24% of the villages reported boiling water to drink all of the time; in 22% of the villages some of the households boiled water; and 54% of the villages did not boil water at all. Reasons given by some were that boiled water does not quench one's thirst, or, in some households there are no pots in which to boil the water.

With respect to mosquito nets, in approximately 41% of the villages mosquito nets were used by all households; in 47% some of the households used nets, and; in 12% of the villages no one used them. The government/JICA program to sell impregnated mosquito nets at 18,000 Kip (some said 6,000 for a small net and 9,000 for a large net) each was quite successful and had reached about 32% of the villages in the PPA, though not all households were purchasers. Some said they were too expensive, some ethnic groups such as the Brou of Nakai forbid the use of mosquito nets, and one Phou Thay woman reported that she and her family of 9 were denied the privilege of buying impregnated nets by authorities because her children did not go to school (they spend considerable time in the forest looking for food).

Mental Health, Opium

In addition to physical health problems, psychological problems were evident in many of the villages. Observable symptoms were depression, fatalism, and opium addiction. From interviews, it was apparent that the latter is a recent phenomenon and is often used as an escape mechanism resulting from a reduction of livelihood options.

Opium addiction was found to be a problem in 55% of the villages assessed in the Northern Region, and 14% of the Eastern Region. Of the ethnic categories, 61% were Mon-Khmer, 22% Tibeto Burman, and 17% Hmong-Mien. Stated in another way, however, 62% of the Tibeto-Burman villages, 31% of the Hmong-Mien villages, and 21% of the Mon-Khmer villages were found to have opium addiction problems. In all cases the households with addicts were said to be considerably more worse off than others in the village.

"Since we were moved to this location the villagers don't listen to me any more, they just do as they please and smoke opium. Before it was not like this. We have always grown opium, but we never had addicts among us and we were in-dustrious. Now there are 48 people addicted, men and women, young and old."

-Village Chief of a Lanténe village in Oudomxay

The largest number of addicts was found in a Lantene (Kim Moun or Man) village in Oudomxay where 48 persons (12 women) were addicted. The opium was said to be combined with the Thai medicine "Thank Chay" causing it to be more potent and addicting. Upon further discussion it was revealed that Opium addiction was not a problem in this village until after land allocation and relocation were carried out and the livelihood systems were seriously affected. In desperation many sought escape in opium.

HIV/AIDS

A small portion of the villages selected had heard of AIDS because health officials had come to make AIDS awareness presentations. But in many villages people had never heard of the disease at all. One of these was located 1.5 kilometers from Route 9, the East-West Corridor, a major transportation route running from Vietnam through Savannakhet Province in Laos to the Mekong River. In the South 35% of the PPA villages had never heard of AIDS, all were ethnic minorities; another 20% had heard of the disease through MOH presentation, but have no further information.

Tobacco Smoking

Tobacco smoking was notably present at most of the discussions, by both men and women as well as children. In a Lahu Shi village in Bokeo, children were reported to begin smoking at age 3 or 4. Ages 8 to 10 was the common age in most other villages. In the South, women prefer to smoke the bamboo water tubes, while men prefer the more traditional style pipes.



Figure 7-5 *Smoking the bamboo water pipe, Lacaisse -Xekong*

Poverty and Access to Outside Resources

(Communications & Transport)

Roads and Transport

Due to the remoteness and isolation of the majority of villages in the survey, they are essentially accessible for only 5 or 6 months out of the year except in cases where there is access by boat. The problem most cited by villagers as preventing economic growth is lack of all-weather roads by which to market their produce. Accessibility to markets in the wet season is essential since that is when most agricultural goods are mature and ready for sale. In many villages, tons of valuable crops, such as bananas and pineapples rot each year for lack of transportation, and areas which have tested potential for the development of cash crops such as coffee are inaccessible.

The Khmou Rok village of Chom Leng, Pak Beng, Oudomxay is located at the crest of Phou Louang Mt., about 22 km from Pak Beng District Seat. The village has moved around but always in this vicinity. At one time it was called Chom Oy, and then later Chom Thene. In 1997-98 they returned to this location again, and named the village Chom Leng.

This time, however, the circumstances are different. There is a new road which has just been cut through the village. The road is not passable if it rains because it is very steep and becomes muddy and too slippery. There is also a market at this location for 7 villages. When the road is complete through to Pha Oudom dist in Bokeo, it will serve 20 villages. Now there are 10 shops operated by Hmong and Lao newcomers. The market itself meets every 10 days.

By coincidence, the team arrived on a market day. Lao and Lue marketeers bring goods in a pick-up truck to sell at the market. The Khmou and the Hrnong bring livestock to sell, agricultural produce, and forest products to sell or barter. Even such things as rice noodles, chinese noodles, sweets, Pepsi, and beer, are traded. Produce includes pineapples and corn, but of course the produce depends on the season. Forest products were mainly mak khène (a condiment), broom grass, mulberry paper bark, "peuak siat" (the masticatory bark used with betel).



Figure 7-6 *A rainy season road in Champasak*

Now, as a direct result of seeing the potential of the road and the new market, the village would now like to expand their very traditional economy to include cardamom and sesame as a cash crop.

For the Hmong village of Ban May in Xaysomboun, there are good main roads, but to get to other villages they must walk. Villagers complained bitterly about distance of the village from their fields, in some cases the distance is 25 kilometers. After the harvest they must transport all of the rice on their backs for two days at a time to get to the road.

Problems may arise from roads as well, mostly resulting from what may be brought into villages, city diseases, HIV/AIDS, and outsiders coming to take advantage of naive villagers. A village in Savannakhet was concerned that a new road would allow outsiders to come in and lay claim to their land. In Xieng Khoang, a village near the road would not allow a subsidiary road to pass through their land to the village of Na Dou. At Na Pane in Meuang Met, a dispute has arisen because villagers have had to dig waterways through the main road in order to irrigate their rice paddies as no culverts were put into the road for this purpose.

Communications

Most of the villages had at least one radio, and a few had black and white televisions which were powered by car batteries. In both media, the most popular programs were music. For villagers along the Vietnam border, reception of Vietnamese radio programs was better, and many of the villagers understand Vietnamese better than Lao.

In Pak Phanang, Boualapha, Khammouane, they receive stations from Savannakhet, Thakhek, and Vietnam. They especially like the agricultural program of "Lung Kham Nyaam Bai"). But here Vietnamese stations are stronger. In the rural villages of the PPA, no one could name the current leaders of the country nor the provincial governor. In most cases the name the district chief was also unknown. They could usually, however, name the original leaders of the revolution, especially "Uncle Kaysone" and "Uncle Nouhak."

Villagers preferred programs in their own language, but these are largely unavailable. In the village of Nam Chia in Xaysomboun where it was necessary to carry out discussions for three days via an interpreter, radio broadcasts in the Hmong language were especially popular.

Electrification

Only one of the villages visited had regular electricity. Six villages had mini-hydro generators, small diesel generators, or rechargeable car batteries. For the rest, diesel lamps or firelight were the only sources of light.

The diesel lamp has mostly replaced the old kerosene lamp throughout the country. But many villagers complained of the high cost of diesel fuel for the lamps, and unless necessary, such as when there are guests, would use only firelight. Electricity

was not a priority for most of the villagers in the PPA as it was considered to be a luxury. It was the subject of some sarcasm between ethnic groups in one Brou village in Savannakhet, however, as they joked, "when war comes they call on the Kha (Mon-Khmer groups), when electricity comes, they give it to the Phou Thay."

8. Chapter 8 — Gender and Poverty

Women were generally found to work harder than men and to play less of a role in decision-making. Gender roles, however, are heavily ethnic-specific and many variations were found throughout the survey. To some degree family labor imbalances are a factor of traditional male roles such as hunter, protector, warrior, or feller of large trees having been eroded or having disappeared entirely whereas female roles have remained the same. The increased presence of grasses in swiddens due to ecological problems associated with land-allocation have increased women's labor inputs as this is considered "women's work." Likewise the raising of small livestock is women's work and when epidemics affect these livestock women's labor investment is lost. There is a vital need for research and investigation of gender roles among the various ethnic groups that is based upon solid anthropological investigation and the provision of good ethnographic description. This would in turn provide a foundation for gender studies and action plans in the multicultural context.

Although the topics of Culture, Gender, Environment and Livelihood have been accorded separate sections in the PPA analysis, they are in actuality inseparable, a set of traditional categories chronologically and logically prior to issues introduced by developers such as education, health services, electrification or communications. Anthropologically speaking, all of these topics fall under the rubric of culture in its panoply of expanded senses. In the case of the former, traditional livelihood systems provide insights into how villagers of many ethnicities view the problems which they face. And for the latter the issues surround the ways in which these same villagers are impacted by development and modernization, both mentally and physically.

Gender as a category, while relatively new as an area of concern to development and as an area of academic inquiry, has in other guises always been part and parcel of anthropological investigation⁴⁷. Moore (1999) has defined two categories (1) studies of the sexual division of labor, roles, tasks, and social status of men and women in everyday social life; and (2) cosmological beliefs, symbolic principles, and valuations.

The two categories are neither mutually exclusive nor complementary, since cultures in which women are perceived as subordinate in domestic or economic affairs, may in fact have cosmological beliefs valuing the innate power of the woman, and vice versa. Following the emergence of gender as a study, as Moore relates, a debate has arisen essentially surrounding the issue of how to reconcile those theories which tend to—towards cultural origins of sexual difference with those which favor the biologic. To avoid the complexities of this sex/gender debate which continues without resolution, the present study approaches gender in the frame of the traditional categories with data collected from both women and men.

A second issue within the domain of gender and poverty proper is whether, in the analysis of poverty, to separate women from the family as a whole, in order to say that women are poorer. There is no doubt that in terms of labor share and education

⁴⁷It has also been, since the early 20th century, the subject of psychoanalytic, philosophical, and literary criticism investigation as well as anthropological, and, approaches where distinctions between these disciplines have dissolved entirely, as in the work of Jacques Lacan and others, the so-called new humanities, on the one hand, and the social side of systems theory as represented by early cyberneticians such as Gregory Bateson or Margaret Mead on the other.

women are poorer. However, in keeping with the holistic theme pursued in the PPA, the question should also be posed as to what will be gained in terms of analytical advantage by separating men from women within the household or the village. If the particular family dynamics that obtain within a given culture are not well understood (as virtually none are at this juncture) will this not hinder the success of mitigations aimed at alleviating women's poverty, say as opposed to men's or children's? And what is the higher priority, overall alleviation of poverty in the village, or, alleviation of poverty for women?

Cosmologies and Archetypes

It should be acknowledged at the outset that the subject of male-female relations and family structure are among the most complex aspects of culture and one of those least accessible through rapid appraisal techniques. It is also one of the most controversial, fraught with psychoanalytic and theoretical anthropological overtones.

For example, the main dietary distinction found between men and women in the survey was that men eat more raw meat than women. This may be explained based on the gender roles discussed in Chapter 4. The attainment of ritual potency is closely associated with the sustenance of life. Death and food are the natural medium in which power and control are most primitively expressed, and the eating of raw meat is the iconic enactment of the mastery over death. But these are weighty topics and in most cases this and other similar hypotheses would be difficult to sustain based on data currently available.

It is possible however, to see the general outline of male-female roles in the villages visited. Some of these are illustrated in the photographs below which provide a more cogent view of the character of gender differentiation and its ethnic flavor.

Perhaps the most compelling of these is the first photo taken approximately one hundred years ago in southern Laos. It is valuable for its portrayal of the male archetype adhered to by many of the ethnic minorities, but especially the Mon-Khmers. In modern times, while most of the actual components of the archetype, hunter, protector, defender, and tree cutter have been eroded away, the mental construct remains. No doubt its retention is related to the importance of the archetype as prominent in the acquisition of ritual potency discussed in Chapter 4.

By contrast, the archetypal woman is the proud bearer of cultural tradition preserved in colorful dress. As maximiser of fertility she not only works in the fields, plants the rice seed, nurtures the seedlings, pounds the rice, winnows the rice, steams the rice and serves the rice, she carries the firewood, fetches water, and feeds the small livestock (with rice bran). And, all of this is done while carrying infants on her back or on her side.

However, while many of the traditional components of the male archetype have slowly disintegrated, the female archetype has been preserved largely intact. This has led to an imbalance between the sexes in actuality. In some cases the gap is filled by men hiring out their labor, but in others, as in the case of a Bit village in Louang Namtha, the men have turned to alcohol. A woman there said, "Women do all

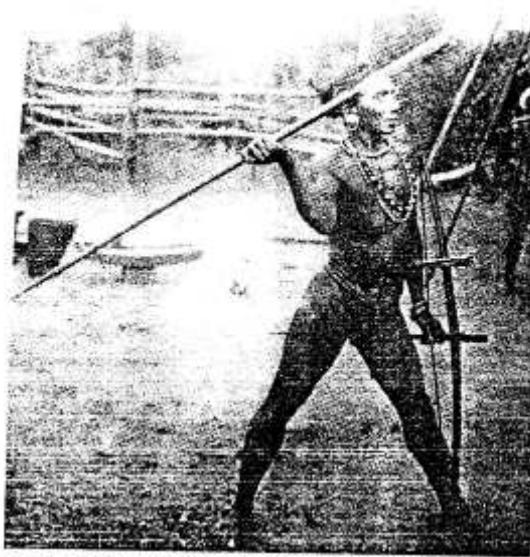
of the work and the men just sit around drinking. When they run out of whisky we have to sell vegetables in the market in order to buy more for them."

Kinship, Marriage and Inheritance

For the majority of the ethnic groups encountered in the PPA, kinship systems may be roughly described as either bilateral or patrilineal. Only two cultures, that of the Pray in Xaygnaboury and the Sou' in Attapeu are matrilineal. These labels, however, are deceptive to some degree. For example, although a society may be organized into a group of patrilineal clans, inheritance may be bilateral. In fact, in many such cultures, it is commonly the youngest child, the one who cares for the parents in their old age, who inherits the parents' land and home, regardless of sex. Or, even among cultures such as that of the Hmong where inheritance is strictly patrilineal, a shamaness may still make the important decisions of the village.

The majority of marriages are ethnic group endogamous, with marriages between ethnic groups being permitted only under carefully defined circumstances. For example, in the village of Nam Mo in Xaysomboun there are four ethnic groups, Khmou, Black Tai, Red Tai and Phouan. The Phouan and Khmou may intermarry, but not the Red Tai or Black Tai and the Khmou. The two Tai groups and the Phouan may intermarry as well.

In one resettlement site in Xaygnaboury intermarriages have been encouraged for eight years between the Pray and the Hmong, but this has never occurred. In fact it would be impossible given the opposing social structures, matrilineal vs. patrilineal, since for the Pray the husband must enter the clan of the wife, and for the Hmong the wife must enter the clan of the husband.



The traditional male role for the majority of ethnic groups is that of the hunter, the warrior, the protector, the defender and the feller of large trees. But today, in most parts of the country this role is only partially relevant. The countryside is peaceful. Intertribal warfare is a thing of the past. And hunting is more strictly controlled. This photo of a Mon-Khmer man was taken c. 1902 in southern Laos.

