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17

POPULATION'S MOBILITY IN NORTHERN LAOTIAN TRANSBORDER AREAS

Vanina Bouté

The aim of this chapter is to understand and analyse the effects of the opening of frontiers, the increase in cross-border exchanges and subsequently, the creation of economic corridors among local societies in Northern Laos. Until the last decade, a picture of Northern Laos would have been approximately the following: on the one hand, Tai populations (including the Lao majority) settling in the lowlands, growing rice, and on the other, highlanders practising shifting cultivation, husbandry and poppy growing. Roughly 75 per cent of the Laotian population of 5.5 million practised shifting cultivation. During the last ten years, some significant changes have raised questions concerning this situation. These changes are the result of the combination of several policies:

A first set of changes concerns the border areas and has its origins in regional political and economic transformations induced by the opening of borders. In the northern part of Laos, most border regions have been isolated for a long time since they are located in the outer regions of the country. Since the policy of Economic Corridor Development, these previously isolated regions are now mostly included in the new trade routes and there has been a particular increase in pressure on these peripheral areas. Due to the regional context mentioned elsewhere, the government

considers border area trade as an important component of its foreign trade policy. Facing external demands for developing market-based agriculture, the Lao State has promulgated various laws (e.g. land-forest allocations), following the injunctions of the World Bank and the UNDP. These two organizations strongly encourage land allocation in order to develop a land market attractive to investors and to ensure a better use of agricultural land and environmental protection. At the same time, and as the contribution of Danielle Tan will show, the opening of borders has made possible the establishment of several foreign companies (mainly Chinese) which are, for the most part, dedicated to the agricultural sector (growing rubber trees, corn, tea, or buying NTFP). As a result, each province and district is witness to the burgeoning growth of foreign concessions owned by these companies. This rapid growth is also having a snowball effect and is leading to the appearance of Lao citizen-owned concessions — generally smaller in size.

The second kind of change was brought about by the national strategy related to agriculture which tends to produce similar results, e.g., the shift from rice growing for families' self-subsistence to cash-crop agriculture. From about 2000 to 2005, poppy growing was forbidden. In some areas of northern Laos, it strongly affected some highlanders who used to rely on it for their livelihood; during the same period, a new set of reforms was introduced regarding new land tenure, such as zoning and land allocation (e.g., the Land and Forest Allocation Programme). Finally, in 2005, the eradication of shifting cultivation was introduced and was expected to be completed by the year 2010 — but it is still a mode of production that concerns a third of the total population of Laos, including most of those living in highland areas.

All these changes have had several effects. In this chapter, I will focus on two processes, territorial change and social change. First, I will propose an overview of the changes noted within the territory, in particular an overview of the appearance and strengthening of demographic and territorial imbalances throughout the Northern provinces of Laos. Then I will focus on the social impacts introduced by these territorial changes, through the study of some resettlement areas for migrants, especially some urban villages which have attracted a lot of migrants over the last ten years. I will argue that the land and demographic pressure on these areas goes with an increasing social differenciation leading, paradoxically, to the control of land by the first inhabitants of the cities — civil servants and traders.

I will first add a few words about my fieldwork and my methodology. The study area is located in Northern Laos and is spread across three provinces: Phongsaly, Oudomxay and Luang Namtha. These three provinces all share a border with China (and also with Vietnam in the case of Phongsaly, but cross-border exchanges between Phongsaly and Vietnam are so slight that they are hardly worth mentioning). Within these three provinces, I particularly focused my survey on four towns chosen as relevant examples to illustrate the situation in Northern Laos regarding cross-border exchanges and development corridors:

1. Two provincial capitals, Phongsaly and Oudomxay cities. Oudomxay is located in the lowlands, at the crossroads between China, Thailand and other provinces in Northern Laos; Phongsaly is more or less enclosed by mountains. Despite their different size in terms of inhabitants and their very different locations, they do share some common features: both witnessed substantial demographic growth in the last twenty years, especially a peasant migration in the last ten years; and at present both are facing similar problems; growing social stratification, land pressure and ongoing land speculation.
2. Two small cities, the main town of Boun Tay district (Phongsaly province) and Nateuil, a small town in Namtha district, located 19 km from the Mohan border. Because of its strategic position, provincial authorities have planned to make Nateuil a main town (*müang noy*) in a few years' time. Located in the lowlands, the populations of both have significantly increased: in the first, because rubber can be planted and it is one of the rare locations in Phongsaly province where this is possible at present; in the second because of its location, at the junction between the R3A road from Luang Namtha (which is part of the North-South corridor) and National Road No. 1 to Oudomxay and Luang Prabang.

For the present study, several inquiries were conducted in different places, using both a qualitative method (interviews with institutional actors such as provincial and district authorities, village headmen, etc. and villagers) and a quantitative one: questionnaires were handed out to some fifty families in Phongsaly city and Oudomxay city, and to about thirty families in the small town of Boun Tay and the large village of Nateuil.

I will now go on the two topics previously mentioned — territorial change and social change.

