

## **CHAPTER II**

### **CHANGING RESOURCE TENURE IN THE CONTEXT OF LAO DEVELOPMENT**

Laos has experienced three different eras of resource tenure marked by the alteration of political regimes and economic development policies. The history of Laos regarding the transformation of resources tenure discussed here is divided into three periods: the first was during the colonialisation by France and the post-colonial influence of the United States from 1853 to 1975. The second period was during the 10 years of the socialist collectivisation trial from 1976 to 1986. The third period has been from the time the country announced the shift in economic development toward the open market system from 1986 to the present.

The following discussion gives most attention to the current period in which Laos has been following a capitalist style of development with land and forestland being allocated for the whole country. The evolution of Laos' history and its influence on the transformation of resource tenure during each period will be discussed. Some reflections from local people in the study area related to resource uses by local people and involvement of authorities are also raised as examples to give clearer pictures.

#### **2.1 Monarchy and Colonial Period (before the liberation in 1975)**

This period is referred to as the time before the liberation of Laos in 1975 from the foreign influences of France and also United States, and during the time the monarchy was in power. In other words, it was before the communists came to power and changed of the political regime to socialism. Laos had been under powerful masters for almost a century. For about 30 years of the country has been involved in wars. However, those powerful masters did not create much change in Laos. There was little physical improvement or change to the political

administrative structure, which included the resource tenure system. Therefore, this period was rather a freezing time for the country.

France had been in power over Laos from 1893 to the 1950s, the end of the Second World War II. Then the United States had influence after France until the country's liberation in late 1975. France used its power in Laos to extract natural resources and expected to make a trade route to China. However, with the rugged geography of Laos, this plan was cancelled. While the United States concentrated its focus on the political security of the region, the benefits fell into the hands of the Lao elite in the city and nothing had been changed at the local level. Therefore, both powerful states had little effect on the development of the country in general. By 1938, there were only 2,258 kilometres of main roads and 2,569 kilometres of secondary roads constructed in the country (Evans 1995), hence most of the rural areas were still very remote and had not been interfered with by the central government.

People dwelled in subsistence base oriented, rural locations. They practised rice farming according to the conditions of the area. People in the north, where most of the area are mountainous, engaged in shifting cultivation (*hai*) and some wet rice farming (*naa*) where they are possible. In the south, with the advantage of a large plain area, the majority of the people had *naa* but many of them also had some *hai* for some other crops. The government did not interfere with patterns of production. It was estimated that about 80 percent of the population lived in the countryside and did *hai* farming (Evans 1995). Agricultural lands were owned individually while resources such as forest, rivers, streams and backswamps were shared in common within one community or more depending on the custom of each particular locality.

By the ideology of the monarchy, all resources were regarded as the King's properties but in reality the resource tenure systems were left to be guided by customary rules. The tenure system was simple and applicable to its particular context. Basically, people who put their labours into the resources such as the ones who clear the land had the right to use and own it. People would transfer rights over

land or other resources by selling or inheriting freely (Inpheng et al 1971; Taillard 1974 cited in Evans 1995: p. 36). These rights may not continue if those resources or lands were abandoned. This is a system of usufruct rights. In cases of land allocation in some areas and mediating conflicts over claiming the resources, village headman and elders manage the arrangements. Because of low population pressure and people farming only for subsistence, there was no pressure on land and other resources. There was also registration for individual land titling starting in the 1950s but it was never practised at the village level (Evans 1995: p. 36).

Neither France nor the United States made an attempt to restructure the administration of the Lao State but just manipulated the existing government behind the scenes. So, there was not much difference in the management system of the government and as a result, people continued their present lifestyle and resource management arrangements. In addition, with peasant society, there was also no class gap between people. This is supported by studies of Laos conducted by many scholars, among them Evans (1995) and Ireson (1996). The differences of land ownership and power only occurred between local people and the rulers.