Photo: Cheminaud (1939)

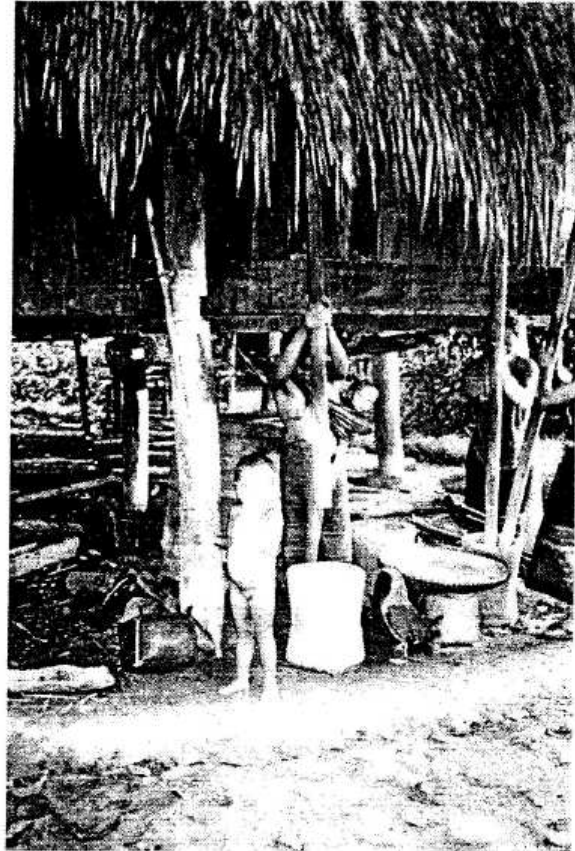
One of the roles of women is the conservation of culture, frequently manifested visibly in traditional dresses marking the ethnic identity of the particular group. By comparison, in much of Laos today, men's clothing is nondescript. This photo was taken at a Baya (Pousang) village in Oudomxay Province.





Pounding and winnowing rice are female responsibilities in most of the villages visited. This means rising early, often before dawn, to pound the rice in preparation for the day's meals. As may be seen in the photographs, this work are typically done while carrying young children.

Left: Pacoh woman winnowing rice in Samouay District, Saravanh



Right: Ta Oy women pounding rice in Nong District, Savannakhet



After working in the swidden fields all day one of the burdens of women is carrying firewood back to the village.

Photo: Akha Chi Pya woman, Phongsaly

In swidden societies the use of the dibble sticks is considered to be a male role. But the placing of the seed in the holes made by the sticks is carried out by women. The man in this photo is of the Brao (Lave) ethnic group in Attapeu



Division of Labor

Gender issues cannot be separated from issues regarding ethnicity since roles are culturally determined. For example, it was generally agreed by villagers of both sexes that among the Mon-Khmer peoples women work harder than men. There are sometimes exceptions among individual groups as may be noted on the table below.

Tai-Lao and Hmong-Mien groups show a greater degree of equality in division of labor and with respect to livelihoods are generally economically better off than the Mon-Khmers. The Tibeto-Burmans are the most diverse, but here again, the Seng Saly group which shows a greater degree of labor equality are better off economically than the others. The Lahu Shi were the only group in the country where men were said to work harder than women. The Phong were the only group in which men and women share equal decision-making roles.

Table 8-1 Labor Inputs by Gender

Cls	Ethnic Group	District	Labor inputs to livelihood by gender
Mon-Khmer	Khmou Lue	Nga	Say women do 60% of the work compared to 40% for men.
	Khmou Lue	Na Mo	The women all agree that they work much harder than men. (And the men agree as well.) As a way of expressing this, the women estimate that men are able to rest about 3 hours out of every day, whereas women can only rest one hour.
	Khmou	Nong Het	Women say that once the field is cleared, the women do 70% of the work compared to 30% for the men. And during harvest the women do closer to 80%. Carrying the new rice from the field to the village is 50-50, men and women. Women do all of the rice pounding and child care except when they are ill.
	Khmou Rok	Pha Oudom	Both sexes agree women work harder than men. Women say they do about 3/5 of the total work.
	Khmou Ou	Samphanh	all agree that women work harder, especially because they have to pound rice and cook.
	Khmou Ou	May	Women work much more than men, by an estimated ration of 1/3 : 2/3. But love all children equally without preference for sex. No polygyny in this village (too poor?). Women complain they have too many children.
	Kwène	Houay Sai	Men and women work equally hard, otherwise would not survive.
	*Phong	Viengthong	Phong men and women equal in decision making, but women work harder.
	Khmou Krong	Feuang	Women work harder. Men like to play around, as well. The LWU representative in village, herself a Phouan, complained that the Khmou women do most of the work, while the men spend all of their earnings on girls, ... "when your husband goes to see other women you should get angry!"
	Chaly	Boualapha	Men make decisions. Women work more, eg when going to the fields, women must cook, carry baby, carry food, and cultivate. The man usually spends his time gathering edibles in the forest while the woman works.
	Kado	Samouay	Women are overworked. Must raise children and do the work of the hh, assist with ag production; pound rice, fetch water, carry firewood, without help from men. This they say in the Kado traditional division of labor.
	Pacoh	Samouay	Agree that women are overworked.

Cls	Ethnic Group	District	Labor inputs to livelihood by gender
Tibeto-Burman	Akha Chi Pya	Boun Tay	Division of labor in fields: man dibbles, women sow. Women also fetch water, care for children, gather firewood, cook, ... all agree women work harder.
	*Lahu Shi	Houay Sai	Men work harder than women in this culture. ⁴⁸
	Bayay	Na Mo	Women say they work harder than men by a ration of 60% to 40%. Men however say they work equally hard - 50-50. Men say they must do the heavy work such as cutting down the big trees, but women argue that there are only a few big trees to cut but many smaller ones the cutting of which is considered to be women's work, and thus women have more work than men.
	Seng Saly	Phongsaly	Villagers feel division of labor is equal. And women's work has decreased with rice mills - don't have to pound. Feel more children is a burden.
	Iu Mien (Yao)	Phiang	Women said, when husbands smoke opium the women do all of the work, which makes them poorer and poorer. Rice is not sufficient, and there is no money.
Hmong-Mien	Hmong Daw	Xaysomboun	Men make decisions. Say women work harder, but both nearly equal. The practice of having more than one wife is still prevalent among the Hmong.
	Hmong Daw	Borikhanh	Amount of work is equal between men and women. But men are the decision makers. The LWU representative said the women here don't like to voice opinions or participate on an equal basis with
	Hmong Ntsua	Xaysomboun	Men and women work equally hard. Women still said to be worse off because husband can have other wives.
	Kim Moun	Na Mo	Women are said to work harder, but men share many of the tasks such as fetching water.
Tai-Lao	Moey	Borikhanh	Mostly equal in terms of labor. Most decisions made by men.
	Lao	Mounlapamok	Labor inputs equal. Men are said publicly to make decisions but women have a say here as well.
	Phou Thay	Boualpa	Women have less role. Women work harder than men. Men do plowing, but women do the rest. In swidden, the men repair the fences, women do the rest, in addition to caring for the children. But since there are few women, the men do a lot of water fetching. Women find firewood.

⁴⁸In this village it was also reported that both male and female children take the surname of the mother. [Other literature says there are no surnames - so this may be misunderstanding? Lahu groups generally are said to have bilateral kin organization.]

In several villages the issue of polygyny was raised in the gender discussion. In most cases where this is practiced among traditional societies in Laos the permission of the first wife must be sought before an additional wife may be taken. And in the decision labor is an important consideration. The practice turned out to be most problematic in Hmong villages. To pressure the first wife into agreeing, the Hmong husband often threatens to stop working and smoke opium.

In Hat Yeun, Borikhanh, it was reported that Hmong still have the problem of wanting more than one wife. One woman said, "Even the Neo Horn has three wives, and also smokes opium. He wants a fourth wife and is smoking opium to get his other wives to accept this. The girl he has chosen is 15 and he wants her so she can massage him while he smokes."

In Sop So, Vieng Thong, there are 8 opium addicts, 3 are young men (about age 30) who wanted to take a second wife but the first wife would not agree, so the men said they would take opium instead - and the first wives agreed. This form of trade-off was said to be not uncommon among the Hmong.

In another village, discussion of gender and division of labor stimulated a major argument which is summarized in the following box.

Box 8-1 Women Speak Out

In Ban Nam Mo, Xaysomboun the men said that men and women worked equally hard and an argument ensued. Women said they work much harder, and are not equal. In the swiddens, they say, men only make fences, women do all the rest; in the paddy, men only plow and rake, women do the rest. (The men were silent after their first statement.) Women also said men are more privileged. They don't want to take their wives anywhere, and didn't want their wives to speak in the discussions. But the women refused to obey and said the men are afraid that the women will be better. Women said that when they returned home their husbands would scold them. If men drink that's OK, but if women drink it's not good. "Do you think women only eat rice?" [re drinking]. The Khmou women were the most outspoken. They said that when the Australian women's project [sic] was initiated, after the funds were handed over and the festivities were over, the women did all the cooking and were then told by their husbands to go back to the house. For the Khmou, if they bring money, they don't give it to their wives. One girl age 14 was stretched out on the floor of one house with severe dysentery. The mother was asked why she didn't get her some medicine, and the woman replied that her husband had taken all of the money with him and hadn't returned yet. The girl was dying, the team gave the girl some oral re-hydration but one member, a former nurse, said that in her opinion she would die the next day without medical treatment.

In the case of gender the livelihood demands of the poor are exacerbated. Women's labor inputs are more than men's especially in the poorer villages. In fact women's labor inputs by ethnicity stands in reverse proportion to the Table 6.1 in Chapter 6. The lowest rice yields are found in societies where women's labor inputs are highest. Thus as far as the poor of the country are concerned, women are working more for

less and less. The burden of making up for and correcting the deleterious effects of the various causes of poverty has fallen on women.

Women and education

For traditional Lao-Tai lowland villages in the survey formal education was accorded high priority, in many cases such as among the Lao villages of Champasak girls enrollment even outnumbered that of boys. In the village of Kadian, for example there is one schoolhouse with 3 grades with the following enrollments:

1st Grade: 31 (17 female)

2nd Grade: 9 (7 female)

3rd Grade: 7 (4 female)

But for the upland swidden groups who comprise the main poor population this was not the case. In Tha Kachanh, an ethnic Chaly village in Boualapha, Khammouane, The women said girls do not study much. There are 28 girls (6-14 yrs old) not in school compare to only 6-7 boys in the same age cohort. The women said this is because girls labor is considered more important, and they therefore did not see value of education for girls. One woman said: "If girls go to school there is no value, they grow up and get married, and never use their education."

Literacy rates for women of the PPA villages are lower than men. And there is the added language factor which places women at even greater disadvantage.

In the Seng Saly village of Bo Kong in Phongsaly many people in village are literate because of a non-formal education adult literacy program some years ago. About 50% are literate overall, but only one-third of the women are literate. School consists of grades 1-2 only, 24 students. Grades 3-5 are available at Ban Phong Lau, 8 km away. There 30 students (10 female) in grade 3-5, secondary 9 (5 female), Oudom (Bacca-laureate) 2 female.

In the Lamet village of Hat Kham, in Bokeo, one-third of the women in the village are literate compared to two-thirds of the men.

In a Ta Oy village in Saravanh about 70% of the men, especially the older ones, speak Lao, but most of the women and children do not speak Lao at all. There is no school. There are 123 school-age children (62 girls). There was a NFE project here during 1982-85 and about 40% of the men can read and write, but only 6 women. Of the women in the village, about 10 can speak Lao.

In a mixed Pheung and Khmou in Kham District, Xieng Khoang, about one-third of the women compared to two-thirds of the men are literate.

Language remains a barrier. For the majority of minority groups women are the last in the village to acquire a working knowledge of spoken Lao. Lack of ability to attend school serves to intensify the situation.

Reproduction

The definitive female role is that of reproduction, including pregnancy, childbirth, breast feeding, and child raising. The poor, for the most part, follow the traditional practices of their respective cultures.

Among the Seng Saly of Bo Kong, Phongsaly Pregnant women work up until the day they give birth. They go through a roasting period of 3-5 days, and then go back to work. The only edibility restrictions are any vegetables with yellow flowers, and non-scaly fish.

Kim Moun Women in Oudomxay give birth in the bedroom and must stay there for 3 days. After one month during which edibility restrictions are in force, can begin work. Births are recorded in a record book kept in Chinese. This book begins the life history of each individual, male and female, and is necessary for funerals and for determining marital compatibility.

Childbirth has been the subject of much discussion on matters of women's health, and has the stereotypic image of the ethnic minority woman giving birth in the forest has become an emblem of the struggle against primitivism for ethnic Lao officials, many of whom compare the practice to that of animals⁴⁹.

Without delving into the subject too deeply here, common sense suggests that in fact delivery in the forest may have survival value since the presence of harmful infectious bacteria may be less in the forest than in the house. This is not, however, the reason given by villagers who always site spiritual reasons for the practice.

Among the Kado of Samouay, Saravanh, according to tradition, children must be born in the forest. Now a few are born in the house under the husband's supervision.

The Pagnan women of Ta Oy District also give birth in the forest near the village where the husband has prepared a small shelter for the purpose.

More frequently, children are born in a specially prepared room under the house, as was found to be the case with the Brao, Sou', Pacoh, Ta Oy, Brou and many others. The umbilical cord is cut with a sharp piece of wood (the species depends upon the ethnic group) and tied off with a silk thread, usually either black or white.

⁴⁹As was the case at the recent workshop on gender and poverty held in Vientiane October, 2000

In any event, the incidence of death in infants and mothers was said to be high, averaging approximately one child and one mother per village in the year prior to the date of assessment. Although causes of death have not been ascertained.

In many villages women expressed a need for information on contraception or birth spacing. These were mainly, though not exclusively, located in the Central and Eastern regions.

Conclusion

The impact of poverty on women has been severe. Women, for cultural reasons, in the majority of villages were already working more than men, especially in Mon-Khmer villages. With the introduction of poverty they are now worse off than ever before, and the fruits of their labor are less.

Land problems rank high. With limitations on swidden rotations and soil depletion, fallows consist mainly of grass, and cutting grass is traditionally women's work. Women must then work longer and harder at clearing fallows for less yields.

The raising of small livestock, pigs, goats, chickens, and ducks, is typically women's work. With the introduction of new livestock diseases this labor as well goes for naught when epidemics strike.

Then, with the labor burden of women already acknowledged as being heavier than those of men, women must carry out their tasks while at the same time rearing young children, and usually with the added weight an infant on the back.

Finally, most of the villagers agreed that traditionally the role of decision making rests with men, although, as in the case cited above, women can and do speak out and are not without influence in the family and in the village. Male decision making should perhaps be regarded more as a spiritual adage than an absolute, one that is maintained in public for face saving purposes. This fact, however, does provide men with a spiritual sovereignty in most situations.

9. Chapter 9 — The Role of Government

Delivery of services by the Government to the poor has been less than adequate, even though, in many areas of concern, policies and programs may be adequately designed. The gap between policy and implementation remains a severe and pressing problem, especially in the case of villages which have become poor as a result of the lack of capacity on the part of provinces and districts. Sensitive policies that directly affect people's livelihoods have been executed in an incompetent manner that has impoverished villagers rather than assist them in improving their livelihoods.

Land-Forest allocation has been carried out by unqualified personnel resulting in losses in production. The education system has not reached poor minorities, basic health services with the notable exception of the mother-child vaccination program, have not been universally provided.

Infrastructure or the physical side of development has outdistanced the psychological side. Poor villages remain poor and alienated from the Government. Lowland worldview continues to dominate the thinking of local officials. Ethnic minorities are often blamed for the Government's own lack of capacity to communicate with the poor. In some districts villagers of non-Lao ethnicity were characterized as "lazy" or "stupid", often by a lowland district official with a fifth-grade education.

Regardless of their physical location, poor villages remain psychologically isolated from the mainstream, they do not comprehend Government thinking, and in most cases have only a vague idea of what a government is. As an example, most villagers in the PPA could not name the president, the prime minister, the provincial governor, nor the district chief. These personages simply do not figure in the daily life of the poor.

Central Government planners are, for the most part, aware of these problems. In the latest Round Table Policy Document emphasis has indeed shifted in favor of people-centered development. Of particular relevance is Government's Decentralization Policy and the identification of the "district level as the major reference for planning and programming." The planning process for both the five-year plan and the Public Investment Plan will involve the bottom-up participation of villages, districts and provinces, as well as national priority guidance from the Prime Minister's Office and SPC at the Central level in Vientiane.

Poverty monitoring and evaluation will follow the progress of the decentralization program with respect to planning and budgeting relating to poverty alleviation at the grassroots level. It will also address the capacity of the various levels to implement the decentralization instruction which, given the current capacity of villages and districts, is very ambitious. Training which is planned for the provinces and districts will likewise need to be monitored.

