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A PARTICULAR PLACE?

Laos and its incorporation into the development mainstream

Jonathan Rigg
Department of Geography
Durham University
South Road
Durham DH1 3LE
UK

j.d.rigg@durham.ac.uk
A PARTICULAR PLACE?
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Abstract
Laos is a poor country in the world’s most economically vibrant region. The paper provides a historically embedded interpretation of Laos’ contemporary economic geography through three lenses: dualism, spatiality and scale. The paper proposes that while the patterns of change in the country are familiar, the meaning of those patterns is linked to a series of spatial associations, scalar disjunctures, historical contingencies, and cultural incongruities which are place-based and country or region specific. The paper draws a distinction between national and trans-national governmentalities on the one hand, and ‘village governmentalities’ on the other, offering these as alternative, but not mutually exclusive, ways of viewing and interpreting Laos’ economic geography.

Key words
Laos, history, transition, culture, inequality, space

Laos: a particular place?

Until comparatively recently, Laos was a blank page and a black box – the invisible country of the Southeast Asian region. At a time when other countries of Southeast Asia were elbowing their way into the mainstream of development and into the mindsets of scholars and policy makers, Laos was in danger of simply sinking from view. Most economic studies of the Southeast Asian region, for example, either ignored Laos entirely or, having noted that the country was a geographical component of the region, were either unable or unwilling to say much more. This state of affairs, in which Laos languished as the ‘forgotten’ country of
Southeast Asia, essentially extended from the beginning of the development era in the 1960s, through to the early 1990s.

The reasons why Laos was in danger of slipping off the page were, essentially, a combination of the country’s international insignificance; the isolationist policies pursued by the Lao People’s Revolutionary Party until the late 1980s; the response of the international community to the victory of the communist Pathet Lao in 1975; the belief in some quarters that Laos was not a country at all but a cartographic accident; and the difficulties and dangers of undertaking research in a country that was embroiled in a war for long years and around which travel was difficult and often impossible.

The first grounded study of Lao rural society to be published since 1975 was Grant Evans’ *Lao peasants under socialism* (1990; and see Evans, 1995). Even he, however, could only undertake research in villages close to the capital, Vientiane. For nearly two decades then, from the early 1970s to the early 1990s, at a time when other countries in the Southeast Asian region were being intensively researched and scrutinised, knowledge of Laos was actually diminishing as studies and data aged. Many of the country’s small educated elite, furthermore, fled to Thailand following the victory of the Pathet Lao, leaving the country with a woefully thin base of educated women and men. A report prepared by the Lao government in 1989 for a Least Developed Countries round table meeting in Geneva had to admit that even the GDP estimates for the country were “only approximate” (GoL, 1989, page 10) and this lack of knowledge extended to many other of the country’s “key physical, social, economic and climatic variables” (UNDP, 1990). Even government offices in Vientiane are said to “rely more on guesswork than real data” (Vatthana Pholsena and Banomyong, 2006, page 74). While there is a surprisingly substantial literature on Laos – a recent bibliography, for example, extends to 1,385 pages (Gay et al, 2003) – compared with other countries of the region the knowledge base on which a contemporary economic geography can be built, is limited.
Making Laos special? Policy, global integration and regional differentiation

Laos (Figure 1) is a transitional economy. This is the title page and the *leitmotif* of the country’s development project. Since the early 1980s, Laos has progressively been venturing further into the economic and political mainstream. Economically this is encapsulated in the reforms of the New Economic Mechanism (NEM), more evocatively termed *Chin Thanakaan Mai*, or ‘New Thinking’, which comprise, in summary (Rigg, 2005):

- A move to a market determination of prices and resource allocation
- A shift from central planning to guidance planning
- An elimination of subsidies and introduction of monetary controls
- An alignment of the domestic currency with the market rate
- A decentralisation of control to industries and lower levels of government
- The encouragement of the private sector
- The encouragement of foreign investment

The policies of the NEM can be neatly mapped onto the generic Washington consensus (Table 1; and see Rigg, 2005, page 23) and the capital, Vientiane, is dotted with the offices of the multilateral agencies and agents of these institutions are intimately involved in the formulation of the country’s development policies. We see in Laos, therefore – or at least at first glance – an incorporation of one of the world’s poorest countries into a policy milieu which has as its intellectual and political heart an ideology of development that is Western in both its geography (it comes *from* the West) and in its intellectual provenance (it is *of* the West). It seems, on this basis, that the term ‘Eurocentric’, can be applied in spades to Laos’ recent development. Side-by-side with this process of economic mainstreaming, at a regional level we see the incorporation, politically, of Laos into the Association of Southeast Asian...
Nations (Asean), which the country joined in 1997. The habit of attending Asean meetings and contact and communication between officials at high and mid-levels has served to ingrain a sense of regional identity and common purpose. Taken together, and it would seem that the economic will of the NEM/Washington consensus and the political exigencies of belonging to Asean have drawn Laos inexorably into the mainstream. The policies of economic development in Laos are formed and formulated on the basis of a global intellectual current centred on Washington, tempered by a regional political framework informed by the Asean ‘way’.

But the development story in Laos is not a simple one of submission to global economic strictures and forces, and regional political incorporation. There are two other stories to tell that serve to unsettle this neat picture of global and regional integration. First, there is a story of Lao exceptionalism and a concerted effort to maintain the distinctiveness of Laos in the wider regional and global context. And second, there is a local narrative of incorporation and inclusion which rubs up against the higher level debates and visions. To understand the first, it is necessary to excavate quite deeply into the country’s pre-colonial, colonial and post-colonial pasts (See: Stuart-Fox, 1993, 1996, and 2006; Jerndal and Rigg, 1998; Vatthana Pholsena and Lockhart, 2006; and Lockhart, 2006). And to appreciate the second – and this comes later in the paper – it is necessary to ask what happens to policies and pronouncements as they enter local spaces and make the transition from rhetoric to policy, from policy to practice, and from practice to experience.