1. A GROWING DEMOGRAPHIC IMBALANCE IN NORTHERN LAOS

Development planning and policies are some of the main causes of population displacement in Lao PDR (Goudineau 1997, Vandergeest 2003). With the transition towards a permanent and intensive agriculture for national development, these policies have led during the last ten years to the eradication of opium production, the Land Allocation programme and finally the banning of shifting cultivation — which most of the highlanders rely on for their subsistence. They impose constraints on people's lives to such an extent that they decide to move, seemingly of their own will.[1]

The impact of this displacement is striking. National censuses of the last twenty years immediately draw attention to the significant changes affecting the demographic distribution of population within the territory and the resulting imbalances. The latter will be discussed by focusing on the different territorial scales (province, district), then the data from the 1995 and 2005 censuses will be discussed since they may mask some social realities such as, for instance, the fact that some important migratory flows are sometimes triggered by non-rational economic phenomena.

An Imbalance Affecting Both Demographic Distribution and Occupation of Territory

Considering the 1995 National Census, the main conclusion of Bounthavy and Taillard (2000, p. 46) regarding population dynamics in Lao PDR was that population pressure would increase strongly, with an exacerbation of migratory flow. This trend was confirmed ten years later. The demographic data from the 2005 National Census clearly indicate the unequal dynamics of demographic growth. This is first and foremost exemplified by the demographic imbalance between provinces. The 1995 Census showed a negative migratory balance in the North and North-East provinces, whereas some provinces and districts in the North-West were very attractive, such as Müang Sing and Namtha districts.

Between 1995 and 2005, the annual growth rate of the population was 2.1 per cent per year (see Table 17.1). Oudomxay and Luang Namtha provinces matched this national rate, while Phongsaly province was far behind. These data also indicate a demographic movement towards the North-West provinces — Oudomxay, Luang Namtha, Bokeo — while Phongsaly

Table 17.1
Population Distribution in Northern Provinces in 1995 and 2005

	Phongsaly	Bokeo	Oudomxay	Luang Namtha
1995	152.848	113.612	210.207	114.741
2005	165.947	145.263	265.179	145.310
Annual growth rate	0.8%	2.2%	2.61%	2.1%

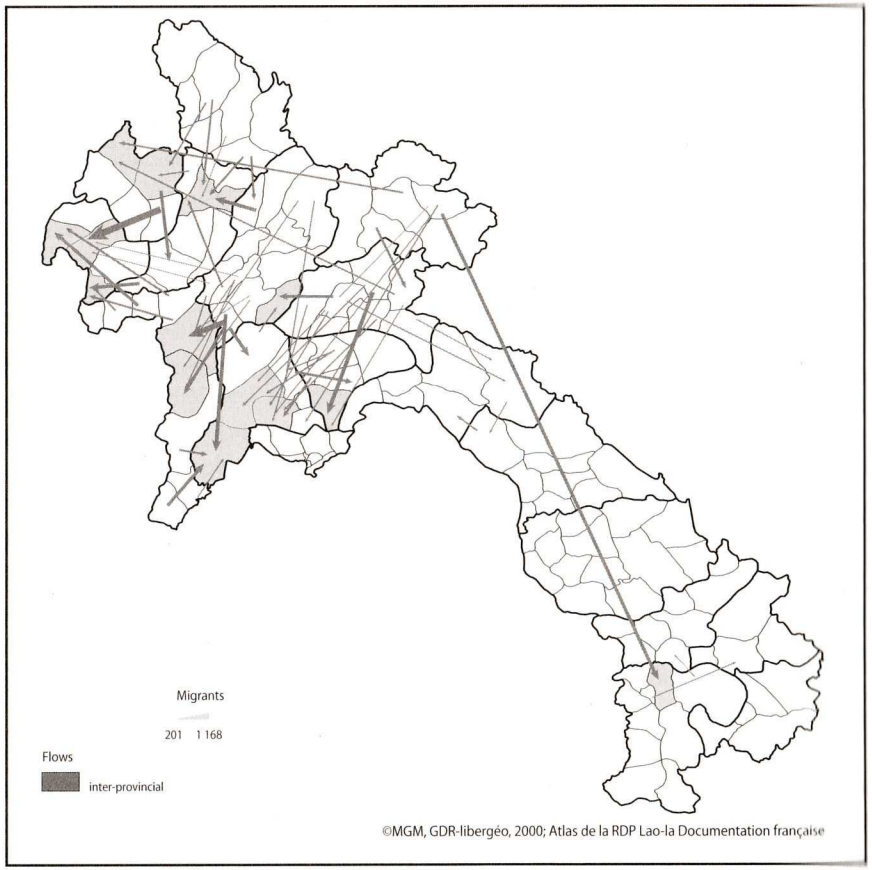
was continually losing a large part of its population. This can be understood as an effect of the attractivity of the North-South corridor, crossing Luang Namtha and Bokeo provinces, but also as an effect of other developed transnational roads, such as National Road No. 13, crossing Oudomxay province from the Chinese border to Luang Prabang and Vientiane.

The weak growth rate of some provinces can be understood by looking at other data as the demographic imbalance is also considerable within the provinces. The Map 17.1 designed by Bounthavy and Taillard after the 1995 Census (2000, p. 57) shows important migratory flows from the highlands to the lowlands and the cities (within Oudomxay or Luang Namtha provinces, the flow of migration is towards the provincial capital cities). In Phongsaly province, for instance, this internal demographic imbalance is particularly relevant. Since the 1990s, this province, like most Laotian provinces, has been affected by various policies mentioned above.