There is a need, therefore, for a coherent monitoring system at the village level in order to inform the districts and provinces in the planning process and in strategy formulation. There is likewise a need to inform the various sectors and sub-sectors of

conditions in poor villages for their planning purposes as well. The monitoring system should be permanently linked to the priority programs as a part of the Government system.

Public sector delivery of services

That the condition of poverty is to some degree a result of inability on the part of the Government to provide services to all segments of the population goes without saying. There is furthermore an underlying recognition of this fact at provincial and district levels. It may be said that this inability is due to a remoteness of poor villages that is either physical or psychological or both.

On the physical side, many villagers and government personnel commented on the lack of infrastructure, especially roads, school buildings, and health clinics. These are the more commonplace reasons that are usually invoked because they are readily observable and indisputable. However, the degree to which there is a causal relationship between the physical structure and the lack of, say, education or health is always debatable. Buildings do not teach nor heal the sick. In all cases these structures are frames that hint at the idea of education or health service, but that is as far as it goes without the additional inputs of human resources which may or may not be sufficient to realize the idea.

The psychological or mental side of service provision is a much broader topic and usually one that is avoided except in cases where cultures or ethnicities are blamed for the Government's own lack of capacity to communicate with the poor. In some districts villagers of non-Lao ethnicity were characterized as "lazy" or "stupid", often by a lowlander district official with a fifth-grade education.

Psychological remoteness is more difficult to address directly because it is not directly observable and because of an almost total lack of human resources in the social sciences within the Government. It is a highly conspicuous shortcoming in the development context which has led to many layers of misunderstanding. Regardless of their physical location, poor villages remain psychologically isolated from the mainstream, they do not comprehend Government thinking, and in most cases have only a vague idea of what a government is. As an example, most villagers in the PPA could not name the president, the prime minister, the provincial governor, nor the district chief. These personages simply do not figure in the daily life of the poor.

Government's approach to poverty alleviation

From the point of view of the Government, all development activity in the country is aimed at alleviating poverty. They have indeed decided to reduce poverty by half in 2005 following the completed implementation of the 2001-2005 five year socioeconomic plan.

The Government's report to the 7th Round Table Meeting (RTM) strongly emphasized the close relationship of poverty to the Public Investment Program (PIP) and pointed out the need for participatory as well as statistical methodologies in poverty

assessment, the former being of special importance in determining the causes of poverty in given locations.

Likewise according to the RTM Report, poverty is said to be comprised of three dimensions: (1) statistical, defined in such terms as per capita GDP; (2) material/physical; and (3) psychological.⁵⁰ From a monitoring and evaluation perspective, the latter is the most difficult to measure arithmetically. But after affirming the Government's commitment to *people-centered participatory development* the report goes on to state,

In a country which itself is poor, using defined poverty lines across the board, risks classifying people, whose living standards by any definition are low, as 'poor' or as 'non-poor', and this, *independently from the cultural interpretation from their relative social status, or from variations in their situation over time.* [emphasis in original] For this reason, the envisaged approach to monitoring poverty but also to defining the way in which people assess their situation allows for important qualitative assessments.

The importance of the qualitative approach is accentuated by the lack of an official definition of poverty. This allows for the varieties of village and district level situations to be incorporated into poverty alleviation planning, as provided for by decentralization, but increases the burden on the poverty monitoring process to be flexible enough and thorough enough to capture local diversity.

Also stressed in the RTM report is the new decentralization program for the Lao PDR which aims at the institutionalizing of a bottom-up planning process. Of particular relevance is Government's identification of the "district level as the major reference for planning and programming."⁵¹

The RTM report notes that the Government considers the five-year socioeconomic plan and its budget as the best means of managing the development of the country. The most recent plan covered the years 1996-2000, and a new plan will be adopted by the National Assembly for 2001-2005. the socioeconomic plan process is viewed by the Government as the primary instrument for poverty reduction⁵².

The overall objectives of the 1996-2000 National Socio-Economic Development Plan are:

- A. Poverty alleviation among ethnic populations in remote area
- B. Food Security
- C. Promotion of commercialization of agricultural production
- D. Elimination of shifting cultivation
- E. Improved access to development services

⁵⁰RTM Report, p.41.

⁵¹RTM Report, p.36.

⁵²RTM Report, p.45.

In turn, these objectives are to be realized through eight national programs which cover,

1. Food security
2. Commercial agricultural production
3. Stabilization of shifting cultivation
4. Rural development
5. Infrastructure development
6. External economic relations
7. Human resources development
8. Access to services

The budget for the five-year socioeconomic plan is realized as a Public Investment Program (PIP) which in turn is based upon the annual expenditure framework of the Ministry of Finance. Thus the primary enterprise of the poverty monitoring process is to assess the degree of poverty reduction of each of the five-year plan's priority programs per public investment expenditure.

With the recent issuance of Prime Ministerial Instruction on decentralization⁵³, the planning process for both the five-year plan and the PIP will involve the bottom-up participation of villages, districts and provinces, as well as national priority guidance from the Prime Minister's Office and SPC at the Central level in Vientiane

The Decentralization plan calls for the establishment of the province as the strategic unit, the district as the planning as budgeting unit, and the village as the implementation unit. Provinces will have to formulate their own five-year plans and corresponding budgets. Districts will be responsible for formulating implementing, and evaluating their own planning and budgeting processes in accord with their own five-year socio-economic plan. Villages will be responsible for devising development plans and plans for revenue collection based on production. They must also collect data on the living conditions of each family and classify them as wealthy, self-sufficient, or poor the village will then establish a regular monitoring and evaluation system for the implementation of projects⁵⁴

Complementing the Prime Minister's Instruction, two Recommendations were issued with respect to decentralization⁵⁵. The first by SPC⁵⁶ calls for provinces to formulate an investment plan, in addition to the socioeconomic plan. The investment plan must indicate the amount of public and foreign investment necessary to implement the provincial socioeconomic plan. The socioeconomic development strategies of each province will feed into the new larger national socioeconomic plan to be debated and adopted by the National Assembly.

⁵³Instruction No 01/PM/11/03/2000.

⁵⁴Round Table Process 2000-2002 (newsletter No. 5)

⁵⁵Round Table Process 2000-2002 (Newsletter No.6)

⁵⁶No. 128/SPC (11/03/2000)

The second Recommendation⁵⁷, from the Ministry of Finance (MoF) specifies the proportion of the state budget to be decentralized and assigns responsibilities to provinces, districts and villages, especially as regards the collection of tax and non-tax revenues, and the financing of local budgets based on surpluses and deficits.

Implementation of Government Policy

It was found during the PPA that despite the adequacy of the policies and plans which have been developed at the Central level, the implementation of the policies has been less than successful.

A key example is land-forest allocation, designed to preserve forests and to provide farmers with titles to land. The detailed eight step land use planning exercise called for in the policy involves both the Ministry of Agriculture and Forestry and the Ministry of Finance. In principle, this process would provide more stable livelihoods, forest conservation and compensatory livelihoods to make up for losses of swidden system fallows, as well as land titles. As has already been discussed in Chapter 6, this was not found to be true of poor villages, and indeed was one of the primary factors cited as a cause of poverty. Compensatory livelihoods, usually in the form of potential irrigated paddy, did not function, environmental degradation resulting from the overuse of fields caused rice yields to decrease, and forest resources were being depleted at an accelerated rate to make up for rice losses. The results of the program has also never been formally evaluated since its inception.

Other problems lay in a lack of technical assistance in agriculture generally, and lack of vaccinations for livestock. These are of crucial concern for the poor, and are areas where economic growth could be readily stimulated. In cases where government agricultural officials had exhorted villagers to invest in specific crops for promised markets such as in corn or Job's tears, these markets later turned out to be nonexistent or prices so low as to render any transactions infeasible.

In the health sector the child vaccination program has been successful in reaching the poorest villages, and can be said to be the most successful government program encountered in the PPA. Most villagers were satisfied with the results although some complained about the bedside manner of the officials carrying out the program. In some cases families would run away to hide in the forest because of their fear of inoculations.

Other health programs, such as the souksala dispensaries have not been as successful, often due to linguistic and cultural problems between the villagers and the staff and a lack of adequate medicines.

The education program still lacks the capacity to reach ethnic minorities who comprise the majority of the poor. The problems of language and worldview have not been resolved. Here again there is a lack of follow-up to evaluate the impact of education on villages and economic development generally.

⁵⁷No. 475/MF (23/3/2000)

From the PPA point of view, that is, according to the villagers who represent the 39% of the population who are poor by statistical criteria, the implementation of the Government's priority programs has generally not been successful among the poor, particularly in Food security, Commercial agricultural production, Stabilization of shifting cultivation, Rural development, Human resources development, and Access to services. The focus of programming continues to be on the physical, with little consideration for the socio-cultural aspects of economic growth.

Monitoring and Evaluation of Government Programs for Poverty Alleviation

When the preliminary results of the PPA were initially made available and presented to the Government through two workshops and the RTM, one of the areas in which the Government programs were found to be weak was in monitoring and evaluation. It turned out that most of the socio-economic plan's priority programs had not been evaluated in the five years since the onset. The only monitoring carried out, it seems, has not been of the results, but rather of how the money was spent, that is, the auditing has been done. Monitoring of results then now becomes a priority.

The RTM document furthermore expresses the need to distinguish between internal and external causation of poverty, and to classify poverty alleviation mitigations according to the capacity of the villagers or the Government to implement them. This is a crucial area and one which is urgently required.

A second task of poverty monitoring is the evaluation of the progress of the decentralization program with respect to planning and budgeting relating to poverty alleviation at the grassroots level and the capacity of the various levels to implement the decentralization instruction which, given the current capacity of villages and districts, is very ambitious. The training which is planned for the provinces and districts will likewise need to be monitored.

There is a need, therefore, for a coherent monitoring system at the village level in order to inform the districts and provinces in the planning process and in strategy formulation. There is likewise a need to inform the various sectors and sub-sectors of conditions in poor villages for their planning purposes as well. The monitoring system should be permanently linked to the priority programs as a part of the Government system.

10. Chapter 10 — Conclusions and Policy Implications

Poverty in the Lao PDR, as it was found to exist during the PPA, has unique structural dimensions which need to be carefully considered in light of development policy. The include the following:

New Poverty. *It is clear that poverty in Laos is 'new poverty,' not an endemic condition; The perception of endemic poverty appears to have been created retroactively by an insistence on a numerical definition of poverty as lack of economic growth.*

External Causation. *Poverty is the result of events external to the villager over which he or she has no control, especially, weather, war, resettlement, poorly implemented development programs, and livestock disease. Because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma, etc., and hence its substance is both physical and spiritual echoing the notion of ritual technology;*

Lack of Hunger. *Poverty in Laos is not synonymous with hunger. Abundant natural resources have provided sustenance for poor villagers but these resources are showing signs of dwindling through over-exploitation in search of food or cash with which to purchase food and to meet the new expenses associated with health, education and the market;*

Living in Hope. *Some poor villagers have become depressed, despondent or have turned to opium, but the overwhelming majority of the poor are trying to make the most of a bad situation, and still live in hope offending solutions to their livelihood problems.*

Following the traumas such as those described above, which have beset poor villages in the form of upheavals to agroecosystems, yields and production have declined while labor demands in the production system have remained the same or have increased. And at the same time, consumption demands have increased in the areas of education, health, clothing, transportation and the new material goods which have appeared in the markets.

Public investment has been concentrated on the development of those areas that the poor cannot afford, namely paddy cultivation, education, health, and transportation. What the poor need to survive are increased investments in upland agriculture, livestock, and agroforestry / non-timber forest products, mitigations where investment is currently negligible but which are not reaching the poor. The poor have fallen behind and cannot catch up

Policy implications resulting from the PPA include the following:

There is a relationship between the structure of opportunities in rural areas and economic growth with equity. Changes which affect the rural poor could be collectively referred to as changes in the structure of opportunity. Shockwaves emanating from the movement towards a market economy, programs such as land-forest allocation, lower rice yields, intensification of other-farm labor, increases in cash needs, and relocation all imply momentous structural changes in the societies of the poor. Opportunities which do not fit within cultural boundaries are missed or misinterpreted on the basis of prior structures. For this reason, the composition of poverty alleviation strategy should be based upon the creation of an enabling environment within which internally motivated development can occur to insure that such efforts fall within the cognitive universes of the poor.

Utilize Ethnic Diversity. In order to exploit opportunities, the government needs to find a way of utilizing the strength of the nation's ethnic diversity in a positive way. Each ethnic group has strengths and weaknesses: the Tai Dam are experts at sericulture, the Hmong are experts in cattle raising, the Khmou have exceedingly detailed knowledge of the forests, the Akha have expert knowledge of herbal medicines, and so on. This means that methods for learning from the minorities must be devised and implemented in order to take advantage of their indigenous knowledge

Continue Gender Research. Poverty has induced high levels of stress on indigenous cultural systems, particularly on women. But given the delicacy of conditions in poor villages it would be difficult to justify a gender mainstreaming approach at this time. A more useful approach would perhaps be the study of child rearing practices and the determinants of personality and family structure within the frame of each ethnic group to discover the specific reasons and causes of women's status prior to initiating change.

Focus on Human and Social Capital in the Social Sciences. To support economic growth with equity, there is a great need for human resources to support the efforts, in the social sciences generally and in anthropology in particular. This is a major issue in the intellectual or mental infrastructure of the country, a void in the intellectual capital. Planners cannot plan adequately based only on a knowledge of the physical sciences. There is no substitute.

Focus on Language. Lack of Lao language ability is a major barrier to economic growth and falls within the rubric of economic growth with equity. There is a need for an accelerated Lao as a Second Language course specifically for training purposes, for example in the training of nurses, medics, or agricultural extension agents. The other alternative is functional literacy and materials in minority languages such as is called for in the Ethnic Minority Policy. This is currently the paradox of training generally – in order to stimulate the elements for economic growth among the poor there must be training, but before a person can qualify for training he or she must speak Lao, when no one is available that ethnic group goes without services.

Poverty monitoring is best undertaken within the framework of decentralization where there is a proper context for a bottom-up system and adequate mix of qualitative and

quantitative indicators which capture locality-specific data. In this context, village level data informs district planning and budgeting as well as the public expenditure process. Baseline data is amassed over time, and impact evaluations of government priority programs are made feasible.

What Has Been Learned?

In the various statistical analyses of the LECS 1&2 data which have been developed, one aspect has remained constant, that the percentage of absolute poor has remained essentially unchanged between 1992/93 and 1997/8. The PPA has focused on this portion of the population and has sought to identify the nature and cause of poverty from the perspectives of the poor themselves, and to record their proposed solutions.

The preceding chapters have thus examined poverty with a view towards answering several basic questions, namely:

- 1) Who are the Poor in Laos?
- 2) Where are they located?
- 3) When did they become poor?
- 4) What is poverty in the eyes of the poor?
- 5) Why did they become poor?
- 6) How may poverty be alleviated?

It was found that the poor are primarily ethnic minority swidden cultivators. They are located throughout the country, in every province, and in the districts selected by the PPA assessment. Poverty is less severe in Xagnaboury, Vientiane Province and Vientiane Municipality than it is elsewhere.

Following the analysis, this report concludes that from the point of view of the poor themselves poverty in Laos was never an endemic state. Villages were subsisting in relatively stable agroecosystems, most of which have been poorly studied. The perception of endemic poverty has been created by an insistence on a numerical definition of poverty as lack of economic growth.

To make matters worse, there appears to be, in the development universe of discourse, a Darwinian attitude towards development wherein change is equated with the evolutionary path to modernization and that it is necessarily 'a good thing;' that these changes are for the people's own good, even though they may not agree with the activities as they are currently being implemented; and that there may be 'acceptable losses.' This notion is in fact shared by many foreign economists⁵⁸. There seems to be a notion that subsistence farmers must first become poor before they

⁵⁸Even in the socialist philosophy of Marx the poor are not considered, being dubbed *lumpenproletariat*. that is 'social scum.'

can become "developed"⁵⁹ — those who survive become un-poor. After structural changes are made, only the fit survive⁶⁰. The rest, the true poor, remain in a gap which is characterized by invisibility, appearing only rarely in areas that are visible fleetingly like a Freudian slip. The point here is simply: is this attitude and approach necessary in a country as naturally rich and bounteous as Laos? And, what is worse is this kind of thinking not leading to a systemic homogenization which threatens to destroy the very diversity which is the nation's greatest strength?