A Lao historiography

At the real risk of collapsing and simplifying Lao history, prior to the late 19th century the area that we now call ‘Laos’ was a site of tussle and conflict between competing regional powers and, in particular, Siam (Thailand) and Vietnam. There were, to be sure, powers and principalities that arose in the lands of Laos and which had some influence but to say that
‘Laos’ existed prior to the 20th century would be to stretch a point. The French colonisation of the lands of present-day Laos – more by accident than design – did little to change this state of affairs and forge a sense of Lao identity. The French treated Laos as the resource-rich annex to their more important possessions over the Annamite mountains, in Vietnam. In fact, they had plans, which came to nought, to subsume Laos within a Greater Vietnam. During the Second World War, the government of Siam, in their attempts to achieve their objective of creating a Greater Thailand based on a pan-Thai nationalist agenda, annexed two portions of Lao territory in 1941 (Ivarsson et al, 1995, page 13). In response to the threat from the west, from 1941 the French Vichy government in Hanoi began to engender a sense of Lao national identity, marking the “first serious attempt to create an unprecedented national space in Laos and….a modernist nationalist discourse on Laos and the Lao” (Ivarsson, 1999, page 76).

Having survived the Second World War without being absorbed by Siam or integrated into Vietnam, and then having achieved independence from France in 1954, the country was divided by a civil war for more than two decades. A US-backed Royalist government based in Vientiane controlled the lowlands of the Mekong valley, while the Hanoi-supported Pathet Lao operated across much of the rest of the country. Only in 1975 was Laos finally reunified under a communist government, with the full and final victory of the Pathet Lao.

With this history in mind, it is scarcely surprising that one of the themes of Lao government policy since 1975 has been to cement in the population’s minds and in the regional context the notion that Laos exists and, moreover, has done so for many centuries. The official, 1,300-page Pravatsat Lao or History of Laos published in 2000 (see Lockhart, 2006) provides a historical narrative that transcends ethnic difference, and links the present with a (reconstructed) past. As Lockhart says, this official history has “no shortage of artificial or even fictional elements that stretch historical credibility to breaking point” (2006, page 377). It also, though, provides a ‘counter-discourse’ to the view that has sometimes emanated from Thailand, promulgated by Thai historians, that there is a pan-Thai (or pan-Tai) civilisation.
that reaches north and east into Laos and China (Vatthana Pholsena and Lockhart, 2006, page 335; and see Vatthana Pholsena, 2006).

So, we can see in Lao government/party policy a concerted attempt to ‘create’ Laos, for two sets of constituents; for the Lao people themselves (i.e. for those within), and for the international community (i.e. for those without). Over the last three decades, Laos has acquired a history and the peoples of Laos have acquired at least the pretence of a common bond that links them to each other rather than to groups residing in neighbouring countries. However in papering over Laos’ multi-ethnic past and in denying the country’s ethnic minorities a history that can be told separately from that of the country as a whole, ructions have been created (see Lockhart, 2006).

From neat histories to messy presents: three approaches to discerning economic geographies of Laos

This introduction has, so far, been Laos-centric. But the paper is not only intended to add to our rather meagre knowledge of Laos. I also wish to use the country as a stage on which to rehearse, and reflect on, discussions of ‘trans-national governmentalities’ and ‘village governmentalities’. The first of these is exemplified in the work of Ferguson (2005) and Ferguson and Gupta (2002) and, in writing of trans-national governmentalities, they are referring to “…not only new strategies of discipline and regulation, exemplified by the WTO and the structural adjustment programs implemented by the IMF, but also transnational alliances forged by activists and grassroots organizations and the proliferation of voluntary organizations supported by complex networks of international and transnational funding and personnel” (Ferguson and Gupta, 2002, page 990). The notion of village governmentalities, meanwhile, picks up on discussions over village transnationalism and highlights the way in which people – individuals and households – often separated across space, are deeply
connected. While trans-national governmentality focuses on the transnational network, village governmentality focuses on the nodal points, viewing these as containers of human agency.

Returning to the discussion of Laos, three entry points are provided for an examination of Laos’ economic geography. First of all, it is possible to focus on the dualisms in Lao society, of which the most pertinent in the context of this discussion are between the Lao, as an ethnic group, and the various non-Lao minorities; and between Laos and Thailand. The second entry point focuses on patterns of economic activity in the country – in other words, on Laos’ economic geography, in the classical sense. The third entry point engages with the distinction between policy and practice/experience, or between economic geographies seen from the perspective of the village and the rice field, and economic geographies viewed from Vientiane, through the lens of planning documents and government pronouncements.

Clearly, another set of entry points could have been selected – there are many ways to cut the Laotian cake: evolving relations with China, the political economy of resource plunder, and environmental degradation, for instance. Those selected here, though, are seen to touch on key issues that both resonate with the Lao experience and relate to wider geographical debates. Moreover, it is through considering such wider concerns that it becomes evident that the entry points are not isolated one from the other, but linked. In particular, they cut through two debates: that over space, place and scale; and, second, the debate over society and economy (see Jonas, 2006; Mansfield, 2005; Marston et al, 2005). In this way, the entry points can be seen operating in the context of several competing, though not mutually exclusive, scalar discourses:

- A global discourse of economic reform and market integration which has Laos entering and becoming part of the mainstream
- A regional discourse of Laos as a component part of a wider Southeast Asian region, where an Asian identity creates and cements a common purpose
A national discourse of Lao exceptionalism, which separates the country from its key neighbour, Thailand, and which has its roots in centuries of interaction, contact and conflict.

And a sub-national, centre/periphery discourse which highlights the differences between the centre – the capital, Vientiane – and local spaces.

**Entry point #1: Lao dualisms**

What are the pertinent dualisms in Laos today? The obvious framing would be in terms of modern/traditional, lowland/upland and, possibly, global/national. I wish to suggest that a more instructive pair of dualisms – and by instructive, I mean illuminating – is between Laos/Thailand and Lao/non-Lao. As will become clear, both these dualism touch in important ways on the historiography rehearsed above. History informs economic geography; economic policy reflects certain historical antecedents; and these policies, in turn, serve to re-shape contemporary economic geographies.