As a result, flows of highlanders have come to the lowland districts of Boun Neua and Boun Tay to cultivate rubber — as tea, the main cash crop cultivated in the mountains, is no longer an economically viable opportunity. These two districts are now facing a growth in their population while the mountainous districts of Phongsaly and Samphanh are continually losing their population (it is an ongoing process, as some villages of mountainous Samphan district are still resettled in the Chinese concessions of Boun Tay district). For instance, the population of the Phongsaly district was 24,351 inhabitants in 1995 and shifted to 25,213 in 2005, a growth of 0.2 per cent per year. During the same period, the Boun Tay district had an annual demographic growth of 2.8 per cent. There is also an imbalance within the districts as shown by the example of the district of Phongsaly in the two Maps 17.2 and 17.3.[2]

Most villages located far from the road have disappeared while the number of villages resettled along the road has increased. We can also see

Map 17.1
Balance of Inter-provincial Migration (excluding Vientiane)

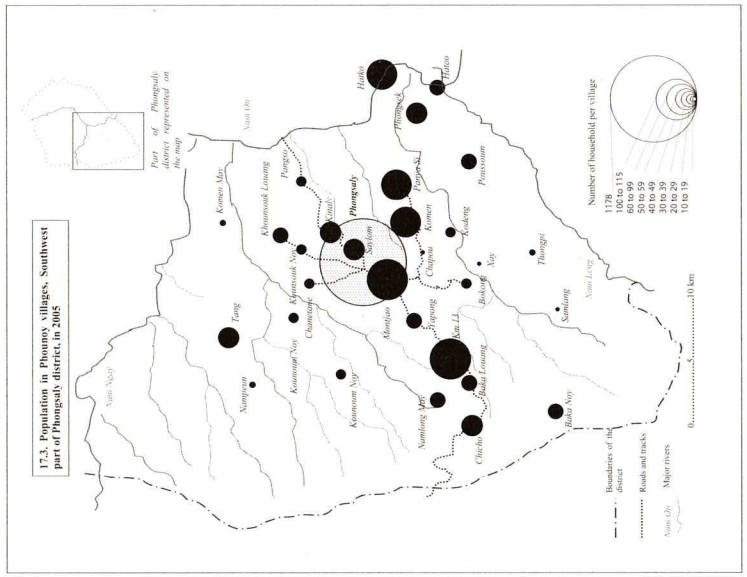


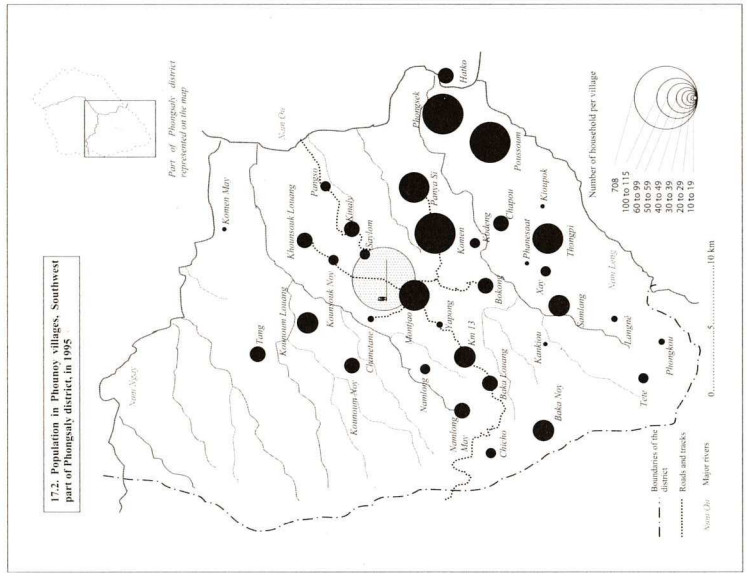
Source: 1995 census, NSC.

that the main city of Phongsaly has grown. Nevertheless, the growth rate is now very weak as land pressure and the lack of economic opportunities make these places less attractive for migrants. Several other districts such as Boun Tay district (Phongsaly province), Namtha district (Luang Namtha province), etc. are facing a similar situation.

In the current context of high rural mobility, which is linked both to measures taken at national level (displacements along major roads and regrouping of several villages in order to form larger administrative

Maps 17.2 and 17.3
Distribution of Villages in Phongsaly District in 1995 and 2005





Source: Phongsaly district office of Statistics.

units) and to the economic attractiveness of some provinces (as a result of the opening of borders and an increasing amount of foreign investment) two new interconnected phenomena have now appeared: the development of new urban centres and large scale rural migration towards those urban areas.

Between 2005 and 2010, the urban population growth rate was 5.6 per cent, more than twice the national population growth rate which was 1.8 per cent, and far greater than the population growth rate in rural areas which was 0.1 per cent and may indicate by itself the movement of populations away from the countryside and towards cities.[3] These demographic data show us a substantial increase in the flow of migration towards the lowlands and the emergence and development of new kinds of urbanization.[4]

As opposed to former migrations in the history of Laos, rural migration towards urban centres is a new and largely growing phenomenon. The urban population represented 17 per cent (of the total) in 1995, 27 per cent in 2005 (equivalent to 1,220,374 people) and, according to estimates, will reach 38.2 per cent in 2030.[5] Over the last ten years, growing numbers of farmers have gathered in provincial capitals, in district administrative centres located in the lowlands, or in small, booming towns.