It is clear from the participatory assessment that poverty, in the minds of villagers, is first and foremost an issue of livelihood in the culturally specific sense in which this term has been used throughout. And to put this into an analytical frame which can be utilized for planning purposes it is useful to summarize the livelihood dilemma as in Figure 1 below. Here it can be seen that while in their earlier subsistence states villages which are now poor reported producing enough or more than was needed for their consumption purposes. But in the present, the traumas such as those described above, which have beset these villages in the form of upheavals to agroecosystems, yields and production have declined while labor demands in the production system have remained the same or have increased. And at the same time, consumption demands have increased in the areas of education, health, clothing, transportation and the new material goods which have appeared in the markets. Finally, it is clear that the bulk of public investment is going into the development of areas that the poor cannot afford namely paddy cultivation, education, health, and transportation. What the poor need to survive are increased investments in upland agriculture, livestock, and agroforestry / non-timber forest products, mitigations where investment is currently negligible but which are not reaching the poor. The poor have fallen behind and cannot catch up.

"our consumption is high because we see the things in the market and we have to have them, so we spend all of our money and its still not enough. The Kaniang are rich, not lacking in food, but they are poor in lacking in food, but they are poor in education and in health and from this kind of over-consumption."

-Village Lao Front Representative,
Kaniang, in Houa Phanh

Thus have the poor villagers become mired in a classic double bind: to sustain life, livelihood systems must be considered prior to Education and Health and Transportation, yet at the same time improvements in livelihood and economic growth are dependent upon these very same activities.

⁵⁹The term for 'development' (*phattana*) in Lao derives from Sanskrit *vardharna* which means 'growing, increasing, prospering, or augmenting.'² That is, it carries with it the inherent sense of growth and change, very close, in fact, to 'economic growth.'

⁶⁰The survival of the fittest is of course a myth since, as every ecologist knows, the smallest unit of evolutionary change is the organism plus its environment. The survival of the fittest is in the end not survival at all.

Figure 10-1 Falling Behind: Livelihood Components of Poverty

Figure 10.1 – Falling Behind: Livelihood Components of Poverty

Time	Production (P)	Consumption (C)	Balance	Development & Technological Priority in Public Investment	Well-Being / III Being
PAST	Paddy & Swidden Livestock Forest Products	Rice Food Religious Forest Products	$P \geq C$	(none)	Subsistence / Well Off
PRESENT	Paddy & Swidden Livestock Forest Products (*Labor input remains the same or increases while production is less.)	Rice Food Religious Forest Products + Education + Health + Clothing + Transportation + New things	$P \leq C$	<div style="border: 2px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> [H] Wet Rice [H] Education [H] Health [H] Transportation [L] Swidden/Upland [L] Livestock [L] NTFP </div>	Poor
FUTURE	(Will continue to decrease if conditions remain the same)	+++	$P < C$	[H / L]	[L → L] (Poorer) [L → H] (Richer)

H = High Priority, L = Low Priority, P = Production, C = Consumption

Listening to the poor is a challenging but rewarding endeavor, for they have much to teach the outside world about development. Perhaps the loudest and the clearest message that was received by the PPA teams in the field was,

"Please, start the development process by building upon what we already know: swidden fields, livestock, and the forest."

This is the message for planners, and this is the message for donors. The time has come to incorporate this thinking into development, the time has come to listen to the poor.

The Structure of Poverty in the Lao PDR

- ***New Poverty.*** It is clear that poverty in Laos is 'new poverty,' not an endemic condition⁶¹. The perception of endemic poverty appears to have been created retroactively by an insistence on a numerical definition of poverty as lack of economic growth.
- ***External Causation.*** Poverty is the result of events external to the villager over which he or she has no control, especially, weather, war, resettlement, poorly implemented development programs, and livestock disease. Because of the externality of causality, poverty is thus associated with calamity, misfortune, fate, karma, etc., and hence its substance is both physical and spiritual echoing the notion of ritual technology;
- ***Lack of Hunger.*** Poverty in Laos is not synonymous with hunger. Abundant natural resources have provided sustenance for poor villagers but these resources are showing signs of dwindling through over-exploitation in search of food or cash with which to purchase food and to meet the new expenses associated with health, education and the market;
- ***Living in Hope.*** Some poor villagers have become depressed, despondent or have turned to opium, but the overwhelming majority of the poor are trying to make the most of a bad situation, and still live in hope of finding solutions to their livelihood problems.

The Structure of Opportunity: Policy Implications for

Poverty Alleviation

- ***There is a relationship between the structure of opportunities in rural areas and economic growth with equity.*** Changes which affect the rural poor could be collectively referred to as changes in the structure of opportunity. Shock waves emanating from the movement towards a market economy, programmes such as land-forest allocation, lower rice yields,

⁶¹In other words, from the point of view of the villagers, the economy of subsistence agriculture is not equated with poverty.

intensification of other-farm labor⁶², increases in cash needs, and relocation all imply momentous structural changes in the societies of the poor. Opportunities which do not fit within cultural boundaries are missed or misinterpreted on the basis of prior structures. For this reason, the composition of poverty alleviation strategy should be based upon the creation of an enabling environment within which internally motivated development can occur to insure that such efforts fall within the cognitive universes of the poor. Therefore, based on the experience of the PPA and the rich assemblage of cultures encountered, it goes without saying that economic benefits of Government policy should be equitable and considerate of rural realities, especially with respect to market orientation.

- **Utilize Ethnic Diversity.** In order to exploit opportunities, the government needs to find a way of utilizing the strength of the nation's ethnic diversity in a positive way. Each ethnic group has strengths and weaknesses: the Tai Dam are experts at sericulture, the Hmong are experts in cattle raising, the Khmou have exceedingly detailed knowledge of the forests, the Akha have expert knowledge of herbal medicines, and so on. This means that methods for learning from the minorities must be devised and implemented in order to take advantage of their indigenous knowledge. The framework for this has existed in the Lao PDR's Ethnic Minority Policy written in 1992 by the late President Kaysone Phomvihane for implementation by the Lao Front for National Construction⁶³. This framework allows for a two-way learning process wherein the Government can learn from the minorities and the minorities can learn from the government. The lessons of the PPA now make this a matter of considerable urgency if poverty alleviation efforts are to be successful⁶⁴.

In fact, the most respected person, unanimously, in each of the villages assessed was the *Neo Horn Ban*, that is, the village level representative of the Lao Front for National Construction. This individual is always the traditional senior individual to whom villagers look for guidance in everyday life and their internal affairs. (By contrast, the Village Chief is usually selected or appointed for an ability to communicate with the outside world, which in many cases means a person who is more adept at speaking Lao and communication with the local administration.) For this reason the Lao Front is generally considered to have the best knowledge and comprehensive understanding of village concerns. There is no doubt that if consulted properly, the Lao Front could provide considerable insights into the planning and implementation of development projects.

- **Continue Gender Research.** Poverty has induced high levels of stress on indigenous cultural systems, particularly on women. But given the delicacy of conditions in poor villages it would be difficult to justify a gender mainstreaming approach at this time. A more useful approach would perhaps be the study of child rearing practices and the determinants of personality and family structure within the frame of each ethnic group to

⁶²This term is used to mean farm labor sold to neighboring farmers, as opposed to off-farm labor which is usually used to indicate non-farm labor.

⁶³Resolution of the Central Party Organization Concerning Ethnic Minority Affairs in the New Era, 1992

⁶⁴Cf. also, ILO 2000.

discover the specific reasons and causes of women's status prior to initiating change.

- ***Focus on Human and Social Capital in the Social Sciences.*** To support economic growth with equity, there is a great need for human resources to support the efforts, in the social sciences generally and in anthropology in particular. This is a major issue in the intellectual or mental infrastructure of the country, a void in the intellectual capital. Planners cannot plan adequately based only on a knowledge of the physical sciences.

Achieving equity among minorities, capitalizing on particular ethnic strengths. Investigating indigenous knowledge, managing cultural assets generally, planning, and development of the pluriethnic country are all dependent upon social science inputs at every stage and at every level of government. Institutional development and the capacity to exploit opportunities and understand poverty alleviation in the context of decentralization all depend upon the degree to which decisions are based on sound social science principles. There is no substitute.

- **Focus on Language.** Lack of Lao language ability is a major barrier to economic growth and falls within the rubric of economic growth with equity. There is a need for an accelerated Lao as a Second Language course specifically for training purposes, for example in the training of nurses, medics, or agricultural extension agents. The other alternative is functional literacy and materials in minority languages such as is called for in the Ethnic Minority Policy. This is currently the paradox of training generally – in order to stimulate the elements for economic growth among the poor there must be training, but before a person can qualify for training he or she must speak Lao, when no one is available that ethnic group goes without services.

Implications for Continued Assessment and Monitoring

- Poverty monitoring is best undertaken within the framework of decentralization where there is a proper context for a bottom-up system and adequate mix of qualitative and quantitative indicators which capture locality-specific data. In this context, village level data informs district planning and budgeting as well as the public expenditure process. Baseline data is amassed over time, and impact evaluations of government priority programs are made feasible.
- At the national level, socioeconomic surveys could be more poverty-sensitive in design. This includes the sampling design as well as the survey content. In the Lao context the PPS (Probability Proportionate to Size) method which may be adequate for GDP and CPI calculation does not adequately sample areas of poverty which tend to be widely dispersed in districts of low population density.

- Nutritional requirements need to be based upon the amount of energy expended versus the amount of energy produced in different environments.
- Food baskets used in statistical poverty analysis so far have not taken into consideration eating habits of much of the poor population. Specifically mentioned should be starchy tubers which form large parts of the diet throughout the country, and are even preferred to rice in some areas. In addition, the majority of the poor spend six months or more in their swidden fields where diet consists mainly of wild animals and plants many of which are not recorded and whose nutritional values are unknown.
- Attention needs to be paid to ethnic and farming system/agroecosystem diversity in the surveys, and the means by which this diversity can be captured and presented in macro level statistics.
- There needs to be a way of calculating poverty that is specific for subsistence economies. Currently subsistence economies are being measured by methods and criteria established for market economies. How can an economy in which a 15,000 kip calabash is exchanged for two 500 kip bags of salt (as described in Chapter 7) be measured? Perhaps a better mix of qualitative and quantitative is called for here.
- The distinction needs to be clearly drawn between poverty and vulnerability. When it comes to credit, for example, many villagers feel it is better to be poor than in debt.
- Livestock needs to be considered more carefully to capture the role of livestock in village economies.
- From the point of view of what developers need to know, possession of the combination of qualitative research which are also statistically representative of the poor is strategically the ideal point from which to speak, to plan and to act. This is indeed a strength of the PPA.
- Problems with quantitative indicators in poverty research generally include:
 - *reliability*: indicators which are produced from a particular social context are not necessarily transferable or valid when different circumstances obtain;
 - *quantification*: the construction of indicators usually presumes lineal mathematical relationships;
 - *inclusion and exclusion of relevant factors*: important factors may be ignored or other factors given excessive weight, that is, the high level of multi-collinearity in social phenomena related to poverty, especially in the pluriethnic context, makes multivariate analysis difficult;
 - *weighting*: factors have to be given appropriate weights, but this is again difficult in the multi-ethnic circumstances of Laos.

- At the same time, the analysis of purely qualitative data is time-consuming and difficult to process at the macro-level (as demonstrated by the PPA).
- Poverty measurements by province are problematic. The district is the highest level at which poverty should be considered and even here there are vast differences between villages based upon ethnicity and village history, especially between highland and lowland. Human factors, not physical ones, are causes of geographical concentration of poverty in provinces where most districts are poor, for example Khmou ethnicity in Oudomxay and collectivization of land in Houa Phan.

A Final Word

Throughout the PPA an on-going interaction exists between several key elements which are always present in such undertakings: theoretical frames; the employment of theoretical frames to the organization of the analytical material; the use of the analytical material in finding solutions to applied problems; and, in the end, the ways in which such fertile analyses may themselves be subject to modification following shifts in the theoretical context.

With the holistic image in mind, and the knowledge that every society has within it the systemic capacity for self-correction as well as the potential for running amok, it is useful to return to the remarks offered at the beginning of this study. It is clear from the PPA that both potentialities are at work in poor villages. Some struggle to adapt to the changes brought upon them, others succumb and retreat into an opium induced stupor.

The preconditions for poverty in Laos are social or climatic trauma, the sources of which may be natural or man-made. Confused or erroneous thinking about such notions as development, civilization, or modernization by planners can have runaway effects on cultures and societies. But the nature of whole systems is such that the effects are not predictable. At the very least efforts should be made to first understand the cultural system before changes are introduced.

The PPA has sought to address all of the components of poverty in the Lao PDR as delineated by the villagers and the investigators, to view these in an analytical frame which takes its precedents from the human sciences generally and from anthropology in particular. These have been applied to the final analysis which is the subject of the present narrative.

Of primary importance for Laos is the topic of culture and poverty, it is an unavoidable issue and should be considered as the first priority in understanding the structure of poverty. The second priority is the issue of livelihood which must necessarily be examined in the light of culture. If these two factors can be addressed and integrated into the planning process then there is room for considerable optimism that given the manageable size of the population and the good natural resource base, the obstacles can be overcome and that the future of the Lao PDR can be poverty-free.

A plea for sanity needs to be included here. A plea that developers and planners will choose to view poverty in Laos first of all holistically, as inclusive of the spirit of ritual technology, and second of all as being uniquely Lao in composition and character. There can be no substitute for in-depth knowledge and understanding of the country and the target population. Laos remains distinct from its neighbors, physically and socially, and models for poverty alleviation should be built up from the inside, rather than imported from outside sources.

Finally, and in conclusion, as with the analysis and representation of all research, the self-reflexive questions must be asked:

- 1) from where does one speak
- 2) to whom does one speak
- 3) why does one speak

The answers lie in the motives, the purposes, and the pragmatics of the social and intellectual environment that surround and permeate such research, complex though these may be.

That the languages and cultures of the individuals involved in the construction of this representation echo the diversity of the poor themselves implies that the answer to the first question is unclear, and subject to what some have referred to as the hegemonic influences of social groups whose cultural imaginings have determined the categories which define rural poverty, not to mention rurality itself⁶⁵. And in this sense, it goes without saying that the point from which inquiries were begun is not the point from which we are now writing. Furthermore, based upon the common experiences of the teams in the field, their textual compilations, and their subsequent interpretation for analysis, the range of loci from where we are speaking is less widespread due to synthesis and enhanced common understanding. Thus while we still may speak from multiple vantage points, those points are more closely unified in a desire to express the nature of rural poverty, and in the understanding of that term. One speaks, more than ever before, from experience and from the villages of the poor.

The answer to the second question is more direct. One is speaking first of all to the Government, as a diverse array of lawmakers, planners, implementers and auditors; one is speaking secondly to the donor community, those who assess and provide external funds for poverty alleviation; thirdly one is speaking to other researchers for whom methodological insights are of interest; and lastly one is speaking to "others", in the abstract, those who, for whatever reason, have an interest in things Lao.

Why does one speak – one speaks not only to inform, but to evoke responses in those who would listen. Such responses, whatever form they ultimately assume, may be expected to assist the overall cause of reducing poverty, and also the very formidable task of understanding the nature and structure of poverty as it exists in the Lao PDR today. And here one must always inquire existentially, "are you looking at me from the place where I see you?" One so hopes.

⁶⁵E.g. Cloke (1994).

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APPENDICES

Appendix 1 - Statistical Analysis of Poverty in the Lao

PDR⁶⁶

1) Introduction

The Lao PDR has roughly 5 million people, small in proportion to its land area and by comparison with other countries in the region. It is a poor country by Asian standards with per capita GDP estimated at \$381 in 2000 (ADB Country Economic Review 2000). In 1995, the World Bank estimated that 46 percent of the Lao population lived in poverty in 1992-93. Recently in 1999, the Statistics Sweden produced new poverty estimates for 1992-93 and 1997-98. According to this study, the percentage of poor was 44.6 and 39 percent in 1992-93 and 1997-98, respectively.