In the Thai capital, Bangkok, there remains a tendency to Thai-ify Laos: to see the country as a cultural and historical component of Greater Thailand. Unlike the usual debate over difference in the mainstream literature, which emphasises the East-West dichotomy, in Laos concern revolves around relations with Thailand. This, ironically, is not because of the latent differences between Laos and Thailand, but because of the two countries’ similarities. Thailand and Laos’ histories, or the histories of those spaces that we now call Thailand and Laos, have intersected at key junctures over the centuries and their peoples share a language, religion and many other social and cultural commonalities.¹ Thailand is also, however, the regional super-power so this relationship is not one of equals. Thailand is Laos’ greatest

¹ This is a simplification because Thailand and Laos, the latter particularly, are far from being homogeneous countries themselves. Nonetheless, the broad point is germane.
investor, largest trading partner, hundreds of thousands of Lao nationals work in Thailand, and the baht is used as currency in day-to-day financial transactions, along with the US$ and the Lao kip.\(^2\) Thailand’s presence in Laos ranges from these tangible elements that we can measure and track – money, labour, commodities, and so forth – to the more intangible. Grant Evans (1998, pages 108-113), for example, notes how Thai royalty support development projects in Laos in much the same way that they do in Thailand and how pictures of the Thai royal family or calendars with images of Thai royalty adorn people’s houses and shops. It is as if, Grant says, “the Thai king had become a proxy for Lao royalty” (1998, page 113). In everyday contact, Thai and Lao reveal a level of engagement which reaches beyond normal communication between neighbours: “When someone from Thailand meets a Lao, he almost instinctively refers to himself as elder brother (phii) in the same way that a Bangkok citizen would do when meeting someone from Thailand’s own periphery” (Ivarsson et al, 1995, pages 24-5). The implication would seem to be that many Thai – often without realising – regard the Lao of Laos as they do the Lao of the Northeastern region of Thailand.

Inevitably, the Lao government is highly sensitive to any insinuation that Laos is ‘part’ of Thailand, or to anything that smacks of condescension on the part of the Thai. In his Masters thesis completed at the University of Sydney, the long-serving (1998-2006) Lao ambassador to Thailand, Hiem Phommachanh, wrote: “For decades, the Thais acted as superiors (elder brothers) over the Lao people and attempted to despise the Lao age-old cultural identity”.

This view is not surprising when one considers that a former Thai premier, Kukrit Pramoj, is reputed to have once said that “living with Laos is like raising a pet gibbon” (quoted in Khien Theeravit and Adisorn Semyaem, 2002, page 57). Thongchai Winichakul’s (2005) review of Thai scholarship on Southeast Asia notes how it has tended to be ‘ego-centric’ in orientation,

\(^2\) In 2004 the Thai Ministry of Interior estimated that there were 181,614 registered migrants from Laos working in Thailand, 80,981 men and 100,633 women (Maniemai Thongyou and Dusadee Ayuwat, 2005, page 3). There are also many unregistered migrant workers. Some NGOs estimate that there are 300,000 Lao working in Thailand (Huijsmans, 2007, page 20).
viewing the country’s neighbours either as dependencies or as enemies. Nor does Thongchai think much has changed: “Laos is still the pitiful sibling of earlier days…tied to and dependent on Thailand” (Thongchai Winichakul, 2005, page 123). A good portion of Lao government policy is designed to ‘protect’ the Lao population from what are seen to be the corrosive influences of Big Brother across the Mekong.

A Thai-funded study of Lao perceptions of Thailand undertaken in 2001 revealed that 14 out of 39 national leaders sampled – more than one third – viewed Thailand as ‘more a foe than a friend’. It is not just a case of cultural sensitivities linked to a prevailing sense of Thai superiority. It is also necessary to recognise that security concerns play an important role in moulding Lao-Thai relations. Historically, Thailand has harboured territorial ambitions in Laos. During the war between the Pathet Lao and Royal Lao government, Thailand hosted US bases from where military aircraft were dispatched in support of the RLG’s efforts; after 1975, refugee camps in Thailand housed thousands of displaced Lao, many of them vehemently opposed to the new government in Vientiane; and there was a small but vicious border battle in 1987-1988 between the two countries over disputed territory in Ban Romklao-Boten, straddling Thailand’s Phitsanulok province and Xayabouri in Laos (Figure 1). It is this that explains why all but one of the 39 Lao national leaders interviewed in the survey noted above stated that Thailand was a threat to Lao national security in the past and, moreover, that 30 continued to believe this to be the case (Khien Theeravit and Adisorn Semyaem, 2002, page 81).

The sensitivities that inform Lao-Thai relations can be seen reflected in small ways, as well as large. Take, for example, how the Lao government has dealt with the thorny issue of ‘poverty’. Poverty – officially – did not exist in Laos until relatively recently, on first sight an

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3 The same study revealed that 28 out of the 39 Lao national leaders felt that – among a selection of nations – it was the Thai people who were most likely to look down upon the Lao.
odd state of affairs in one of the world’s poorest countries.\textsuperscript{4} It was only in 2001 that a definition of poverty was adopted by the government, and an officially accepted Lao term for poverty was embraced a year after this, in 2002.\textsuperscript{5} The official term for poverty in Laos is \textit{thuk nyak} (suffering + difficult) (Chamberlain and Phanh Phomsombath, 2002, page 62). \textit{Thuk} is the Buddhist term for suffering and, as Chamberlain and Phanh Phomsombath say, is closer to mental than to physical suffering. Significantly, the Lao authorities decided to pair \textit{thuk} with \textit{nyak} and in so doing avoided using the most likely alternative pairing, \textit{thuk + chon}. \textit{Chon}, or \textit{yaak chon}, is the popular Thai word for poverty and is closer to meaning ‘destitute’ than the less extreme and grinding ‘difficult’. At one level we can interpret this choice of words as an attempt to separate the production of poverty in Laos from the operation of the market, making poverty a ‘natural’ state of affairs connected with Buddhist metaphysics rather than government policy. What it also does, however, is separate poverty in Laos from poverty in Thailand, emphasising the fact that Laos is different.