This was a trend already mentioned by Bounthavy and Taillard for the 1995 census, noting that movements to and from the towns (largest and smallest ones) included more than two-thirds of all inter-district and inter-province population movements (in fact, the census does not take into account movements within districts, particularly the resettlement of highlanders in the lowlands). In 2005, this trend was confirmed and growing: over a ten-year period (as shown in the Table 17.2) the size of some provincial capitals nearly doubled.

Table 17.2
Urban Population in Northern Provinces, 1995–2005

	Phongsaly	Houaphan	Oudomxay	Luang Namtha
1995	5.7% (8,658 hab.)	5.9% (14,404 hab.)	15.1% (31,678 hab.)	17.1% (19,621 hab.)
2005	12.6% (20,854 hab.)	11.8% (33,022 hab.)	15.2% (40,409 hab.)	21.8% (31,734 hab.)

Sources: State Planning Committee (1997); Steering Committee for Census of Population and Housing (2006).

Data Masking Some Social Features

The flow of migrants and the related apparent attractivity of the lowlands may not mask social features: for peasants, migrating is much more a choice by default than a real economic rational choice. With the banning of shifting cultivation, transition to commercial agriculture is quite unavoidable. But in reality, cash crops are not economically viable for the peasants in most mountainous areas: the resettlement and the concentration of villages along the roads have limited the amount of land available for agriculture; and villagers have difficulty getting enough income from tea or maize bought at low prices by Chinese traders. Moreover, there is a snowball effect, as I showed for Phongsaly district elsewhere (Bouté 2005)[6]: large-scale forced migrations in Phongsaly district had disastrous effects on those who stayed in their villages. With the disappearance of social links, people staying in the old villages experience a lack of labour forces and solidarity networks, ageing of the population, difficulties for unmarried people to find a partner, etc.

Therefore, in mountainous areas, migration to the lowlands by highlanders having no economic and social alternatives in their villages, or anticipating these problems, is continually increasing. But what kind of economic and social alternatives do they really have in the lowlands? In order to understand the demographic attractivity of the lowlands, it is important to consider the logic of migration and the perceptions of development.

Peasants' strategy regarding migration is, all in all, more influenced by factors such as family reunification than economic considerations. Surveys conducted in Namtha district and Nateuil clearly show that flows of people settling in these areas are not strictly controlled. Officially, families have to get permission from the authorities in both their former district and their new location before leaving. They have to provide proof they will be able to ensure their livelihood in their new settlement. In fact, village headmen have few means of controlling the newcomers, or refuse to do so. Firstly, because the flow of migrants coming and buying land is a real source of income for the inhabitants of the place, and also because district and provincial authorities also put pressure on village headmen to increase the demographic balance of small towns and large villages. For instance, Nateuil's authorities welcomed all migrants without consideration for their economic conditions as they are hoping for a large increase in the size of the village so it can become a secondary district city (*müang noy*). Apart from these elements, some village headmen and some

district authorities have also totally integrated the idea that "mountain is misery" and are thus unwilling to refuse to admit new settlers.

From the migrants' point of view, joining family members will allow them to strengthen social networks — weakened in their former villages because of the exodus of villagers to new settlements. Family members are expected to help them to find and get land, to share the same house or land occupancy, to provide mutual help. It is the most important factor of migration, more important than the economic one: surveys show that many families are moving in order to join their family network without having the appropriate economic capacities to do so (no fields, no land, etc.).

The flow of poor migrants to the lowlands, without any economic prospects, can also be understood through the representation of development and modernity. Shifting cultivation has been disparaged for several decades by both the government and international institutions; highlanders are often still considered as backwards, belonging to another time. And the impact of these perceptions among the highlanders should not be underestimated, since it motivates their wish to resettle (see Bouté 2005, Lyttleton 2005). In an article, agronomist O. Ducourtieux (2006) argues that, in Phongsaly district, remote villages had more natural resources and economic potential than villages cultivating tea resettled along the roads. Despite his observation, and despite any economic rationality, inhabitants of remote villages in Phongsaly district had left their villages until they were totally empty and moved to many settlements along the roads (see previous maps).

Accounts by villagers recently and voluntarily resettled in roadside villages are also a good illustration of this paradoxical attitude. People admit they had enough land to live in their former villages while also acknowledging they have no lands in their new homes (they sell their labour) or not enough resources to buy rice. I quote:

> "In the old village, life is always the same. It's too backward and sad. Here, we can watch the cars on the road".
>
> "We have nothing here. But we are on the road, we may have economic opportunities (what kind? They didn't know). So we are waiting".
>
> "We are poorer than before but at least we live by the road. It will be better for our children".

And indeed, surveys conducted over the last ten years in this area reveal substantial impoverishment of families. Thus, on the one hand, migration

to roadside localities can be understood as the result of the representations of development (and injunctions to leave remote villages) given by the authorities, radio, and so on. On the other hand, the settlements in these new villages have made few families much wealthier than before. There is a "snowball" effect: some families moved, expecting to experience the same kind of economic development as some wealthy families. But they did not really consider the economic conditions of these wealthy families before moving (important sales of opium, plenty of cattle, efficient political and family networks), conditions that helped them to make investments in the new place.