The two alternative poverty lines that have been developed by the World Bank and Statistics Sweden give conflicting results on poverty incidence. The World Bank study showed that in 1992-93, the Southern region⁶⁷ was the poorest with 60 percent poverty incidence compared to 46 percent in the North and 40 percent in the Central region. While the Swedish study came out with the conclusion that Northern region was the poorest with 54.3 percent poverty of incidence compared to 48.8 percent in the South and 36.6 percent in the Center. These conflicting results clearly have serious implications for any formulation of poverty reduction policies.

This analysis develops a new poverty line for Lao PDR, which utilizes additional information on monthly food and non-food consumer price indices that were made available by the Laos National Statistical Center. The new poverty thresholds also take into account the different needs of household members by utilizing the energy requirements that vary with age and sex.

The present approach also presents an analysis of inequality and poverty in Lao PDR utilizing the Lao Expenditure and Consumption Survey (LECS) conducted in 1992-93 and 1997-98. The LECS is a nationwide survey of 2937 and 8882 households, in 1992-93 and 1997-98, respectively. The poverty analysis is presented in terms of incidence, depth and severity of poverty. The observed changes in poverty are explained by growth and inequality components. An attempt has also been made to identify districts that can be 'categorized as poor so that policies can be formulated to target the poor at the local level.

2) Economic growth rate in Lao PDR

Although economic growth in Lao PDR has not been as spectacular as some of the other East Asian economies, the results in Table 1 show that per capita real GDP has been growing at an annual rate of 4.6 percent between 1992-93 and 1997-98. As such, the Lao economy has experienced strong growth in the 1990s until the onset of the economic crisis.

⁶⁶Prepared by the National Statistics Center of the Lao PDR in cooperation with the Asian Development Bank and N. Kakwani under the direction of Bounthavy Sisbuphanhthong and Phonesaly Souksavath.

⁶⁷The statistical regions of North, Central and South were established by the World Bank in 1995 due to the small sample size of LECS 1 which did not allow for provincial level analyses. The analysis uses a four regions system, isolating Vientiane Municipality as a separate region. Neither are compatible with the social regions used in the PPA.

Table1: Per capita real GDP and it's growth rate

Sectors	1992-93		1997-98		Annual growth rate
	Value in kip per year	Percentage Shares	Value in kip per year	Percentage shares	
Agriculture	90733	57.7	103005	52.1	2.5
Industry	26376	16.8	41479	21.0	9.1
Services	37704	24.0	49417	25.0	5.4
GDP	157203	100.0	197552	100.0	4.6

Table 1 also illustrates the structure of the Lao economy. The agricultural sector has been growing at an annual rate of 2.5 percent, whereas the growth rate in the industrial sector has been 9.1 percent, which has resulted in a decline in the share of agricultural sector from 57.7 percent in 1992-93 to 52.1 percent in 1997-98. Although the structural transformation from a primary sector to a modern sector has been undertaking gradually in the Lao economy, agriculture is still the dominant sector that produces more than 50 percent of total GDP.

3) Growth rate of per capita real consumption

Having observed that the economy has been growing at an impressive rate, a relevant question is whether or not the benefits of economic growth have been received by households and individuals. To answer this question, the per capita monthly real consumption of food and non-food was computed by regions (Table 2)⁶⁸. The real per capita food consumption was computed by deflating the nominal per capita food expenditure by the spatial food consumer price index (SFCPI) (Appendix B). Similarly, the real per capita non-food consumption was computed by deflating the nominal per capita non-food consumption by the spatial non-food consumer price index (SNFCPI) (Appendix B). The per capita real total consumption was computed as the sum of per capita real food and non-food consumption.

According to Table 2, households (and individuals living in these households) have indeed benefited from economic growth in the 1990s, in that the per capita real total consumption has been increasing at the annual rate of 5.8 percent over time, a faster rate of growth than the per capita GDP during the same period.

⁶⁸Consumption includes all expenditures spent by households to purchase goods and services, and the value of imputed items such as home produced items, owner occupied housing, and fetched firewood.

**Table 2: Per capita real consumption by region
March 97 to Feb 98=100 (Lao urban areas)**

Regions	1992-93	1997-98	Growth rate
Vientiane mun	34676	59577	10.8
North	20184	25770	4.9
Central	25720	32586	4.7
South	23623	29504	4.4
Lao	24595	32848	5.8

It is generally accepted that in the course of economic development, the share of non-food items in people's consumption pattern becomes higher than that of food items. Not surprisingly, people in Laos have spent increasingly more on the non-food items in comparison with food over time. More specifically, the per capita real non-food consumption has been growing at an annual rate of about 13.5 percent, whereas the per capita real food consumption has increased at an annual rate of only 2.6 percent (Table 3).

As shown in Table 2, while Vientiane Municipality is the richest region in terms of its monthly total consumption per capita, the Northern region is the poorest. Moreover, the annual growth rate in total consumption per capita per month in Vientiane Municipality has been 10.8 percent over time, far exceeding other regions. Furthermore, although the North has still remained as the poorest region in the country, it has been growing faster than Central and South: the real total consumption per capita per month in North increased at the annual rate of 4.9 percent over time. Note that the Southern region is better off than the Northern region but worse off than the Central and Vientiane Municipality.

Table 3: Monthly Per capita real food and non-food consumption by regions March 97 to Feb 98=100 (Lao urban areas)

Regions	1992-93		1997-98		Annual growth rates	
	Food	Non-food	Food	Non-food	Food	Non-food
Vientiane mun	22099	12577	28040	31537	4.8	18.4
Northern region	16923	3260	18623	7147	1.9	15.7
Central region	19656	6065	21694	10893	2.0	11.7
Southern region	17856	5767	21123	8381	3.4	7.5
Laos	18720	5876	21321	11527	2.6	13.5

Table 4 reveals the urban-rural differences in the per capita real consumption. As expected, per capita real consumption in rural areas is much lower than in urban areas. More importantly, per capita real consumption in rural areas has been growing at the annual rate of 5.4 percent, whereas the growth rate in urban areas has been 9.0 percent. Thus the rural-urban disparity has increased between 1992-93 and 1997-98, which is indicated by the fact that the rural per capita real consumption as the percentage of the urban per capita real consumption has reduced from 72.8 in 1992-93 to 60.9 in 1997-98 (Table 5). The rural-urban disparity is particularly large in the southern region, where in 1992-93 the rural per capita real consumption was only 71.8 percent of the urban per capita real consumption. This ratio declined further to 71.1 in 1997-98.

The increasing rural-urban disparity in consumption should be of concern to the government because the rural areas have much lower standard of living than the urban areas. It is also interesting to note that the percentage share of rural population has increased from 76.42 percent in 1992-93 to 83.31 in 1997-98. Thus, unlike many other developing countries, migration of population seems to be taking place from urban areas to rural areas. This is a counter intuitive phenomenon and needs an explanation, which is beyond the scope of the present study.

Table 4: Per capita real consumption by regions and rural and urban areas March 97 to Feb 98=100 (Lao urban areas)

Regions	Urban areas			Rural areas		
	1992-93	1997-98	Growth rate	1992-93	1997-98	Growth rate
Vientiane mun	36438	62098	10/	29378	55304	12.7
Northern region	23498	32914	6.7	19495	24995	5.0
Central region	30111	42477	6.9	24872	31197	4.5
Southern region	30842	39938	5.2	22138	28378	5.0
Laos	31035	48721	9.0	22609	29668	5.4

Table 5: Rural real consumption as percentage of urban real consumption

Regions	1992-93	1997-98	Difference
Vientiane mun	80.6	89.1	8.4
Northern region	83.0	75.9	-7.0
Central region	82.6	73.4	-9.2
Southern region	71.8	71.1	-0.7
Laos	72.8	60.9	-12.0

4) Inequality

This analysis measures the degree of inequality utilizing the Gini index, which is the most widely used measure of inequality. Since the Gini index is a single measure of inequality, it may not completely reveal changes in the income distribution. Therefore, the Gini index has been supplemented by adding quintile shares.

The degree of inequality was measured for per capita real consumption, which takes into account the regional differences in the cost of living and also changes in monthly consumer prices. The empirical results are presented in Table 6.

Table 6: Inequality of per capita real consumption

Regions/prov	1992-93	1997-98	Growth rate
Gini index	28.6	35.7	4.4
Quintile shares			
First	9.3	7.8	-3.5
Second	13.5	11.8	-2.7
Third	16.9	15.4	-1.8
Fourth	21.9	20.6	-1.2
Fifth	38.4	44.4	2.9

Compared to many other Asian countries, inequality in Lao PDR is not high. The bottom 20 percent population had a share in per capita real consumption of 9.3 percent in 1992-3, while that for the richest 20 percent the consumption share was 38.4 percent in the same year. Unfortunately, the consumption share of the bottom 20 percent population declined to 7.8 percent in 1997-98, while that of the top 20 percent increased to 44.4 percent. The Gini index, which is an overall measure of inequality, increased from 28.6 percent in 1992-93 to 35.7 percent in 1997-98. Thus, inequality in Lao PDR has risen sharply over time.

Table 7 presents the growth rates of per capita real consumption for each quintile, constructed on the basis of per capita real consumption. As also noted earlier, the per capita real consumption in Laos grew at an annual rate of 5.8 percent between 1992-93 and 1997-98, but the annual growth rate of the bottom 20 percent population is only 2.3 percent, while that of the top 20 percent population is 8.7 percent.

Table 7: Growth rates of per capita real consumption by quintiles

Regions/prov	1992-93	1997-98	Growth rate
First	11490	12872	2.3
Second	16617	19432	3.1
Third	20726	25319	4.0
Fourth	26886	33768	4.6
Fifth	47258	72851	8.7
All quintiles	24595	32848	5.8

Although there has been considerable discussion of pro-poor growth, the concept does not have a precise meaning. Following Kakwani and Pernia (2000), one may in simple terms define it as a growth process that benefits the poor proportionally more than the rich. This is clearly not happening in Laos PDR where the country is, in fact, experiencing pro-rich growth, even though some of the benefits are trickling down to the poor.

5) Poverty

To analyze poverty, the estimation of a poverty line is fundamental. A person is identified as poor if his or her income or consumption is below the poverty line. A new poverty line was constructed based on nutritional requirements of the Lao population. The steps involved with the construction of poverty lines are explained in Annex A. The new poverty line takes into account different needs of household members as well as regional differences in cost of living.

In this section, the focus is on capturing three aspects of poverty: incidence, depth, and severity. These are measured by means of the head-count ratio, the poverty-gap index, and the Foster-Greer-Thorbecke index. Three poverty measures, which will be discussed in turn, are used to analyze poverty in Laos.

Incidence

To begin with, the most commonly used method of measuring poverty is the headcount ratio. It simply estimates the percentage of the population living in households with the per capita consumption less than the poverty line. Hence, it measures the incidence of poverty. While the head-count ratio is easy to interpret, it does not say anything about the depth or severity of poverty.

The incidence of poverty is estimated by regions and provinces, and is presented in Table 8. The empirical results show that 45 percent of the Lao PDR population lived in poverty in 1992-3, whereas in 1997-98, the percentage of poor fell to 38.6. Therefore, there was a remarkable reduction in poverty in Lao PDR between the two periods. Although, the rich have benefited much more than the poor, the reduction of poverty at an annual rate of 3.1 percent, does indeed indicate that the benefits of economic growth have effectively trickled down to the poor between 1992-3 and 1997-8.

Table 8: Percentage of poor regions and province

Regions/prov	1992-93	1997-98	Growth rate
Vientiane mun	24.4	12.2	-13.9
Northern region	58.4	52.5	-2.1
Phongsaly	68.7	64.2	-1.3
Louang Namtha	60.3	57.5	-1.0
Oudomxay	51.1	73.2	7.2
Bokeo	63.5	37.4	-10.6
Louang Prabang	62.7	49.4	-4.8
Houa Phan	78.4	74.6	-1.0
Xaygnaboury	30.1	21.2	-7.0
Central region	39.5	34.9	-2.5
Xieng Khoang	57.3	34.9	-9.9
Vientiane prov	28.1	24.3	-2.9
Borikhamxay	10.6	25.8	17.8
Khammouane	43.7	41.6	-1.0
Savannakhet	45.7	37.1	-4.2
Xaysomboun-SR		55.0	
Southern region	45.9	38.4	-3.6
Saravanh	36.7	39.6	1.5
Xekong	65.9	45.7	-7.3
Champasak	43.6	35.6	-4.1
Attapeu	72.2	45.3	-9.3
Laos	45.0	38.6	-3.1

As is evidenced from Table 8, the incidence of poverty varies quite substantially across regions and provinces. Among the four regions, the northern region has the highest percentage of poor, which, fortunately, reduced from 58.4 percent in 1992-3 to 52.5 percent in 1997-8. In contrast, the incidence of poverty in Vientiane Municipality has been the lowest: the poverty incidence was 24.4 percent in 1992-3 and only 12.2 percent in 1997-8. Followed by the North, the Southern region has the high proportion of population living in poverty. Note that our result is in contrast with a study by the World Bank (1995), which identified South as the poorest region in 1992-3. In addition to large differences in the poverty incidence across regions, there are also differences between provinces. Houa Phan in the Northern region is identified as the poorest province, where 78.4 percent of the population lived in poverty in 1992-93. Although the percentage of poor reduced to 74.6 in 1997-98, this province still remains as the poorest in the country.

Among the eighteen provinces, five had a poverty incidence exceeding fifty percent in 1997-98. Of these five provinces, four are located in the Northern region, namely, Phongsaly, Louang Namtha, Oudomxay and Houa Phan.

It is important to note that the reduction in poverty is not uniform across regions and provinces. In Vientiane municipality, the percentage of poor reduced at an annual rate of 13.9 percent, whereas in the Northern region, the percentage of poor reduced at an annual rate of 2.1 percent. In the Central and Southern regions, the percentage of poor reduced at annual rates of 2.5 and 3.6 percent, respectively. Thus, not only is the North the poorest region in the country, but also its rate of poverty reduction is the lowest. This is a counter intuitive result in view that growth rate of per capita real consumption in the Northern region is higher than that in the Central and Southern regions but can be explained by a sharper increase in inequality in the Northern region, which has reduced the impact of faster growth on poverty reduction.

For three provinces, Oudomxay, Borikhamxay and Saravanh, the incidence of poverty has in fact increased. These observations show that rapid economic growth does not necessarily lead to a uniform reduction in poverty across provinces.

Depth

Depth of poverty is measured by the poverty gap index that is defined by the mean distance below the poverty line as a proportion of that line, where the mean is formed over the entire population, counting the non-poor as having zero poverty gap. Thus, the sum of poverty gaps, which is aggregated across all individuals, reflects the minimum amount of consumption that needs to be transferred to pull all the poor up to the poverty line.

The depth of poverty is shown in Table 9. The poverty gap index was 11.3 percent in 1997-8 as compared to 10.3 percent in 1992-3, which shows that the depth of poverty reduced at an annual rate of 1.8 percent. Thus, economic growth is less effective in reducing the depth of poverty than the poverty incidence⁶⁹.

The poverty gap index varies widely across regions and provinces. By regions, poverty has been much deeper in the North compared to the other regions. The depth of poverty in the North was 16.1 percent in 1992-93, which remained almost the same in 1997-98. Similarly, the poverty gap ratio in Vientiane municipality reduced at an annual rate of 10.3 percent, while in the Central and Southern regions, their annual rates of poverty reduction were 2.3 and 4.5 percent, respectively. Thus, the Northern region experienced the lowest reduction in the depth of poverty despite the fact that its growth rate of per capita consumption was higher than in the Central and Southern regions. This is again due to a sharper increase in inequality in the North, which substantially reduced the impact of faster growth on poverty reduction.