The second key dualism is between the lowland Lao and the country’s minorities. Understanding why this is so central to debates on Laos it is necessary to return to the discussion above about the creation of \textit{Meuang Lao} – the country of Laos. In forging Laos, the government in Vientiane has been presented with two particular challenges: first, there are many more ethnic Lao living in Thailand than living in Laos; and second, a large proportion

\textsuperscript{4} The first Lao Expenditure and Consumption Survey (LECS) was undertaken in 1992-1993 (GoL, 1995). While there is discussion of poverty in this survey it is related to international standards and the international literature. As there was no official poverty line at the time, the survey skirts the question of poverty in Laos. Instead the survey talks about ‘low standards of living’.

\textsuperscript{5} Poverty is “the lack of essential needs of daily lives such as the lack of foods (possession of foods that are less than 2,100 calories/head/day), the lack of clothing, the non-possession of permanent accommodations, unaffordable fees of medical treatments in case of illness, unaffordable payments for self-education as well as that of members of the family and unavailable conditions for convenient communications” (quoted in UNDP, 2001, page 129). (Note: this is an informal translation by the UNDP office in Vientiane.)
of the population of Laos are not Lao at all, but belong to one of several score minority
groups. How is it possible to create a history for all the peoples of Laos, and not just the
lowland-dwelling, Theravada Buddhism-practising, wet rice-growing, Lao? One approach
was to re-designate all Laos’ various peoples as ‘Lao’, but of different varieties. Most official
reports and many academic papers still refer to three broad categories of Lao, the Lao Loum,
Lao Theung and Lao Soung or, in turn, the Lowland, Midland and Highland (or Upland) Lao.
Vatthana Pholsena refers to these as ‘seminal terms’ (2002, page 180).

The Lao Loum are the dominant lowland-dwelling ‘Lao’ who make up between one half and
two-thirds of the population (sources disagree). The Lao Theung map on to the ‘Kha’, \(^6\) while
the Lao Soung are the colonial era demarcated ‘Meo-Yao’. For Vatthana Pholsena, during the
course of the colonial period and the early years of independence, a “truth had been produced
and legitimised, naturalised through a series of discourses, which were operated, integrated
and transmitted by…colonial administration, the post-colonial state, scholars and the
population…” (2002, page 180; and see Jamaree Chiengthong, 2003). The attraction of this
formulation from the perspective of the Lao PDR was that all the population of Laos, no
matter what their ethnic origins, was ‘Lao’. It was driven by a desire to make the geographical
space of Laos, coincident with Lao national space. While this classification may have been
officially dropped in 1985 (possibly in 1981) under the orders of the General Secretary of the
LPRP, General Kaysone Phomvihane, it lives on in reports and documents emanating not
only from multilateral agencies but even from government ministries (see Rigg, 2005, page
30 [fn 15]; Vatthana Pholsena, 2006, page 158). It also has a degree of popular legitimacy and
is invoked, on the ground, by officials and local leaders.

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\(^6\) It has been usual to translate ‘Kha’ as meaning ‘slave’ and therefore to ascribe to it derogatory
overtones. However Chamberlain and Panh Phomsombath argue that the Tai-Kha/civilised-uncivilised
relationship has been overplayed and that the term Kha has been imbued with more negative meaning
Notwithstanding this effort at nation-building, the key social and economic divisions between the lowland Lao and the minorities remain. The minorities, on all measures, are socially and economically excluded. They are poorer, die younger, suffer higher level of morbidity and lower levels of nutrition, have lower levels of education, are remote from services and infrastructure, and are less likely to occupy positions of authority. The ADB-sponsored participatory poverty analysis (PPA) unequivocally states: “…poverty in the Lao PDR is inextricably related to culture and ethnicity and…its focus is with highlanders” (ADB, 2001a, page 25) (Table 2). Income/consumption inequalities are mirrored in the health and educational profiles of different ethnic groups. One of the largest systematic studies of poverty and ethnicity in Laos was undertaken by the EU in 1996. This surveyed 6,000 households across 342 villages in four districts in Luang Prabang province (EU, 1997) and identified “the emergence of a social discriminatory process leaving behind the weaker part of the rural society…which appears to be Lao Theung [i.e. minority] in origin” (1997, page iv).

The national discourse is one of equality between peoples in a multi-ethnic state; the reality, however, is one of deep-seated and continuing, possibly even deepening, inequality.

The minority/non-minority dualism is, geographically, an upland/lowland one, reflected in the collapsing of the Lao population into three agro-ecological categories linked to where they live: in the lowlands (loum), midlands (theung), or uplands (soung). It is also a dualism that feeds into other significant divides: between connected and remote, between market (commercial) and subsistence (self-reliant), and between shifting and sedentary. In this paper, however, the argument is that it is the non-minority/minority dualism with which we should begin, because it is this dualism which is the most powerful in explaining patterns of economic differentiation and social exclusion in the country. This is illustrated in a second and less well publicised PPA, also commissioned by the ADB, on patterns of urban poverty in Vientiane. The study reveals that many of the very poorest (tuk thii sut) in the capital belong to one of the country’s ethnic minorities and a dominant finding is that vulnerability is an outcome of social exclusion and marginalisation from key socio-economic structures (ADB,
2001b: 17 and 36). In other words, the factors that make the ethnic minorities poor in upland and rural areas would seem to be reproduced in lowland areas and urban centres.