A similar paradoxical attitude can be observed in villages located along the development corridors or in lowland villages: in Nateuil, more than half the population come from Phongsaly province and most of them are facing economic issues: — more than half of the newcomers, in the last five years, have no lands for agriculture (they rent the land and cultivate rice around the rubber trees of the owners); — the other half have small rubber fields but no income yet. They fear the loss of these fields in the short-medium term as some farmers are forced to sell their lands due to debt.

2. EMERGENCE OF NEW SOCIAL STRATIFICATIONS

Imbalances caused by migration have considerably transformed the demographic landscape of Northern Laos. On the one hand, poverty has increased in the highlands with the weakening of social links and growing resettlement along the roads, with paradoxically, at the same time, large pieces of land left vacant and no longer developed. On the other, land and demographic pressure are high in the lowlands.

Populations in Northern Laos are facing some dramatic changes and, from a formerly self-sufficient society organized on an ethnic and village basis, practising shifting cultivation, they are rapidly turning into a society scattered among small multi-ethnic towns located in lowlands, moving towards market-based production. Considering cities and small towns as crucial elements for understanding the ongoing development of the Northern area of Laos, I will focus here especially on small towns and cities, that is to say the point of arrival of peasant migration. Due to migration to the lowlands, pluri-ethnic villages grow in numbers. Here ethnicity *per se* is not the issue but rather the fact that the inhabitants of several localities are living together without the solidarity mechanisms they used to rely on in their former villages. In other words, it means a weakening of social links

with, at the same time, an increase in social stratification, a point we will pay particular attention to here.

Increasing Social Stratification

The appearance and development of social stratification in cities and towns in Northern Laos is quite new. While the main cities of Northern provinces have existed for a long time, the small towns of the districts have only really grown in size since the 1980s or 1990s.

There were three important periods in the development of most Northern towns such as Phongsaly, Oudomxay, Boun Tay and Nateuil: first of all there were the inhabitants of the first villages established on the site, before its urbanization. They were mainly peasants, and it was their land that the State appropriated after 1975, to build new administrative areas (buildings and housing for civil servants). Some sold their land to newcomers wishing to acquire land for building or farming. The first occupants were Tai or Lao in most urban areas (Phongsaly, inhabited by Phounoy and Ho, is an exception; it was the only provincial capital — with Sekong, in the south — to be mainly inhabited by a non Tai-speaking population). This settlement by Tai-speaking population is not surprising since towns in Lao PDR were nearly all originally centres of power (*müang*) controlled by Tai population. The first inhabitants, either because they maintained close contacts with the colonial administration, or because they had some knowledge of the Lao language due to their ethnic origins, were among the first to hold the administrative positions created in these places. Another characteristic of the first inhabitants of provincial capitals is their mobility. Few of them live today in their birthplace: some have gone to live abroad, and others have moved to major cities in Laos.

First, there were two or three major old villages. Their inhabitants were progressively joined by an important settlement of civil servants, from the beginning of the 1990s until the beginning of the 2000s — since these civil servants encouraged their relatives to come and settle in town with them. Today, civil servants represent 60 per cent of the population of Phongsaly, and 30 per cent of that of Oudomxay.[7] Later, some of them decided to quit their occupation as civil servant to engage in trade. The demographic weight of this arrival of civil servants and their families has led to the transformation of large villages or townships into urban centres with a pluri-ethnic population (since the civil servants originally came from different groups). New activities have also been created — development of shops or

building firms — linked to the influx of populations who, unlike the peasants, have ready money provided by their salaried jobs.

Indeed, since 1995 and up to 2000, the strong new influx of immigrants to the cities consisted mainly of peasants arriving from neighbouring or remote villages (a flux which stopped in 2004–05 because of strong land pressure). Farmers now form between 20 per cent and 30 per cent of the population of the provincial capitals,[8] and 50 to 70 per cent of the population of the district capitals, or big villages such as Nateuil.

Thus, these towns have a new profile, and social and economic surveys allow us to identify five categories from their population: families of traders (e.g. those with one member involved in a commercial activity), families of civil servants (both husband and wife are civil servants),[9] mixed families (one member of the couple is a civil servant, the other is a peasant), farming families (both husband and wife are peasants).

The annual income of these mixed and farming families range between: 3 to 5 million kips (US$370 to US$650) for the farming families most recently settled in town, 8 to 20 million kips (US$1,000 to US$2,500) for some mixed families[10] and farming families, 15 to 25 million kips (US$1,800 to US$3,100) for the wealthier mixed families, and more than 80 million kips (US$10,000) for some trading families

The existing social and economic stratification has emerged in the last decade and will increase more and more in the future. It is particularly obvious in the cities and towns I targeted but it is also present in villages concerned by similar waves of migration (Lyttleton 2005, p. 55).

Land Pressure, Rising Prices: Changing Livelihood in Northern Towns

These elements were already factors explaining the impoverishment of the migrants. The agricultural policies of the previous decade in Lao PDR had already generated a social differenciation between the farmers, as Ducourtieux et al. (2005) argued; they noted that the Land allocation programme, by reducing drastically the fallow areas, was impoverishing farmers who did not have access to other means of production. On the other hand, the wealthiest farmers could take the risk of investing in the new permanent crops and were thus able to increase their income. So the growing of cash crops accelerated this process of economic differentiation based on land access as previously noted in several rural areas in Northern Laos. There is an economic spiral: wealthy families are getting wealthier by investing in cash crops, poor families without any land ownership are

getting poorer by progressively selling their few properties (livestock, land). Among those families, one can distinguish between families with no land, and families with land. Among the latter, some are already in debt because they invested in cash crops for their fields.