Table 9: Poverty gap ratio by regions and provinces

Regions/prov	1992-93	1997-98	Growth rate
Vientiane mun	4.3	2.6	-10.3
Northern region	16.1	16.1	0.1

⁶⁹Note that relatively smaller figures of the poverty gap than those of the incidence of poverty for the same period are always expected. The magnitudes of the values of the two indicators of poverty are never comparable because they measure different aspects of poverty.

Phongsaly	18.0	20.9	3.0
Louang Namtha	15.5	18.5	3.5
Oudomxay	11.3	27.0	17.5
Bokeo	14.6	9.1	-9.4
Louang Prabang	18.7	12.9	-7.4
Houa Phan	26.7	25.8	-0.7
Xaygnaboury	6.6	3.7	-11.3
Central region	8.9	8.0	-2.3
Xieng Khoang	14.3	8.6	-10.1
Vientiane prov	5.4	4.9	-1.8
Borikhamxay	3.4	6.0	11.2
Khammouane	12.4	9.4	-5.6
Savannakhet	9.0	8.2	-1.9
Xaysomboun-SR		17.0	
Southern region	12.0	9.6	-4.5
Saravanh	5.9	10.3	10.9
Xekong	25.1	13.4	-12.5
Champasak	11.2	8.6	-5.2
Attapeu	26.0	10.5	-18.1
Laos	11.3	10.3	-1.8

Severity

The severity of poverty is measured by the Foster-Greer-Thorbecke (FGT) index that is simply the mean of the squared proportionate poverty gaps. Unlike the head-count ratio and the poverty gap index, it takes into account inequality among the poor. FGT index is sensitive to the distribution of consumption among the poor, in that weights in the calculation are more heavily given to those whose consumption falls far below the poverty line.

Table 10: Severity of poverty by regions and provinces

Regions/prov	1992-93	1997-98	change
Vientiane mun	1.2	0.8	-7.6
Northern region	6.2	6.8	1.8
Phongsaly	6.6	9.0	6.3
Louang Namtha	5.9	7.5	4.5
Oudomxay	3.3	13.3	27.6
Bokeo	4.5	3.4	-5.6
Louang Prabang	7.5	4.7	-9.3
Houa Phan	12.2	11.3	-1.5

Xaygnaboury	2.2	1.0	-15.5
Central region	3.1	2.6	-3.2
Xieng Khoang	5.0	3.2	-9.0
Vientiane prov	1.5	1.5	-0.8
Borikhamxay	1.6	2.0	4.6
Khammouane	5.3	3.0	-11.4
Savannakhet	2.7	2.5	-0.8
Xaysomboun-SR		7.1	
Southern region	4.6	3.7	-4.3
Saravanh	1.4	4.1	21.1
Xekong	11.6	5.6	-14.5
Champasak	4.1	3.2	-4.5
Attapeu	11.9	3.5	-24.7
Laos	4.2	4.0	-0.9

As illustrated in Table 10, the severity of poverty in Laos declined at an annual rate of only 0.9 percent between 1992-3 and 1997-8. Unfortunately, in the North, the severity of poverty increased at an annual rate of 1.8 percent. Since the severity of poverty measure gives much larger weight to the very poor and lower weight to not so poor, an increase in it indicates that the ultra poor have in fact suffered as a result of rapid economic growth. The benefits of economic growth are not reaching the ultra poor who are especially concentrated in the Northern region. These results clearly draw an important policy implication that the Northern region requires the highest priority from the government strategy of poverty reduction.

6) Reasons for poverty reduction

The degree of poverty depends upon two factors -the average level of expenditure or welfare and the extent of inequality in the expenditure distribution. While an increase in average expenditure reduces poverty, an increase in inequality increases poverty. Since economic growth in Laos is accompanied by a sharp increase in inequality, it will be useful to measure separately the impacts of growth and inequality on the change in poverty. We used a decomposition method (proposed by Kakwani (2000)) that expresses the total change in poverty as the sum of growth and inequality components. The results for different poverty measures are presented in Table 11.

Table 11: Growth and inequality effects of poverty reduction

Pov indicators	Change explained by		Total
	Growth	Inequality	change
% of poor	-14.8	11.8	-3.1
Poverty gap	-19.5	17.6	-1.8
Severity of poverty	-13.4	12.5	

The percentage of poor reduced at an annual rate of 3.1 percent between 1992-93 and 1997-98, which is the sum of -14.8 and 11.8 percent of growth and inequality components, respectively. This implies that if inequality had not increased, growth in the economy would have reduced the percentage of poor at an annual rate of 14.8, while the actual reduction in the percentage of poor was at an annual rate of only 3.1

percent. Thus, the increase in inequality had an impact of increasing poverty at an annual rate of 11.8 percent. Although economic growth has played a dominant role in reducing poverty in Lao PDR, its impact would have been much greater if it was not accompanied by a sharp increase in inequality. The adverse impact of increasing inequality has been much severe on the depth and severity of poverty. Therefore, the growth process in Laos has not been pro-poor, suggesting that it has benefited the rich much more than the poor.

While it seems that the Lao Government should continue to follow growth-enhancing policies, it should, at the same time, better target the specific groups in the society that are unable to reap full benefits of growth. Many of the ethnic groups in Laos are unable to take part in the economic activities in the country. As a result, they continue to be poor despite high economic growth. Many of them are living in isolated areas and might have been excluded from the survey. How to integrate these people in the mainstream of economic activities is indeed a challenging task and an overarching policy issue in Lao PDR.

7) Rural- Urban differences

Having examined poverty from three different aspects according to regions and provinces, we may now look into the incidence of poverty in urban and rural areas. As can be seen from Table 12, the urban-rural disparity in the incidence of poor is large: in 1992-3 for urban areas the incidence was 33.1 percent, and for rural areas it was 48.7 percent. Large differences in the percentage of poor between urban and rural areas are prevalent across regions. This thus implies that economic development has been biased against rural areas in Lao PDR.

As noted earlier, the per capita real consumption increased at annual rates of 9.0 and 5.4 percent in urban and rural areas, respectively. Thus, on the average economic growth benefited the urban areas much more than the rural areas. Following from this, we would expect a much higher rate of poverty reduction than in urban areas as compared to rural areas. However, this has not happened. The percentage of poor in urban areas reduced at an annual rate of 4.2 percent, whereas in rural areas, the annual rate of poverty reduction was 3.4 percent. The gap and severity measures of poverty show an increase in poverty in urban areas between 1992-93 and 1997-98, despite the fact that there was a substantial growth in consumption. This result indicates that economic growth has adversely impacted the very poor in urban areas, an impact felt most severely in urban areas of the Northern and Southern regions.

Table12: Incidence of poverty by regions and rural and urban areas

Regions	Urban areas			Rural areas		
	1992-93	1997-98	Growth rate	1992-93	1997-98	Growth rate
Percentage poor						
Vientiane mun	22.46	16.7	-5.9	30.14	4.47	-38.2
Northern region	48.93	43.27	-2.5	60.4	53.53	-2.4
Central region	37.42	27.65	-6.1	39.89	35.89	-2.1
Southern region	27.64	35.84	5.2	49.62	38.66	-5.0
Laos	33.14	26.86	-4.2	48.66	40.97	-3.4
Poverty gap ratio						
Vientiane mun	4.297	3.782	-2.6	4.472	0.579	-40.9
Northern region	9.479	11.892	4.5	17.43	16.605	-1.0
Central region	8.829	6.921	-4.9	8.954	8.125	-1.9
Southern region	5.311	10.635	13.9	13.402	9.502	-6.9
Laos	6.794	6.946	0.4	12.652	10.954	-2.9
Severity of poverty						
Vientiane mun	1.291	1.281	-0.2	1.075	0.113	-45.1
Northern region	2.68	4.53	10.5	6.971	7.083	0.3
Central region	2.906	2.409	-3.8	3.09	2.641	-3.1
Southern region	1.595	4.461	20.6	5.178	3.597	-7.3
Laos	2.066	2.564	4.3	4.795	4.245	-2.4

Table13: Growth and inequality effects of poverty reduction by rural and urban areas

	Explained by		Total
Area	Growth	Inequality	change
Percentage of poor			
Urban areas	-33.7	29.5	-4.2
Rural areas	-15.4	12.0	-3.4
Total	-14.8	11.8	-3.1
Poverty gap ratio			
Urban areas	-41.7	42.2	0.4
Rural areas	-20.2	17.3	-2.9
Total	-19.5	17.6	-1.8
Severity of poverty			
Urban areas	-44.4	48.8	4.3
Rural areas	-10.9	8.5	-2.4
Total	-13.4	12.5	-0.9

Table 13 provides some explanation of the poverty increase in urban areas. The severity of poverty measure increased at an annual rate of 4.3 percent in urban areas. The observed high economic growth in urban areas contributed to a reduction in poverty at an annual rate of 44.4 percent. Poverty still increased because of a sharp increase in inequality, which contributed to an increase in poverty by 48.8 percent; the net effect was an increase in poverty by 4.3 percent. These results make an important point that economic growth does not necessarily reduce poverty if it accompanied by a large increase in inequality. In rural areas, the incidence of poverty reduced more rapidly because the increase in inequality was small, contributing to a very small increase in poverty.

8) How can we identify poor districts?

There are 18 provinces in Laos, each of which has many districts. The sample size can become very small at the district level, and thus the poverty estimates at the district level need to be used with caution. However, the following methodology used here to identify a poor district addresses the issue of small sample size.

First, we need to define a poor district. Since the percentage of poor at the national level was found to be 36.4 percent in 1997-98, it was considered reasonable to assume a district to be poor if more than 50 percent of its population is poor. Thus, our null hypothesis is that the percentage of poor population in a district is 50 percent or less. The alternative hypothesis will obviously be that more than 50 percent of the population is poor. So we identify a district to be poor if we reject the null hypothesis at the 5 percent significance level.

If p is an estimate of the percentage of poor based on a sample of size n , then its standard error under the null hypothesis will be $100 \times \sqrt{\frac{0.5 \times 0.5}{n}}$. Since we are using a one-tail test, the hypothesis will be rejected at the 5 percent significance level if

$$P > 50 + 1.67 \times 100 \times \sqrt{\frac{0.5 \times 0.5}{n}}$$

If, on the basis of a district sample, we reject the null hypothesis using this decision rule, the probability will be less than 0.05 that the district will be non-poor. Alternatively, if a district is identified as poor, then it will be poor with probability more than 95 percent. Thus, this procedure helps us to identify fairly accurately a poor district. However, there is one problem with this approach. If for a district, the null hypothesis is not rejected, it does not imply that the district will always be non-poor. This situation can occur when the sample drawn for that district is very small.

Table 14 identifies the poor provinces and districts. The table also presents the number of poor in each province and district. It is noted that of the total population of 5.09 million in Lao PDR, 1.85 million are poor. Of 18 provinces, 3 are identified as poor. Among 128 districts sampled for the survey, 28 districts fell in the category of being poor.

Table14: Identification of poor districts

Province	District	% of poor	pop	No of poor	Poor dist
Vientiane mun	Chanthaboury	16.6	68265	11346	
	Sikhottabong	11.5	83776	9617	
	Xaysettha	11.3	81587	9211	
	Sisattanak	15.6	55576	8687	
	Nasaythong	21.2	24673	5233	
	Xaythany	3.9	129766	5035	
	Hatsaifong	17.3	65592	11334	
	May Pak Ngeum	14.5	62903	9115	
	Total	12.2	572138	69572	
Phongsaly	Phongsaly	47.9	15751	7537	
	May	83.1	16802	13957	POOR
	Khoa	45.3	33995	15393	
	Samphanh	96.2	19428	18696	POOR
	Boun Neua	54.2	20557	11146	
	Nhot Ou	79.0	32817	25919	POOR
	Boun Tay	40.0	12971	5182	
	Total	64.2	152322	97836	POOR
Louang Namtha	Namtha	44.0	26841	11797	
	Sing	56.7	28903	16397	
	Long	37.4	29583	11070	
	Vieng Phoukha	90.3	13200	11916	POOR
	Nalè	79.7	24710	19699	POOR
	Total	57.5	123237	70874	
Oudomxay	Xay	59.2	42512	25154	
	La	60.6	11486	6958	
	Na Mo	92.5	36229	33494	POOR
	Nga	66.7	15757	10502	
	Beng	72.6	26196	19018	
	Houn	80.5	60153	48393	POOR
	Pak Beng	63.5	29126	18480	
	Total	73.2	221458	161997	POOR
Bokeo	Houay Xai	30.4	48802	14831	
	Ton Pheung	10.1	20844	2111	
	Moeng	24.5	3764	923	
	Pha Oudom	63.0	32219	20282	
	Pak Tha	45.5	16713	7596	
	Total	37.4	122342	45744	
Louang Prabang	Louang Prabang	41.8	45032	18832	

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	Xieng Ngeun	27.7	52112	14445	
	Nan	52.3	27240	14233	
	Pak Ou	30.0	32988	9910	
	Nam Bak	49.5	81529	40316	
	Ngoy	53.4	25438	13579	
	Pak Xeng	78.4	29409	23065	POOR
	Phonxay	89.1	10556	9404	POOR
	Chomphet	50.4	53590	27009	
	Viengkham	64.7	38074	24638	
	Total	49.4	395968	195450	
Houa Phanh	Xam Neua	51.8	70382	36423	
	Xieng Kho	81.6	92575	75578	POOR
	Viengthong	94.5	10726	10134	POOR
	Viengxay	76.2	32390	24675	POOR
	Houa Meuang	77.1	26326	20305	POOR
	Xam Tay	88.0	45492	40051	POOR
	Total	74.6	277891	207168	POOR
Xaygnaboury	1. Xaygnaboury	31.9	43209	13792	
	2. Khop	22.9	14281	3270	
	3. Hongsa	18.7	28977	5410	
	4. Ngeun	6.4	18272	1166	
	5. Xieng Hone	61.4	29459	18085	
	6. Phiang	33.6	33488	11252	
	7. Pak Lai	10.1	78299	7885	
	? 8	0.0	25767	0	
	? 9. Kènthao	17.3	33965	5869	
	? 10. Botène	6.8	12821	869	
	Total	21.2	318538	67594	
Xieng Khoang	Pek	29.4	75478	22221	
	Kham	74.6	10231	7627	POOR
	Nong Het	38.8	40712	15784	
	Khoun	34.7	38656	13425	
	Mok May	20.5	36759	7539	
	Phou Kout	51.9	16307	8462	
	Phaxay	40.3	18766	7559	
	Total	34.9	236909	82610	
Vientiane prov	Phonhong	18.9	90501	17078	
	Thoulakhom	12.2	76591	9344	
	Keo Oudom	50.8	3616	1837	
	Kasy	36.0	51890	18665	
	Vang Vieng	18.5	36232	6688	

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	Feuang	30.8	32284	9950	
	Xanakham	41.1	41737	17150	
	Total	24.3	332850	80716	
Borikhamxay	Pakxanh	7.3	19173	1398	
	Thaphabath	2.4	28082	674	
	Pak Kading	17.1	39819	6805	
	Bolikhanh	21.4	24841	5309	
	Khamkeut	53.5	36296	19404	
	Viengthong	45.0	23765	10697	
	Total	25.8	171976	44284	
Khammouane	Thakhek	11.7	65053	7605	
	Mahaxay	57.5	42633	24518	
	Nong Bok	32.0	58386	18701	
	Hin Boun	26.6	74499	19802	
	Gnommarath	74.2	15698	11646	POOR
	Boualapha	67.2	14702	9884	
	Xébangfay	90.3	37420	33775	POOR
	Xaybouathong	52.3	22650	11850	
	Total	41.6	331044	137781	
Savannakhet	Khanthabouly	20.6	114419	23525	
	Outhoumphone	67.8	67942	46051	POOR
	Atsaphangthong	29.3	49350	14450	
	Xépon	74.5	29794	22200	POOR
	Songkhone	23.3	167305	38982	
	Champhone	31.5	91666	28902	
	Xonbouly	56.6	32565	18445	
	Xaybouly	17.6	50722	8947	
	Vilabouly	63.9	70612	45142	
	Atsaphone	41.1	81406	33474	
	Total	37.1	755781	280092	
Saravanh	Saravanh	33.5	95903	32156	
	Ta Oy	87.1	23808	20744	POOR
	Toumlane	71.0	19459	13806	
	Lakhonpheng	42.8	28530	12217	
	Vapy	40.6	35642	14460	
	Khongxédon	34.7	20995	7289	
	Lao Ngam	12.6	55099	6937	
	Samouay	73.7	8480	6253	
	Total	39.6	287917	113871	
Xékong	Lamam	35.5	24696	8772	

	Kaleum	62.6	10255	6422	
	Dak Cheung	65.6	17631	11561	POOR
	Thateng	31.6	19412	6132	
	Total	45.7	71994	32887	
Champasak	Paksé	34.5	71252	24589	
	Sanasomboun	22.7	72291	16425	
	Ba Chieng	52.3	40548	21223	
	Pakxong	24.9	57168	14223	
	Pathoumphone	24.4	70328	17132	
	Phongthong	54.8	65404	35861	
	Champasak	25.8	18847	4868	
	Soukoumma	78.7	27376	21545	POOR
	Mounlapamok	26.1	27768	7245	
	Khong	33.0	101771	33534	
	Total	35.6	552752	196669	
Attapeu	Xaysettha	30.0	32876	9876	
	Samakhixay	30.6	21178	6478	
	Sanamxay	50.4	23988	12085	
	Sanxay	87.6	6854	6002	POOR
	Phouvong	70.7	15831	11199	POOR
	Total	45.3	100728	45640	
Xaysomboun-SR	Xaysomboun	59.7	13896	8293	
	Thathom	74.8	8588	6420	POOR
	Hom	49.5	26743	13238	
	Longxane	57.3	6145	3519	
	Phoun	37.0	5795	2145	
	Total	55.0	61167	33617	
	Laos	38.6	5087542	1964809	

9) Conclusions

Although economic growth in Lao PDR has not been as spectacular as in many of the Fast Asian countries, the per capita GDP has been growing at an annual rate of 4.6 percent between 1992-93 and 1997-98. The agricultural sector still produces more than fifty percent of the total output but there has been a gradual shift in the share of output from the agricultural sector to the industrial sector.