There are radically competing explanations for this all-too-clear pattern of poverty in Laos. These reflect different ideological positions, which then inform policy and, in turn, have the potential to alter economic geographies. These links between problem identification, explanation, policy-making, and economic geographies will be addressed in the next section of the paper. Suffice to say that the Lao state – and many of the multilateral agencies in Vientiane – have characterised the condition of the upland peoples as a product and an outcome of their adherence to traditional modes of living and, more particularly, shifting cultivation in the uplands. Government policy is predicated on the assumption that their socio-economic condition will be improved through their incorporation into the mainstream and through their embracing of settled agriculture. For some scholars, however, the poverty of the upland people is a product of their engagement with the state and the market on unfavourable terms (see Rigg, 2005; Chamberlain and Panh Phomsombath, 2002; ADB, 2001a). In other words, poverty is produced – rather than ameliorated – through modernisation and state incorporation.

**Entry point #2: spatialities of economic activity – area based development and the GMS**

The obvious spatial division and distinction – and this picks up on a long geographical tradition – is between upland and lowland peoples and livelihoods. While there has always been more contact and communication between upland and lowland peoples in Laos than often assumed, and notwithstanding the continuing efforts of the Lao government to draw upland areas into the mainstream, the distinction remains germane. However the spatialities of economic activity are being altered by two forces which have rather different, and sometimes contradictory or competing outcomes. These forces arise from the operation of government policies on the one hand, and regional market integration on the other.
The Lao government’s rural development policy is area-based and focuses on concentrating resources and services in particular areas, bringing the people to these development centres, rather than vice versa (Figure 2). This strategy has been highly contentious and the generally accepted view today is that it has, in more than a few instances, undermined livelihoods, extracted upland peoples from their traditional lands, led to severe social disruption and, in the process, created poverty.\(^7\) The executive summary of one report opens with the following:

“There now exists a compelling and growing volume of evidence demonstrating that internal resettlement and related initiatives in Laos are, in many cases, having a major and generally negative impact on the social systems, livelihoods and cultures of many indigenous ethnic communities and people. Tens of thousands of vulnerable indigenous ethnic minority people have suffered and died due to impacts associated with ill-conceived and poorly implemented internal resettlement initiatives in Laos over the last ten years. Many of those impacted can expect to be impoverished long into the future” (Baird and Shoemaker, 2005, page 2).

Besides the implications of these policies for human well-being, area-based development has also had a profound effect on economic geographies in the uplands through concentrating populations in particular sites (close to roads), barring access to traditional shifting cultivation fields, encouraging permanent field agriculture and, in particular, wet rice cultivation, and capturing the forested spaces and their value for the state and its associates. This policy is partly informed by the country’s nation-building creed, partly by the market-integration philosophy of the major donors, and partly by deep-held normative views in Vientiane about

\(^7\) The intention in this paper is not to provide a detailed dissection of the Focal Site Strategy and the linked Land-Forest Allocation programme. Both, however, are area-based development strategies. For further discussion see: Rigg, 2005; Baird and Shoemaker, 2005; Baird and Shoemaker, 2007; Ducourtieux et al, 2005; Evrard and Goudineau, 2004; Thapa, 1998; and Vandegeest, 2003.
how people should lead their lives. Regarding the second of these, the World Bank holds that “…remoteness is an important cause of rural poverty…” (World Bank, 1999, page 7) while the UNDP also offers the view that “lack of access causes poverty” (UNDP, 1996a, page 3). With such unequivocal views, it is no surprise that the largest slice of public investment over the last two decades should have been directed at infrastructure provision, and most of this to road construction.

For the Lao leadership in Vientiane there is the additional perception that shifting cultivation is not only environmentally destructive, but also inherently primitive. Ethnic chauvinism, in part inherited from the colonial and pre-revolutionary independence periods and in part a product of Marxist-Leninist evolutionary views of cultural development, inform the beliefs and actions of politicians and policy makers. The chairman of the National Rural Development Committee once described rural areas in Laos as “…areas which are isolated, remote and uncivilized, in which the ways of living of people are different from others, and in which there are high natural and political risks” and where rural people are “poor and backward, and unhappy when they lack food and medicines” (UNDP, 1996b, page 14). What we can see, in other words, is that a set of views held by key leaders and policy-makers in Vientiane being translated into particular policies and these, in turn, having a profound impact on patterns of activity across large areas of the country. It should be emphasised that resettlement and area-based development is not a bagatelle policy; it has led to “a dramatic deconstruction and restructuring of upland Lao societies over very short periods…” ‘internal resettlement is the biggest thing happening in upland areas of Laos at the present time’” (Baird and Shoemaker, 2005, page 6).

In many respects, the Land-forest allocation programme (LFAP) is a model of aware and locally-sensitive development intervention and ‘ticks the boxes’ of current best practice in rural development. It involves negotiation between the implementing agencies and local people, takes into account local needs and views, provides villagers with collective rights to
resources, and is highly participatory (Vandergeest, 2003, pages 49-51). These good intentions come unstuck because of two core sets of assumptions that inform the policy and which over-ride the participatory flannel. First about how people should be living their lives – namely, as settled agriculturalists rather than as shifting cultivators; and second, about how land and space should be organised (see Vandergeest, 2003). With regard to the latter, the LFAP has led to the bureaucratisation of land and space in a context where, traditionally, these were managed in a flexible manner. The programme, therefore, gathers together a number of inherently conflicting and contradictory frames. To begin with, the programme pays homage to the international farmer-first + local knowledge + participatory development paradigm. Second, it implicitly reflects a set of deeply ingrained local beliefs held by many of the educated elite as well as ‘ordinary’ lowlanders about upland peoples and life styles. And third, it links into a set of technical and managerial guidelines regarding the measurement, classification and categorisation of people and space.

The second force changing patterns of economic activity in Laos is linked to regional market integration. This process is not confined to the lowlands, although it is in the lowlands where its effects are most marked. (As against government policies which have the most marked effects in the uplands.) Essentially, a regional human resource economy is emerging where the provinces of Laos lining the Mekong are becoming tied to, and dependent upon, labouring opportunities in Thailand. This is creating labour shortages in some areas of Laos while also leading to a significant flow of income from Thailand to Laos (see Rigg, 2007). So called ‘remittance landscapes’ (McKay, 2003 and 2005) are being created where the multiple geographies of household, home, village and field are becoming implicated into networks of links and associations tying these Lao places and lives to non-Lao places and lives.