Another explanation for existing social differenciation is the cost of resettlement which prevents farmers from saving money to buy fields or invest in cash crops. In small towns such as Boun Tay or Nateuil, the total cost for resettling one family may include the settlement tax to be paid to the village headman and district authorities (around 450,000 kips (US$56) in a village like Tchaho (5 km from the district city) or 500,000 kips (US$62) in Boun Tay city); moving expenses (family possessions, bus tickets) are between 700,000 and 2 million kips (US$87 to US$250); money to get land to build on: 10 million kips (US$1,250) or more, and then house building (from US$375 for a bamboo wooden house). So without buying any fields, the average cost for resettling is around 20 million kips (the price of seven or eight buffaloes), a huge amount when considering the average of approximately one or two buffaloes per family in Phongsaly district. This amount for one family's resettlement matches the annual income of the wealthier families in Phongsaly city.

So land access issues differenciate old settlers from recent ones in these towns. Former inhabitants of the oldest urban villages and those who came fifteen years ago are those who usually have a salaried activity, and at the same time, own a good deal of land (inherited from their parents or vacant land that they could occupy first). They mostly sold their previous lands (and moved to another province) or cultivated them, hiring migrant workers. Their economic situation is quite the opposite of families having the lowest annual income of 3 to 5 million kips. They form, in every village of Phongsaly city, the poorest part of the population (5 to 10 per cent of the total). Their income does not exceed their expenses so they cannot buy any plots of land; or, if they already have some land, they do not have enough money to buy tea trees. The third category is composed of poor mixed families or famers settled in town for a long time, with an income ranging from 8 to 20 million kips. They have plots of tea trees. All their savings were invested in land to build a house, in the house-building or in a tea plantation. But even if they have a higher income than the former category, they cannot save enough money for other investments. At present, most of them have difficulty paying for their children's schooling, or are spending all their income on it.

The existing social and economic stratification between these different categories of populations will probably increase in the future as the price of

land (housing, plots) is growing in a context of land and demographic pressure. Price increases are considered to be greater in areas where infrastructures are being developed than in towns where infrastructures already exist. They are also more common in peri-urban areas (Onmanivong et al. 2006). In other words, the increase in land prices especially affects areas where there are the greatest numbers of recent migrants, often burdened by moving costs. Similar disparities among urban populations have often been noted "Buyers and sellers in a city centre seem to have a good understanding of current and future land values, while the poor living mostly in peri-urban areas often don't know the value of their land and more particularly, appear unaware of possible increases in value. They are therefore easily cheated" (Onmanivong et al. 2006, p. 9).

But the social segregation regarding access to land occupancy can be also linked to the implementation of the Land Titling programme published in 2005. This law gives everybody official land titling documents. It has already been implemented in some provinces and in 2009 was about to be completed in Northern provinces. The policy is supervised at the highest State level (Prime Minister's Office) and put into practice according to a standard national procedure, at the local level by the provincial and district land tenure service, under the supervision of the provincial governors.

In Oudomxay and Phongsaly provinces, the Land Titling programme will first concern housing land (for provincial capitals, district main towns and then housing land in villages). It will then be extended to agricultural lands in a second stage. Prices are fixed according to many criteria such as attractivity: location of a plot in a provincial capital, in a district main town, in a village, near a road, and so on. But the difference — and almost the inequality — between the two provinces depends on the following point: in Phongsaly, the provincial authorities have identified two kind of urban lands — lands which are the property of the citizens (inherited from their parents); and government-owned lands, allocated in the 1980s and 1990s to the new provincial offices and where the civil servants built their houses. Regarding the decision of the provincial authorities, half of the urban villages in Phongsaly city are considered to be "government lands". Even if the present settlers have already bought their land from the former occupants, have received sale certificates, and regularly pay taxes for this land, according to the Land Titling, they will have to buy back the land from the provincial services in order to be considered as legal owners. Nevertheless, civil servants benefit from price reductions (they will pay 30 per cent of the total amount if they have already built their house; 25 per cent of the amout for a plot

without a house). Other people, like farmers or traders, will have to pay 100 per cent of the total amount.

For example, Khamtao is a civil servant living 3 km from the centre of Phongsaly city. He has built his house on former agricultural land belonging to his wife. Her parents had cultivated this land for three generations. To receive an official land ownership title (*bay tha din*), he has to pay 50,000 kip per square metre. Since he has 229 square metres, the total amount is 11,450,000 kip. Minus the 70 per cent reduction allowed for civil servants, the total amount is 3,435,000 kip. Thitpan is a farmer who came from the village of Thongpi (7 hours walk from the city) and lives in one of the nine urban villages of Phongsaly city. He came in 2000, after the district authorities declared that all inhabitants of this village had to move in order to reduce shifting cultivation. To finance his move, he sold all his goods (mainly cattle) and bought from a former inhabitant of his new village a 400 square-metre plot to build his house, for a cost of 4 million kips. He also borrowed money from relatives to buy a small plot where he grows tea for a living (5 million kips). In order to receive the land ownership document, he will have to pay a total amount of 20 million kips just for the land on which his house stands, a sum he cannot afford.