Per capita real consumption of the population has been increasing at an annual rate of 5.8 percent during the observed period of five years between 1992-93 and 1997-98. It means that the benefits of economic growth are indeed flowing to individuals in line with economic growth. Unfortunately, economic growth rate has not been uniform across the regions and there also exists regional disparity in the standard of living. While Vientiane Municipality is the richest region in terms of per capita real

consumption, the North is the poorest region. The Southern region is better off than the Northern region but worse off than the Central region and Vientiane Municipality.

As always expected, per capita real consumption in rural areas is much lower than in urban areas. More importantly, the rural-urban disparity has been increasing. The rural per capita real consumption as the percentage of urban per capita real consumption has declined from 72.8 in 1992-93 to 60.9 in 1997-98. The increasing rural-urban disparity in consumption should obviously be of concern to the government because rural areas have much lower standard of living than urban areas.

Compared to many other Asian countries, inequality in Lao PDR is not high. The bottom 20 percent population had a share in per capita real consumption of 9.3 percent in 1992-93, whereas for the richest 20 percent, the consumption share was 38.4 percent. Unfortunately, the consumption share of the bottom 20 percent population declined to 7.8 percent in 1997-98, while that of the top 20 percent increased to 44.4 percent. The Gini index, which is an overall measure of inequality, increased from 28.6 percent in 1992-93 to 35.7 percent in 1997-98. Thus, inequality in Lao PDR has deteriorated sharply over time.

An increase in inequality implies that the benefits of economic growth have not been flowing uniformly across the population. The proportional benefits received by the poor are less than those by the rich. Thus, economic growth in Lao PDR has been pro-rich, even though some of the benefits are trickling down to the poor.

On the basis of new poverty thresholds developed in this study, 45 percent of the Lao population was found to be living in poverty in 1992-93. Fortunately, the percentage of poor fell to 38.6 percent in 1997-98. Therefore, there was a remarkable reduction in poverty in Lao PDR between the two periods. Although the rich have benefited proportionately more than the poor, the reduction of poverty at an annual rate of 3.1 percent, does indeed indicate that economic growth plays a dominant role in the overall poverty reduction.

The incidence of poverty varies substantially across regions and provinces. Among the four major regions, while the North has the highest incidence of poverty, Vientiane Municipality has the lowest. Followed by the North, the South has the highest proportion of poor. Among the eighteen provinces, five had the poverty incidence exceeding 50 percent. Of these five provinces, four are located in the North. More importantly, not only is the North the poorest region in Laos, but also its rate of poverty reduction is the lowest.

For three provinces, namely, Oudomxay, Borikhamxay and Sarvane, the incidence of poverty increased between 1992-93 and 1997-98. This indicates that rapid economic growth does not necessarily result in a uniform reduction in poverty across provinces. Some provinces may be adversely affected by rapid economic growth. To achieve a broad-based growth, the government needs to pay attention to developing regional or even provincial development policies in addition to promoting economic growth.

The impact of growth on poverty reduction (relative to the magnitude of rate) was found to be much higher in rural areas compared to that in urban areas. This is explained by the fact economic growth in urban areas was accompanied by a sharp increase in inequality, which had an impact of increasing poverty. But in rural areas, the increase in inequality was much smaller, and thus the growth effect dominated the inequality effect. All in all, growth in rural areas was more pro-poor than that in urban areas.

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Annex A: CONSTRUCTION OF NEW POVERTY LINES

Energy Requirements

The food poverty line is constructed on the basis of calorie requirements of individuals or families. One can assume that an individual has access to adequate food if he or she can obtain adequate nutrition. Since it has been found that by eating Asian food if an individual can fulfill his or her calorie requirements, then his or her protein requirements are automatically satisfied. Thus, the construction of food norms on the basis of individuals' energy needs should be deemed as reasonable.

Since the calorie norms vary from country to country depending on factors such as race, climatic conditions, etc, it is important that the norms are appropriate for the Lao population. Since, these norms are not available for the Lao population, we used the calorie norms of the Thai population, which were available from the Thailand's Ministry of Public Health. Since the Lao population is quite similar to the Thai population in stature and facing the similar climatic conditions, it was considered reasonable to use the calorie norms of the Thai population. Table 1a presents the calorie requirements by age and sex, which are essential for an individual to be able to have every day. It can be seen that calorie requirements vary substantially with age and sex. The children need much less calories than the adults. Also males require considerably more calories than females. Thus, one cannot and should not use the same calorie norm for all individuals within the household. Recognizing the fact that the households differ with respect to calorie needs, we allocated the calorie requirements, as set out in Table 1a, to each household in the survey, according to age and sex of each individual in the household.

As pointed out, the Laos does not have an official poverty line. In 1995, The World Bank constructed a poverty line on the assumption that every individual in each household requires 2100 calories per day irrespective of his or her age and sex. More recently, the Statistics Sweden (1999) developed another poverty line, again assuming a norm of 2100 calories per day for every member of the household. The calorie requirements given in Table 1a show, however, that this assumption is unrealistic. A child in the age group 1 to

Table 1a: Calorie requirements by age and sex

Age	Male	Female
1 to 3	1200	1200
4 to 6	1450	1450
7 to 9	1600	1600
10 to 12	1850	1700
13 to 15	2300	2000
16 to 19	2400	1850
20 to 29	2787	2017
30 to 59	2767	2075
60+	1969	1747

3 years requires only 1200 calories per day, whereas an adult male may require as much as 2787 calories per day. Therefore, the World Bank and the Swedish poverty lines will be biased in favor of families with children.

To obtain the average calorie requirements of the population, one needs to aggregate the per person calorie requirement for each individual in the sample. This aggregation was performed by means of weighted average method, where weight is equal to the population weight given to each sample household. The results are presented for urban and rural areas for each region (Table 2a).

**Table 2a: Average calorie requirements of the Lao population.
based on the 1997-98 survey**

Regions	Urban	Rural	Total
Vientiane mun	2085	2043	2075
Northern region	1998	1986	1988
Central region	1994	1960	1967
Southern region	1974	1974	1974
Laos	2009	1976	1983

The Laos population in 1997-98 required an average of 1983 calories per person per day. While a person living in urban areas on average required 2009 calories per day, one in rural areas required 1976 calories per day. The lower calorie requirement of rural areas is explained by the fact that rural areas have relatively younger and older people. The average calorie requirements also tend to vary between regions. These differences reflect the differences in population composition in the regions.

Food Poverty Lines

The food poverty line of a household is the amount of money required (per person per month) in order to satisfy the nutritional requirement of all its members. Having obtained the per person calorie requirement for a household, the next step is to find the cost of calories converted in kips. In other words, we want to find the number of calories that could be obtained by spending one kip on food. The calorie cost will obviously depend on the food basket we choose.

The selection of food items in our basket was dictated by the availability of the average prices. We selected 31 food items in the basket, the average monthly prices of which were available from National Statistical Centre (NSC). The list of these 31 items along with their caloric values is presented in Table 3a. The basket includes a wide range food items that are generally consumed by the Lao population. The average prices of the 31 items were given for the four cities, viz, Vientiane, Louang Pra-bang, Khammouane, Savannakhet and Champasak. The LECS2 provided the monthly expenditures on these 31 food items for each household in the survey. This information was sufficient to find out the calorie cost for each household, which was computed in terms of the number of calories obtained, by spending one kip on food. The calorie cost obviously varied from household to household. The richer households tend to have higher calorie cost than the poorer households because the richer households tend to eat more expensive food items such as meat and sea-food whereas the poorer households consume larger quantities of staple food such as rice.

It is obvious that the food poverty line should be constructed on the basis of the consumption patterns of the poor households.

Table 3a

Food items	Calorie per Kg
Rice	3550
Bread	3015
Noodle vermicelli	1285
Other noodles	3580
Beef	1233
Pork	3596
Chicken	1759
Fresh fish	900
Canned and frozen fish	900
Dried fish	2409
Fermented fish	2409
Bananas	830
Papayas	402
Oranges	430
Beans	360
Cabbage	370
Morning Glory	220
Cucumber	120
Dried Onions	300
Tomatoes	220
Spinach	220
Fresh chili	220
Bamboo	220
Sugar	3870
Sweets	3870
Salt	0
Fish sauces	332
Spices and seasoning	0
Condensed milk	4770
Chicken egg	1600
Duck egg	1860

To determine the consumption pattern of the poor households, we-ranked all the sample households in the LECS2 according to the real per capita total household consumption and grouped them into five quintiles such that each quintile has 20 percent of the total population. Then we calculated the average calorie cost of population in each quintile, which gave the lowest calorie cost for the first quintile. For obvious reasons, we selected the average calorie cost of the population in the first quintile.

On the basis our food basket, which in fact reflects the consumption pattern of the Lao population belonging to the first quintile (the poorest 20 percent of the

population), we found that on average, 3.9 calories could be obtained by spending one kip on food in 1997-98. We fixed the calorie cost of 3.9 per kip for the whole country. Since the cost of food varies in different regions and every month, we utilized the spatial food consumer price index (SFCPI given in Table B1) to find out the calorie cost for each household. Note that the calorie cost varies across households depending on the location of households. The households located in rural areas will have lower calorie cost than households in urban areas.

Given the calorie requirements and the calorie costs for each household, we could easily calculate the food poverty line (dividing calorie requirement by calorie cost measured in terms of calories obtained by spending one kip on food), which obviously differed from household to household depending on household composition and the location. Table a4 presents the average food poverty line for each region separately for rural and urban areas.

Table 4a: Per capita per month food poverty line in 1997-98

Regions	Urban	Rural	Total
Vientiane mun	20504	17589	19422
Northern region	18016	13783	14197
Central region	19042	14677	15214
Southern region	17316	14170	14476
Laos	19270	14407	15218

The average food poverty line in Laos is computed to be 15218 kips per person per month in 1997-98. The urban-rural differences in average food poverty line reflect the urban-rural differences in food cost and household composition.

Non-food Poverty Line

Having decided upon the food poverty lines, the next problem is to make an adjustment for non-food consumption. This adjustment can be made on the basis of Engel's law, which states that households spending the same proportion of total expenditure on food enjoy the same level of welfare or standard of living. How do we find an appropriate value of food to total consumption ratio? We used an idea given by Ravallion (1998) that if a person's total income is just enough to reach the food threshold, anything that a person spends on non-food items will be considered as basic non-food needs. Thus we computed the average food to total consumption ratio for those households whose per capita total consumption was equal to their food poverty line. Since the food poverty line varied for household to household, we modified the Ravallion approach in the following manner.

- 1.- First calculate the food welfare of a household that is defined as the per capita household consumption multiplied by 100, divided by the household specific per capita food poverty line.
- 2.- Arrange the households in ascending order of food welfare using LECS2 data
- 3.- Select the households whose food welfare lies between 90 and 110⁷⁰.

⁷⁰According to Ravallion, we should select households whose income is equal to the food poverty line, which means we should select the households at the point, where the household food welfare is equal to 100. Since it is

- 4.- Calculate the ratio of food to total expenditure for the individuals belonging to these households.

On the basis of the LECS2 data, the food to total expenditure ratio was calculated to be equal to 80 percent. Thus we applied this ratio on the average food poverty line of 15218

kips for Laos to obtain an average non-food poverty line of 3966 kips per person per month for the entire 1997-98 year. To calculate the non-food poverty line for households in different location and interviewed in different months, we utilized the spatial non-food consumer price index (given in Table b1) so that the real value of the nonfood poverty line is the same for every household.

Total Poverty Line

The total poverty line is obtained for each household by adding the food and nonfood poverty lines. The average total poverty line for each region is presented separately for urban and rural areas in Table 5a.

Table a5: Per capita per month total poverty line in 1997-98

Regions	Urban	Rural	Total
Vientiane mun	24802	21768	23676
Northern region	23749	18070	18626
Central region	23637	18264	18925
Southern region	21493	17644	18019
Laos	23902	18239	19184

The average total poverty line for Laos is estimated to be equal to 19184 kips per person per month in 1997-98. For urban areas, the average poverty line is 23902 kips per person per month, whereas for rural areas, it is 18239 kips.

Updating the poverty lines

Since our objective is to compare poverty estimates in 1992-93 with those in 1997-98, we need to determine monthly poverty lines in 1992-93. To make these comparisons correctly, it is important that real poverty lines must be the same in the two periods. This can be achieved by using the appropriate price indices. We determined the monthly food and non-food poverty lines in 1992-93 by applying food and non-food price indices on the 1997-98 poverty lines, separately for each month and each region, respectively. The food and total poverty lines We have estimated monthly poverty lines for 1997-98. for 1992-93 are thus presented in Tables 6a and 7a, respectively.

impossible to calculate the ratio of food expenditure to total expenditure at a point, it is reasonable to select a range in the neighbourhood of 100. We selected a range of food welfare lying between 90 to 110.

Table a6: Per capita per month food poverty line in 1992-93

Regions	Urban	Rural	Total
Vientiane mun	10211	7922	9640
Northern region	8737	6906	7221
Central region	9455	7320	7666
Southern region	8976	7083	7406
Laos	9502	7150	7705

Table a7: Per capita per month total poverty line in 1992-93

Regions	Urban	Rural	Total
Vientiane mun	11442	8838	10792
Northern region	10319	8084	8469
Central region	10732	8296	8691
Southern region	10226	8031	8406
Laos	10829	8188	8811

Annex B: STATIAL PRICE INDICES

It is often the case that costs of living vary between regions within countries. These variations Most studies on poverty (also inequality), likewise, do not take account of spatial differences in the cost of living. This neglect biases the poverty and inequality estimates. Some of those identified as poor in the low cost areas will be better off than those identified as non-poor in the high cost areas. Thus, we identify non-poor as poor and poor as non-poor.