8 These are also characteristic of ‘lowland’ and elite views in Thailand and Vietnam. As Rambo et al. say in the introduction to a collection of papers on highland development in Vietnam, the “view of minority cultures as backward was manifested in presentations by many of the Vietnamese participants [in the conference]” (1995, page xx).
Connectivity, in other words does not just link people and places; it reworks those people and places.

Beyond a regional human resource economy, there is an intensifying regional market in goods. China to the north, Vietnam to the East, and Thailand to the west are all exerting their influence with manufactured goods streaming in to Laos, and agricultural products (and labour) filtering out. While this process of market integration is less clearly and tightly linked to policy interventions than the resettlement and area-based development discussed above, there is an evident political/policy context. Politically, rapprochement between Laos and Thailand has oiled trans-border links. In policy terms, the vision of forging closer associations between the countries of the Greater Mekong Sub-region (GMS) (Figure 1) for mutual benefit is setting in place a physical infrastructure that will create an economic geography of activity and interaction founded on an economic logic that is couched at the regional rather than the national level:

“When, as in Cambodia and Laos, these [rural-urban] linkages are underdeveloped or do not exist, farmers have no easy access to markets for produce or for inputs, and they neither have the incentives nor get the market signals needed for making the shift to more specialized production. At the same time, rural non-farm and off-farm activities remain confined to small local markets that do not allow economies of scale and specialisation or, if they have some access to larger markets, are at the mercy of intermediaries who take advantage of their position to charge monopoly rents that do away with the possibility and the incentive to invest. The consequence, in both cases, is stagnation” (ADB, 2005, page 74)

The GMS project was launched in 1992 with the encouragement and support of the ADB and given further impetus in November 2001 when the Strategic Framework for the Greater Mekong Sub-region was adopted at the Asean Ministerial Conference (see
It had become, by the turn of the Millennium, a pivotal project of both the ADB, which helps to fund its realisation, and ASEAN, which delivers its political rationale. At the first GMS Summit held in Phnom Penh at the end of November 2002, the leaders of the sub-region endorsed a ten-year strategic framework with five strategic thrusts:

- Strengthen infrastructure linkages through a multi-sectoral approach
- Facilitate cross-border trade and investment
- Enhance private sector participation in development and improve its competitiveness
- Develop human resources and skill competencies, and
- Protect the environment and promote sustainable use of the sub-region’s shared natural resources.

(Source: [http://www.adb.org/GMS/devt-matrix.asp#background](http://www.adb.org/GMS/devt-matrix.asp#background))

Cornford (2006) addresses the impacts of the GMS’s East-West corridor (EWC) linking Thailand and Vietnam through southern Laos (Figure 1). He sees the EWC as a transnational highway which has, as its underpinning economic logic, the linking of northeast Thailand with the port of Danang in Vietnam. Along with the road itself, the GMS requires that national borders become more permeable so that people and commodities can flow freely between the countries of the sub-region. It seems highly likely that this initiative will progressively make Laos part of a larger economic unit, and people’s livelihoods will become implicated in wider, trans-national circuits of exchange. Of course they will not become equally involved however, and it has been suggested that established inequalities will be accentuated, particularly those that relate to ethnic divisions (Cornford, 2006, page 22). Not only do some scholars see the GMS initiative having negative economic effects on more vulnerable states and peoples, but these spill over and are reflected in negative environmental and social effects (see, for example, Hirsch, 2001; Oehlers, 2006).
The key point in the context of this paper is not to argue the case for or against the GMS, but rather to note the way in which a regional initiative, founded on certain assumptions about the likely positive outcomes of supporting regional market integration, and greased by a process of political rapprochement between the states of mainland Southeast Asia, is forging a new economic geography in Laos. This is linked to a belief, to begin with, in the power of the market; second, in the notion that there are complementarities to be exploited between the GMS states; and third, in the central role of physical integration (or connectivity) in forging more productive spaces and partnerships.

Entry point #3: Village economic geographies and Vientiane economic geographies

The third and final entry point and binary is between what is termed here ‘Village economic geographies’ and ‘Vientiane economic geographies’. With regard to this third area of debate, I am guided by Tania Li’s work on policy formation in Indonesia and her desire to uncover not what policy is, but what policy does. She asks the question: ‘what do development interventions accomplish?’ (Li, 1999). Following Li, in this section I wish to foreground the disjuncture between economic geographies as seen and constructed in Vientiane and by elites at the centres of decision-making, and economic geographies as experienced and re-structured by ordinary people, on the ground.

The role and effects of re-settlement policy in the uplands of Laos have already been discussed. While there are strong reasons to indicate that this broad policy has, in many instances, been inimical to the interests of upland peoples, there is some evidence of a process of ‘re-territorialisation from below’. People work with, around and below the policies that the state puts in place. Villagers, even in a one party state such as Laos, find ways to resist and subvert these policies. Viewed from the village, therefore, policy effects are – as Li found in the case of Indonesia – filtered through and shrouded by local political cultures. In the context
of my own work fieldwork in northern Laos and reflecting on the effects of government policies towards the upland minorities, I wrote:

“…minorities become implicitly re-drawn as ‘victims’ of state policies and are left largely devoid of agency, autonomy or power. The reality is rather different. Minorities often leave their homes, abandon their lands, and rebuild their lives voluntarily – if not always willingly. Purpose is allayed with energy, direction with initiative, and intent with resolution. In this way there occurs a process of reterritorialisation from below, an unscripted and energizing transition that takes the resettled and displaced and transforms them, once more, into villagers, albeit ‘new’ villagers” (Rigg, 2005, pages 110-111)

We can, therefore, read the script of development from two – in fact more than two – vantage points. The script as it might be read from Vientiane sets out an economic logic and justification based on a set of assumptions about the direction that development should take and the best means to alleviate poverty and improve standards of living in rural areas. This centre-script is, in turn, influenced by forces and debates beyond Laos – in the offices of the ADB and the World Bank, and in discussions held between ministers at Asean gatherings, for instance. The script read from the village context reveals what happens when these policies rub up against the people they are ostensibly designed to ‘help’. One particular aspect of this concerns the emergence of Lao village transnationalisms.