In contrast, in Oudomsay, provincial authorities decided not to distinguish between government and non-government lands. By doing so, they do not oblige people to buy land from the State if they have already bought it from the former occupants. In order to get the land ownership document, farmers, traders or civil servants will only have to pay a tax from 0.5 to 3 per cent of the purchase price. Then, if Thitpan lived in Oudomsay, he would have only to pay 600,000 kips, which is 33 times cheaper. In the small town of Boun Tay, in 2009, 11 families, among the poorest and most recently arrived, were confronted with the same problem; the land which they had bought a few years previously from a wealthy local trader was declared "government land", and they were faced with a dilemma — either pay for their land a second time, or leave. Vandergest (2003, p. 49), using an example from Thailand, noted that "Land titling has been widely criticised for the way that titles might lead to loss of control of land and growing class inequalities as small farmers are forced to sell their land due to debt." Our example shows clearly the impoverishment that is, or will be the result of applying this law.

A similar phenomenon can be observed for farmland; price increases make it increasingly inaccessible for some categories of town dwellers, the poorest, who are often peasants. Since the year 2000, there has been a very substantial increase in the price of agricultural land, This results mainly

from the shift from subsistence farming to cash crops cultivation imposed by agrarian reforms.[11] Since in Northern Laos, these crops are mainly destined for the Chinese market — either because Chinese traders come to buy the crops, or because Chinese investors obtain agricultural concessions employing whole families of peasants or even villages — pressure on land is particularly strong in regions adjacent to the Chinese frontier, and especially along the North-South corridor, which is particularly favourable to trade. The consequences of this new "green gold-rush" are large-scale privatization of land, strong land pressure and, as a corollary, considerable inflation of land prices. The most attractive locations are also subject to demands from outside the province, for example in Oudomxay province, where 80 per cent of investors and purchasers of land come from other provinces (Chantalasy et al. 2005, p. 9).

The rise in price of agricultural land that is supposed to be the peasants' main source of income therefore has direct and dramatic consequences for migrants of rural origin, who most frequently set up as farmers — or hope to do so. In the small capital of Boun Tay District, since the rubber planting boom, prices for plots of land have increased tenfold in ten years. If at the beginning of the 1990s fallow land was not worth much, in 1998 it began to be sold for between 30,000 and 100,000 kips per hectare, and then cost more than one million kips per hectare in 2005. Land values are rising significantly in other localities such as Oudomxay, Nateuil, Phongsaly and other cities in Laos.[12]

The increase in land prices leads to a speculative bubble harshly affecting the farmers. For instance, village zoning and land allocation divide land into agricultural and non-agricultural land (such as forests), but in areas where pressure on ressources is high due to population density and external demands, land reform is not respected and the rights of the farmers are not considered. It occurs especially in demographically growing places such as the small towns of the district. For instance, all around Boun Tay city, newly-protected forest (where farmers used to practise swidden agriculture but have not been allowed to do so for the last few years) has been allocated to rich traders' families or civil servants from Phongsaly city in order to develop rubber plantations. In Nateuil as well, though plots of land were allocated to newcomers to grow sugar cane in the 1990s, in 2006 they were taken away from them by a civil servant and given to a rich Lu-Chinese trader instead. This trader is now making the largest rubber plantation in the area.

To sum up, agriculture is turning into a business from which farmers are excluded. The paradox is the following: traders and civil servants have

at present more land than farmers. For instance, some of the traders or civil servants in Phongsaly city have more than 150,000 tea trees compared with only 30,000 trees for a peasant family. Some others also invested in the growing of other cash crops, such as teak and eucalyptus trees, or rice fields and rubber plantations in the lowlands. The situation is quite similar in Boun Tay and Nateuil. Families having more than two hectares of cash crops are systematically working as traders or civil servants. This fact has already been established for other districts of Luang Namtha province, as the *Thai Prachatai* newspaper published a sarcastic remark that the construction of Road 3 — the part of the North-South Corridor crossing Luang Namtha province — had created an economic corridor only for China, and that rubber plantations had enriched the elite class of Lao PDR while producing many poor people who have to work in the plantations and factories.[13] So there is the emergence of a new social category, the "landless farmers", who, I imagine, will make up a growing part of the urban population as is already the case for some populations in Northern districts.[14]

CONCLUSION

In Northern Laos, population distribution within the territory has been changing significantly over the past few years, with a concentration of populations along roads in general, and also a population increase in the lowlands and the north-west provinces, where there is a growing development of exchanges.

A certain number of studies have emerged in recent years concerning the opening of roads, with strongly contrasting points of view: some maintain that a road provides development for people resettled along it (Leebouapao et al. 2005), whereas other studies are more critical. They consider that the road could produce negative effects, while, at the beginning of the twenty-first century it is seen as a necessary tool to give impetus to livelihoods (Rigg 2002). It is not our role here to give our opinion on this debate; this article is mainly concerned with observing the social implications that are certainly favoured by the opening of roads (spontaneous migration), but also by national policies: population movements, the change to the growing of cash crops and the opening of trans-border exchanges. To an increasingly unequal demographic and spatial distribution over the provinces of Northern Laos as a whole, we may add growing land pressure, increasing competitiveness between actors, and especially — this is the main subject of our study — new forms of social differentiation, with the appearance

of landless families, economically dependent on others, while other actors — civil servants, traders or certain "rich" peasant families — benefit from the effects of corridors and foreign investments.