In this annex, we construct the regional costs of living indices based on the monthly average prices that are available for 5 cities in 1997-98. Of these five cities, one is Vientiane Municipality, one is Louang Prabang in the Northern region, two are Khammouane and Savannakhet in the Central region and one is Champasak in the Southern region. We fixed a reference basket and calculated the cost of the reference basket in each of the five cities. The average price index for the whole country was set equal to 100. In the construction of non-food spatial price index, the large durable items such car, motor bike, refrigerator, private school fees etc were excluded because these are not considered to be affecting the poor.

Table Ib: Spatial Price Indices urban areas: Lao 97-98=100

	Vientiane	North	Central	South	Lao
	Food				
March 97	94.9	83.0	88.1	85.7	88.4
April 97	96.3	83.7	87.9	88.7	89.4
May 97	99.4	86.4	95.2	89.5	93.7
June 97	99.7	87.0	95.8	89.7	94.1
July 97	100.4	91.4	95.8	92.1	95.6
Aug 97	107.1	95.0	100.8	97.9	100.8
Sep 97	114.2	94.9	106.4	98.8	104.7
Oct 97	113.8	94.9	102.1	97.1	102.6
Nov 97	113.9	92.0	104.0	95.1	102.3
Dec 97	110.7	95.9	102.4	97.4	102.3
Jan 98	110.0	101.3	106.7	100.7	105.7
Feb98	125.1	122.3	115.5	121.2	120.5
Ave 97-98	107.1	94.0	100.1	96.2	100.0
	Non-food				
March 97	79.2	107.9	93.5	85.0	91.8
April 97	80.1	109.3	93.0	87.1	92.5
May 97	81.0	116.8	91.9	89.5	94.2
June 97	82.1	116.8	91.8	90.5	94.6
July 97	82.2	122.8	91.5	91.8	96.0
Aug 97	82.4	127.7	91.5	94.3	97.5
Sep 97	83.4	127.6	95.7	98.3	100.1
Oct 97	83.7	128.0	95.7	98.7	100.4

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Nov 97	84.9	128.4	99.9	102.2	103.1
Dec 97	85.9	131.7	103.2	103.4	105.5
Jan 98	94.6	134.0	103.7	107.1	108.6
Feb98	106.4	134.8	109.3	118.9	115.8
Ave 97-98	85.5	134.0	96.7	97.2	100.0

Since rural prices are not collected in Lao PDR, it was considered reasonable to assume that the rural food prices are 20 percent lower than the urban food prices. Thus, for rural areas, the rural urban price indices given in Table 1b were reduced uniformly for each region.

To construct food and non-food poverty lines, we need to construct spatial price indices for 1992-93. In 1992-93, the prices were collected only for Vientiane so the Consumer Price Indices were available only for Vientiane Municipality. In 1997-97, the official CPI that is used is for Lao PDR, which is the average of five cities so the official CPI for 1997-98 can not be compared with the official CPI for 1992-93. In view of this difficulty, we used the CPI for Vientiane for 1997-98 and compared it with the official CPI for 1992-93. These indices are presented in Table2b.

Table2b: Consumer prices indices for food and non-food: Vientiane Municipality.

December 1999=100

Month	1992-93		1997-98		Annual inflation	
	Food	Non-food	Food	Non-food	Food	Non-food
Mar	12.0	8.2	21.1	14.7	11.9	12.4
Apr	12.3	8.2	21.8	14.8	12.1	12.5
May	12.9	8.4	22.9	15.2	12.2	12.6
June	12.8	8.5	23.0	15.3	12.5	12.5
July	13.6	9.2	24.2	15.3	12.3	10.8
Aug	13.7	9.4	26.4	15.3	14.1	10.3
Sep	13.6	9.4	28.4	15.6	15.8	10.6
Oct	13.3	9.4	27.4	16.1	15.5	11.4
Nov	12.6	9.3	25.9	16.5	15.5	12.1
Dec	11.6	9.6	24.8	17.3	16.4	12.6
Jan	11.5	10.0	24.7	19.4	16.4	14.2
Feb	11.6	10.0	28.5	22.4	19.7	17.6
Average	12.6	9.1	24.9	16.5	14.6	12.6

In calculating the spatial price indices for 1992-93, we imposed the inflations rates given in Table 2b on the spatial prices indices constructed for 1997-98 as given in Table 1b.

The spatial price indices for 1992-93 are given-in Table 3b with base Lao urban 97-98=100. The spatial price indices given in Tables 1b and 3b are comparable.

Table 3b: Spatial Price Indices for 1992-93: Laos Urban 97-98=100

	Vientiane	North	Central	South	Lao
	Food				
March 97	54.1	47.3	50.2	48.9	50.4
April 97	54.5	47.4	49.7	50.1	50.6
May 97	55.8	48.5	53.5	50.2	52.6
June 97	55.3	48.3	53.2	49.8	52.2
July 97	56.3	51.2	53.7	51.6	53.6
Aug 97	55.4	49.2	52.2	50.7	52.2
Sep 97	54.8	45.6	51.0	47.4	50.2
Oct 97	55.4	46.2	49.7	47.3	49.9
Nov 97	55.5	44.8	50.7	46.3	49.9
Dec 97	51.9	45.0	48.0	45.7	48.0
Jan 98	51.5	47.4	49.9	47.1	49.4
Feb98	50.9	49.7	46.9	49.3	49.0
Ave 97-98	54.3	47.6	50.7	48.7	50.7
	Non-food				
March 97	44.1	60.1	52.1	47.4	51.2
April 97	44.5	60.7	51.7	48.4	51.4
May 97	44.7	64.5	50.8	49.5	52.1
June 97	45.6	65.0	51.1	50.3	52.6
July 97	49.2	73.4	54.7	54.9	57.4
Aug 97	50.5	78.3	56.1	57.9	59.8
Sep 97	50.3	77.0	57.7	59.3	60.4
Oct 97	48.8	74.6	55.8	57.6	58.5
Nov 97	48 .0	72.6	56.5	57.7	58.2
Dec 97	47 .5	72.8	57.0	57.2	58.3
Jan 98	48.6	68.8	53.3	55.0	55.8
Feb98	47.4	60.1	48.7	53.0	51.6
Ave 97-98	47.3	68.5	53.5	53.8	55.3

Appendix 2 – PPA Location And Dates

NORTH - Team 1

DATE	PROVINCE	DISTRICT	VILLAGE	ETNICITY
16-26 May	1. HPNH	1. Sop Bau	1. Hat Sane	Tai Deng
		2. Xieng Kho	2. Hap	Ksing Moul, Tai Deng
			3. Houay Lang	Ksing Moul
		3. Et	4. Pha Seua	Hmong, Khmou
			5. Phak Fène	Thay Vat
		4. Houa Meuang	6. Pa Kha Tay	Kaniang
			7. Nam Nat	Khmou
27 – 3 June	2. XKNG	5. Nong Het	8. Din Dam	Khmou
			9. Pak Ka	Hmong
		6. Kham	10. Ko Ngiu	Khmou
			11. Na Dou, Ko Khai	Pheung, Khmou
			12. Na Lau	Tai Dam, Khmou
6 – 14 June	3. PSLY	7. Phongsaly	13. Bo Kong	Seng Saly
		8. Boun Tay	14. Sano May	Akha Chi Pya
		9. May	15. Sang Khène	Khmou
			16. Kiu Kacham	Louma
		10. Samphanh	17. Seua Thiau	Khmou
			18. Hat Lane	Khmou
15-21 June	4. LGNT	11. Long	19. Phon Samphanh	Lahu Shi (Kui)
			20. Pha Tè	Akha Pouly
			21. Mouang	Doi
		12. Sing	22. Seua Deng	Akha Pouly
			23. Kok Mouang	Hmong
		13. Namtha	24. Lak 9	Bit
22 June-1 July	5. ODXY	14. Na Mo	25. Pak Nam Tong	Man (Mun)
			26. Pang Sa	Khmou Lue
			27. Phouxang	Baya
		15. Pak Beng	28. Louang Tong	Lao
			29. Chom Leng	Khmou Rok
		16. Nga	30. May	Khmou Lue
			31. Phon Kham	White Hmong
2-10 July	6. XBRY	17. Xagnaboury	32. Khop Piat	Pray
			33. Houay Pho'	Pray
			34. Houay Sangiem	White Hmong, Pray
		18. Phiang	35. Khoun Nam Phone	Iu Mien
		19. Xieng Hone	36. Vang Sa	Khmou Rok
			37. Thong Kap	Lue, Hmong, Pray
			38. Pong	Lue
			39. Houay Koua	Khmou

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11-16 July	7. BKEO	20. Houay Xai	40. Phou Xaysavang	Lahu Shi
			41. Done Chanh	Kwene
		21. Pha Oudom	42. Khom	Khmou
			43. Pong Koum	Khmou
			44. Hat Kham	Lamet
16-25	8. LBNG	22. Phonxay	45. Houay Loung Theung	Khmou Am
			46. Tha Khane	Khmou Am, Hmong
		23. Vieng Kham	47. Phon Keo	Khmou Am
			48. Phonsavang	Khmou Am

CENTRAL - Team 2

DATE	PROVINCE	DISTRICT	VILLAGE	ETHNICITY
19-29 May	9. KMME	24. Boualapha	49. Pak Phanang	Ngouan, Phou Thay
			50. Na Toy	Phou Thay, Makong
			51. Tha Kachanh	Chaly, Makong
		25. Nakai	52. Boua Ma	Bo, Makong
			53. Phon Savang	Makong
30 May-9 June	10. BKXY	26. Viengthong	54. Pha Deng	Phong, (Hmong Lai)
			55. Sop So (Mixay)	Phong, (Hmong Lai)
		27. Borikhanh	56. Hat Nyeun	Laan, (White Hmong), (Moey), Kouan, Phouan
			57. Pak Heuan	Moey
13-22 June	11. VTEP	28. Met	58. Na Pane	Phouan
			59. Houay Pa Mak	Khmou, (Lu Mien)
		29. Feuang	60. Nam Phet	Khmou, Phouan
			61. Nam Pheun	Khmou Krong, Lue, Khmou, Tai Deng, Phouan, Lao
26 June – 2 July	12. XBSZ	30. Xaysomboun	62. Nam Chia	Hmong (Khmou)
			63. May	Hmong Lai
			64. Nam Mo	Khmou, Lao
10-18 July	13. VTEM	31. Sisattanak	65. Done Koy	Lao
			66. Dong Palane Tha	Lao, Viet
		32. Sikhottabong	67. Nong Douang Thong	Phouan, Lao, Phou Thay
			68. Meuang Va Thong	Phouan, Khmou, Tai Deng, Lao, etc (very mixed)

SOUTH - Team 3

DATE	PROVINCE	DISTRICT	VILLAGE	ETNICITY
19-29 May	14. ATIP	34. Sanamxay	69. Khanh Mak Nao	Lavè
			70. Hat Oudomxay	Sou'
		35. Phouvong	71. Houay Kout	Lavè
			72. Chalong	Lavè
30 May-7 June	15. XEKG	36. Kalcum	73. Lacasse	Ngè
			74. Bak	Ngè
8-21 June	16. SRVN	37. Ta Oy	75. Bong Nam	Ta Oy
			76. Pangansing	Pangane
		38. Samouay	77. Talo Tay	Pacoh
			78. Meo	Kado
22 June-5 July	17. CPSK	39. Mounlapamok	79. Phon Dou	Souay Anh Toua
			80. Ka Dian	Lao
		40. Soukhouma	81. Non Khoun	Lao
			82. Houay Xang Bo Long	Lao
6-22 July	18. SVKT	41. Xépon	83. Houay Hok	Tri
			84. Lapotham	Makong
		42. Nong	85. Sène May (Sène Khoun)	Ta Oy
			86. Tako	Makong
		43. Phin	87. Na Taro (Keng Koua)	Katang
			88. Song Peuay	Makong

Appendix 3 – PPA Implementers – Central level

Project Manager:	H.E. Somphong Mongkhonvilay <i>Vice President, State Planning Committee</i>
Project Director:	Bounthavy Sisouphanthong <i>Director, National Statistics Center</i>
Steering Committee:	H.E. Somphong Mongkhonvilay, Chairman <i>Vice President, State Planning Committee</i> Bounmy , Vice Chairman <i>Vice President of the Central Leading Committee for Rural Development, Prime Minister's Office</i> Bounthavy Sisouphanthong <i>Director, National Statistics Center</i> Pheng Lasoukanh <i>Director of Ethnic Minority Affairs, Lao Front for National Construction</i> Ms. Houmphone Douangdavong <i>Director of Administration, Lao Women's Union</i> Khamliane Pholsena <i>Deputy Director of Planning, SPC</i>
PPA Teams:	
North-	Yavang Vachoima, Team Leader <i>National Statistics Center</i> Panh Phomsombath <i>Local Consultant</i>
Central-	Khamphouak Kongvichit, Team Leader <i>National Statistics Center</i> Ms. Phimheng Oudone <i>Local Consultant</i>
South-	Thipsavanh, Team Leader <i>National Statistics Center</i> Khonesavanh Chittanavanh <i>Local Consultant</i>
Advisor:	James R. Chamberlain Consultant on Participatory Research

Appendix 4 – Tentative Village Discussion Topic

Instrument⁷¹

Date:

Name of village, district, province:

Names and positions of persons present at discussion:

Background Information:

1. General characteristics of village
2. Ethnicity of village, languages spoken, dominant language, lingua franca
3. Age of village
4. History of village
5. Religion, names of important spirits, spiritual territory boundaries etc..., major cultural events on calendar
6. Characterization of relations with other ethnic groups and/or nearby villages
7. No. of households / families / population (m/f) [for past five years if available], by age cohort if possible
8. School, number of classrooms, grades. teacher(s) [distance]
9. Health services [distance], health workers in village, midwife, pharmacy, and most common health problems.
10. Roads – type, DS only or all weather
11. Water sources
12. Electrification
13. Markets

Livelihood

14. Land use: by type (note local terminology wherever possible and proportion cropped by season) How do villagers rate varieties, preference, taste, etc.
 - a.- rice
 - b.- paddy (variety)
 - c.- swiddens
 - d.- other (e.g. direct seeded lowland, variety)
 - e.- upland (crops, orchard etc., specify)
 - f.- garden plots (specify)
 - g.- grazing (cattle, buffalo, etc.)
 - h.- other (specify)
15. Yields (of the same)
16. Livestock, numbers

⁷¹These are suggested guidelines for discussion, it is not a questionnaire.

17. Market values for rice and livestock
18. Hunting and fishing (consumption or sale, if sale give prices, give species or local names)
19. Forest products (specify)
20. Rice sufficiency (number of months per year, if short how are deficits made up)
21. Indigenous definitions of rich and poor
 - poverty/well-being distinctions by households within village (numbers)
 - villager explanation of causes of poverty in those hhs/villages
 - local terms and meanings
 - at the village level, how do these apply, how would neighboring villages be classified and why
22. On-farm income generating activities, handicrafts, etc...by gender
23. Off-farm labor, wages, temporary or permanent, etc., number of individuals engaged and in what types of labor or other work, by gender
24. Traditional economic activities (ethnic-specific)
25. Problems of livelihood
26. Solutions
27. Coping strategies
28. non-food consumption, durables, etc.
- Alimentary Patterns
29. Staple foods, preferences
30. Animal proteins, types, wild vs. domestic. animals hunted/trapped and frequency of consumption
31. fish types and consumption, quantities
32. fruits and vegetables. wild/domestic
33. tubers and shoots
34. eggs, quantities
35. methods of preparation
36. edibility interdictions
- Social Structures
37. leadership ,
38. kinship
39. gender roles
- Institutions (Villager opinions of)
40. Education
 - describe types: elementary, non-formal, adult literacy (in Lao and in minority languages)
 - attendance: good or not good? why? language problems?

- attendance by gender, age...

41. Health

- types of diseases
- number of health personnel by type
- distances from dispensaries, hospitals, etc.
- frequency of visits, for what reasons
- availability of medicine, costs
- sanitation, mosquito nets...

42. Agricultural Extension, frequency of visits, activities

43. Other Government programs / projects (describe)

44. NGO or International Organization projects (describe)

45. Villager assessment of the above and recommendations for improvements