_Village transnationalisms_

A process of village transnationalisation is underway in Laos driven by two forces. First of all, by the migration of large numbers of (mostly) young Lao to Thailand, mainly for work (see Rigg, 2007). These young women and men have their outlooks transformed in the process, and quite remote and poor rural communities in Laos become linked in a cultural and aspirational sense with Thailand, as well as economically through the remittance of relatively
large amounts of money. Village transnationalism is also being propelled, and second, by the infiltration of the Thai media into the homes and lives of ordinary Lao, displacing Lao media and instilling a Bangkok-centred world view. The villages of Laos, or at least those within around 50 kilometres of the border with Thailand, often know more about what is going on in their neighbour than they do about events in their own country. It has been suggested that in areas that can receive Thai transmission signals, 80 per cent consume Thai radio and television (Khien Theeravit and Adisorn Semyaem, 2002, page 17). Those living further away can also do so, using satellite dishes.

In the process, villages in Laos are becoming oriented towards Thailand in social and economic terms. Pattana Kitiarsa (2006) has explored village transnationalism in the context of Thai-Isan migrants to Singapore, where migrants reproduce village life styles and habits in the city state – which Pattana Kitiarsa terms ‘transnationalism from below’ (page 32).\(^9\) Migrants are excluded from mainstream Singapore society and, partly in defensive response, maintain an identity in mind and practice which is resolutely Thai. In the context of the discussion here, the notion of village transnationalism focuses on the way that labour migration to Thailand and contact between Lao and Thai lives and lifestyles infiltrates Lao village spaces. There are clear differences between Lao villagers migrating to Thailand for work, and Thai-Isan villagers migrating to Singapore, not least the cultural distance separating sending and receiving countries and populations. Nonetheless, the power of such links to explain changing economic geographies at home and in places of work is significant. It is also worth noting that the migration of villagers from the Northeast of Thailand to Singapore and elsewhere creates the labour vacuum that Lao migrants have partially filled.

The intensifying contact – virtual and actual – between ordinary Lao and Thailand is viewed with some concern in Vientiane. The effects of the Thai media are seen to be corrosive of Lao

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\(^9\) Thai-Isan migrants are from the Northeastern region of Thailand, and ethnically Lao.
culture, ‘poisonous’ to Lao society, ‘indoctrinating’, and promoting ‘informational imperialism’ (Khien Theeravit and Adisorn Semyaem, 2002). In February 2007 the Lao government requested that a Thai soap opera not be transmitted because, a Lao foreign ministry spokesman said, it was ‘against Lao culture’ as it depicted a love affair between a Lao woman, born out of wedlock, and a Thai man: “It’s against Lao culture to have a child without marriage…well, Thais might be okay with it but not for Laos” (Nation, 2007; see also Jory, 2003). To the Lao authorities, the Lao lead was a ‘bastard child’. This is only the latest of a series of protests against Thai media imperialism and its presumed negative effects on Lao culture. Against the edifice of Thai commercial television and radio, the central plank in the Lao government’s reform programme seems a trifling thing. In our study of nine rural villages in Luang Prabang and Vientiane provinces undertaken in 2001 and 2002, we found a very low level of awareness of the New Economic Mechanism (Rigg, 2005). We suspect that there was, by comparison, a high level of awareness of political scandals and popular gossip in Bangkok.

Reflecting on Lao economic geographies: village and trans-national governmentalities

Even in the hills and among the ethnic minorities of Laos, the market has been brought to bear. The world may not have been worn ‘flat’ in Thomas Friedman’s (2005) terms, but it has at least been inscribed onto the same page. The point, therefore, is not that some peoples and places lie outside the ambit of ‘normal’ explanation, but that their incorporation has been unequal. For Laos, this is most profound when it comes to understanding the effects of change on the minorities.

To understand and interpret the changes underway in Laos, we need to be intellectually flexible. This flexibility lies, to begin with, in where we look, both spatially and in disciplinary terms. It has been suggested that the key spaces of interaction in Laos encompass an upland/lowland + minority/non-minority interface, a Laos/Thailand interface, and a
Laos/GMS interface. These offer the most fruitful routes into an understanding of the country’s evolving economic geographies. But to understand how and why these spaces of interaction function as they do, it is necessary to look beyond the economic to a series of hyphenated economies: the cultural-economy, the social-economy, the political-economy, the historical-economy, and the institutional-economy (Table 3).

At the same time, we need to be aware of how we tend to examine Laos’ economic geographies. In the main, perspectives are shaped, framed and informed using a Vientiane-centric viewpoint. This, in turn, is influenced by two sets of forces, one emanating from a global debate regarding economic reform and transition, and the other arising from regional perspectives linked to embedded historiographies and the evolution of the GMS. It has been argued that policies in Laos need to be seen not just as technocratic and managerialist efforts informed by a global discourse of development and administration, but equally as products of local and regional ‘rationalities’. Thus, in area-based development initiatives we see reflected both a set of international agendas linked to issues of access and market integration, and domestic concerns and beliefs associated with the proper place of people and activities in Lao space. In turn, the domestic debate concerning Laos’ place in the GMS is informed both by the attitudes of the funding agencies (particularly the ADB) and by a historically and culturally deep historiography linked with Lao-Thai relations.