Questions could be raised about the impact of corridors, development and roads on this differentiation. On the one hand, the attractiveness of certain locations — situated in the lowlands — close to major roads built explicitly to encourage trade, is obviously an important factor leading to strong demographic pressure and consequently land pressure which does not leave the most fragile populations unscathed. On the other hand, the example of the Land Titling programme for building land in two provincial capitals — one situated at a major road junction, the other enclosed to such an extent that the transfer of the capital to the lowlands is now planned for the near future — may in future relativize the observation that pressure is probably stronger on populations in the most economically attractive locations. Inequalities with regard to access to land have grown in the town of Phongsaly, which is less well situated and less attractive than Oudomxay, because of local policies, which may aim to make up for the small amounts of local taxes collected, mainly on account of the mass migration emptying the province. But, whatever the case may be, these two situations — agricultural lands under pressure along the corridors, and building land becoming more expensive for the poorest people in less attractive locations — show that the economic situation of part of the population of Northern Laos is becoming alarmingly fragile.

In this type of economic and social context, it is possibly time to think about other forms of development, taking greater account of the social dimension, and aiming to protect populations made fragile by development policies. A remedial solution could include strengthening State commitment, since, for the time being, the State seems to be out of phase with the unequal social aspects of these changes.

Notes

1 For these reasons, a certain number of population movement analyses point out that it is tricky to distinguish between voluntary and forced migration in the context of a relatively undemocratic state, since both result from the same causes, i.e., development policies ill-adapted to the lifestyle of the populations concerned (see, e.g., Goudineau 1997 and Evrard and Goudineau, 2004).

2 See also maps of Luang Namtha district for similar comparison in Thongmanivong et al. (2009).

3 According to UN figures (<http://data.un.org>).

4 This refers to provincial capitals but above all to the main towns of the districts.

5 Source: UN common database; UN Population Division estimates.

6 See also Lyttleton and al. for similar assessment in Muang Sing district (2004, p. 58).

7 These figures indicate civil servants still working (according to statistics for Oudomxay and Phongsaly districts, gathered during surveys carried out among headmen in the urban villages of the Oudomxay and Phongsaly areas). A great many former civil servants in the towns of Oudomxay and Phongsaly have taken to trade and so do not appear in these statistics. Also, these figures indicate an average: in certain urban villages in Phongsaly (e.g. Phonesahat) or Oudomxay (Longthana), 90 per cent of the population consists of civil servants' families.

8 From 30 per cent for the town of Phongsaly to 20 per cent for the town of Oudomxay which is more recent, since it was rebuilt after 1975. Only families whose main income is from farming are counted as farming families, based on statistics from Oudomxay and Phongsaly districts. Figures for district main towns are those for the districts of Boun Tay, Boun Neua (Phongsaly province), and Namo (Oudomxay province).

9 The proportion of civil servants is lower in small towns such as Boun Tay or Nateuil where only categories 1, 3 and 4 are represented.

10 Families where one of the couple is a civil servant and the other a peasant are counted as "mixed".

11 Concerning this agrarian transition, see e.g., Evrard (2003), Tanaka et al. (2007), Cohen (2005) and Ducourtieux (2006).

12 Prices vary according to the distance of the field from the road, its exposure, the slope, etc. For other locations, see the study report of Rabé et al. (2007, pp. 28–30).

13 Thai Prachatai (article on 21 September 2007 of the daily web newspaper <www.prachatai.com>), op. cit. in Tsuneishi (2009).

14 See Lyttleton et al. arguing that large numbers of highlanders recently resettled in the lowlands of Sing and Long districts (Luang Namtha province) will be highly dependent on wage labour in the foreseeable future (2004, pp. 25 and 59–61).

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18

CHINESE NETWORKS, ECONOMIC AND TERRITORIAL REDEFINITIONS IN NORTHERN LAO PDR

Danielle Tan

Luang Namtha, Oudomxay and Bokeo provinces, located in the North-Western part of Lao PDR, have benefited long ago from a strategic position at the crossroads between Thailand, China, Myanmar and Vietnam. They were part of the caravan trade network that thrived between the thirteenth and nineteenth century, and then, of the Golden Triangle opium trade. Due to its geographical assets and its cross-border trade linkages, Northern Lao PDR is once again at the forefront of the regional stage through the implementation of the GMS North-South Economic Corridor (NSEC), which links Kunming to Bangkok by crossing the Northern provinces of Lao PDR. However, this regional integration process also means dramatic socio-economic changes in the remote and impoverished Upland Lao PDR. Will Northern Lao PDR be able to reap the benefits from the NSEC eventually? How is the NSEC impacting on local livelihoods, and who are the main drivers of change?

This research aims to examine the Asian Development Bank's argument that Lao PDR could become the crossroads of the trade routes in the GMS if this landlocked country manages to turn to its advantage the migration and transnational networks passing through its territory. I will explore the role of Chinese networks in regional trade, since the increasing flow of Chinese newcomers into Lao PDR is obviously metamorphosing the socio-economic landscape of the region. The present research is based on empirical data —