Returning to the theme of ‘trans-national governmentality’ introduced towards the beginning of the paper, Laos certainly seems to fit the explanatory template. The country may not offer a particularly rich space for the operation of NGOs (there are no local NGOs), the World Bank, ADB, IMF, FAO and other trans-national agencies do play a very significant role indeed. Thus the economic geographies – the spatialities of economic activity from subsistence shifting cultivation through to patterns of migration – that can be discerned across Laos are partially linked to the ideologies, development assumptions and the practical operation of such organisations, often in alliance/conjunction with the Lao state.
There is, to be sure, considerable mileage to be gained from thinking of Lao economic geographies as outcomes of national and trans-national governmentalities. But this paper has also argued that a village-centric perspective – remembering that the great bulk of the population of Laos still live in villages – provides an alternative vision that cuts across and disturbs these debates and vision. Processes of change in villages in Laos do not necessarily contradict the wider national image of marketisation and reform but rather demonstrate how geographically contingent this picture is. While ‘village governmentalities’ are not trans-locally powerful in the way that state or trans-national organisations and agencies may be, they are locally powerfully. So much so, that village-based structures and personalities may be ultimately determining.

Just, for the moment, the danger of seeing the bigger picture is that we are then tempted to see Asian economic geographies as generic. There are, to be sure, many similarities in the discussion above with the experiences of other countries. For example, in terms of upland/lowlad divisions, minority/non-minority relations, and sedentary/shifting lifestyles. But these outcomes, though similar in appearance are different both in essence and in origin, for they are linked to a series of spatial associations, scalar disjunctures, historical contingencies, and cultural incongruities which are place-based and country or region specific. It is for this reason that we need to take the time and care to excavate beneath the economic geographies that appear before us.

Acknowledgements

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## Table 1: The NEM and the Washington consensus

<table>
<thead>
<tr>
<th>The Washington Consensus</th>
<th>Reforms of the NEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax reform</td>
<td>Tax reforms introduced (1988); second tax reforms enacted (1989)</td>
</tr>
<tr>
<td>Financial liberalisation</td>
<td>Fiscal management handed over to the newly-created Central Bank of the Lao PDR (1990); reform and restructuring of State Commercial Banks (2001)</td>
</tr>
<tr>
<td>Exchange rate reform</td>
<td>Multiple exchange rates abolished (1988); New Foreign Exchange Decree approved (2002)</td>
</tr>
<tr>
<td>Trade liberalisation</td>
<td>Freeing up of market in rice and other staples (1986); barriers to cross-provincial and international trade loosened (1987); market determination of prices for most commodities (1987); removal of final licensing restrictions for imports (1993); export and import procedures simplified (2001); bilateral trade agreement signed with US (2003); discussions with US for extension of normal trade relations (2003)</td>
</tr>
<tr>
<td>Foreign direct investment</td>
<td>New investment law (1987); liberalisation of investment code (1988); further reforms to investment law (1994)</td>
</tr>
<tr>
<td>Deregulation</td>
<td>Banking partially deregulated (1988); first foreign bank begins operation (1989); plans for restructuring of five largest state-owned enterprises drawn up (2003)</td>
</tr>
<tr>
<td>Property rights</td>
<td>Rights of households to private property acknowledged (1988); new laws on contracts and inheritance introduced (1990); new land law authorises transfer of land titles to relatives and their use as collateral (1997)</td>
</tr>
</tbody>
</table>

**Sources:** Characteristics of the Washington consensus adapted from Reed and Rosa (n.d. [1999]) and Standing (2000). NEM reforms extracted from Rigg, 2005.
Table 2: Poverty and ethnicity in Laos

<table>
<thead>
<tr>
<th>Ethno-linguistic family</th>
<th>State categorisation</th>
<th>Proportion of poor (as derived from PPA)</th>
<th>Proportion of population</th>
<th>Poverty index</th>
<th>Literacy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon-Khmer</td>
<td>Lao Theung (Midland Lao)</td>
<td>56</td>
<td>23.5</td>
<td>2.4</td>
<td>37</td>
</tr>
<tr>
<td>Hmong-Mien</td>
<td>Lao Soung (Upland Lao)</td>
<td>15</td>
<td>7.5</td>
<td>2.0</td>
<td>27</td>
</tr>
<tr>
<td>Tibeto-Burmese</td>
<td>Lao Soung (Upland Lao)</td>
<td>9</td>
<td>2.5</td>
<td>3.6</td>
<td>17</td>
</tr>
<tr>
<td>Tai-Kadai, Tai-Thay</td>
<td>Lao Loum (Lowland Lao)</td>
<td>13</td>
<td>36.5</td>
<td>0.4</td>
<td>73</td>
</tr>
<tr>
<td>Tai-Kadai, Lao</td>
<td>Lao Loum (Lowland Lao)</td>
<td>7</td>
<td>30.0</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: raw data from ADB, 2001a and RTI, 2000
Table 3: Laos and its hyphenated economies

<table>
<thead>
<tr>
<th>Hyphenated economy</th>
<th>Laos and its hyphenated economic geographies</th>
</tr>
</thead>
</table>
| Cultural-economy     | ● Lao versus Thai/Tai culture  
                       | ● Role of Thai media imperialism  
                       | ● Minority/non-minority relations                                                 |
| Social-economy       | ● Response of individuals and households to market opportunities  
                       | ● Operation of the household  
                       | ● Traditional versus modern outlooks and norms                                     |
| Political-economy    | ● Political rapprochement in mainland Southeast Asia  
                       | ● Sensitivities of Lao-Thai relations  
                       | ● Role of the ADB and the GMS  
                       | ● Nation-building                                                                |
| Historical-economy   | ● Lao-Thai relations in historical perspective  
                       | ● Nation-building  
                       | ● Legacy of the colonial period and the war in Indochina                           |
| Institutional-economy| ● Role of the multilateral institutions (ABD, IMF, World Bank, UNDP)  
                       | ● Institutional belief in efficacy of market integration  
                       | ● Institutional belief in the efficacy of connectivity                            |
Figure 1: Laos in the Greater Mekong Sub-region
Figure 2: The state re-works the economic geography of upland Laos through re-settlement

Source: Sparkes, 1998, page 76
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