A significant change that France introduced to Laos was a rough identification and formalisation of the national political structure. Laos at that time was divided into twelve provinces. Then it created clear spatial administrative boundaries of *kwaeng* (province), *meuang* (district), *tasaeng* (subdistrict), and *ban* (village). Each administrative level had clear rulers that were selected from the higher authorities except at village level, where the head of the village was elected by villagers with approval from the authorities (Evans 1995). The government has recognised the boundaries of each province, district, and village since then. This structure was put into place to enable the government to have access to information of its territory and also to collect tax. However, tax collection was small and was not enforced evenly.

Before the socialist government came into power. In the north, in particular, a number of communities from different ethnic minorities had moved down to the plains. This created land tenure disputes between the original communities and the newcomers. In the south where the geographical conditions are rather plain that people have practised permanent farming, therefore, most of people returned to their home villages after the war ended. As a result, there was not many resource tenure problems compared to other parts of the country. In Champassak, especially the study area, there was relatively little impact from the war compared to other parts of the country and communities are long established.

From the interviews with elders in the study area, people did not have a good impression toward the rulers of Champassak Province, where a prince governed the area. Prince Boun Oum, the last prince, who held the power of the south until 1975<sup>1</sup> posted *Oupahaad* or local lords at the district level to represent the state power and to collect taxes, which were in kind or in corvée labour. The elders of Kaengpho and its neighbouring communities, Saelabam, Khamyaad who had experience with political regimes during the French colonial rule recall that the rulers in the area, the “Chao (prince) Boun Oum, the *Oupahaad* and their followers were very powerful, influential and rich. The lords owned a number of cattle and large areas of paddy with most of their paddies located nearby the village and in the plain. They also did what they wanted. If our relatives made some mistakes and were put into jail, we would go to ask the lord for help. Then he might let our relative out but he/she had to be his servant for a period of time. In addition, the governors just took from us and hardly helped us to improve our livelihood.” This shows the negative feeling of people toward the authorities. Local people see the prince and *Oupahaad* as a kind of quasi-feudalistic system where the rulers are in different class and have much

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<sup>1</sup> At that time, Laos had three main administrations: in Loungprabang in the north, Vientiane in the central, and Champassak in the south, but the French were the real rulers behind the scenes. As for local people, the prince in Champassak was the same as the

power over the people. This makes local people compare the previous unfavourably government with the current one.

However, the lords did not interfere much with resource tenure systems at the local level. People continued the customary practices. Most people owned land according to each household's labour. They farmed just enough for their subsistence and some had so little land that they could not produce enough rice for their families each year. It was reported by the elders that *Oupahaad* asked for good land from the people sometimes. So, they were reluctant to clear more land. But a more important reason was they did not expect that there will be population pressure today and land would become scarce. They emphasise: "If I knew that land (paddy) would be this limited (caused by increasing population), I would have reserved more land". People did not have land titles but disputes were not passed to the district as all problems were mediated in the village by the elders.

Even though there was no report from villagers about land disputes, around the 1970s there was a case involving competing for putting too many fishing traps in a stream shared by the two villages of Naa and Khamyaad in Sanasomboun District. This case went to the district court. The stream is dried out in the summer but about a month at the end of the rainy season, it is rich of fish that migrate downstream to the big river. When the first group had built a fenced trap across the stream and were catching lots of fish, others did the same thing. When there were too many traps crowding the area, everyone got less fish. Each trap was owned by a group of relatives including village heads of both villages. No one wanted to leave and the village heads were engaged in the same dispute so this case was brought to the district court. The result was that the distance between each trap would be not less than 100 metres and whoever initiated setting the trap first had priority to possess

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central government as people never had other information due to lack of transportation and communication during that time.

the contemporary fishing right. This shows that there have been some scarce resources that people have competed for to own individually for a long time. Elders from many communities explain why some people have lots of property such as paddy fields and inherit fish traps while the others do not. The elders say it depends on their great grand parents and how hard they worked and how fast they were to claim proprietorial rights over certain resources before the others did. However, it was also up to the available workforce in the family and their vision toward the future at the time.

Regarding the arrangement of political structure at the local level, one elder of Kaengpho tells about a *Falang* (French person) accompanying a lord who called for a meeting at the district level and asked the leaders of communities in the area to join. They asked each community where the boundary was. People replied something like the boundary of their village met that stream to the east crossing to that village, and shared that hill to the north with another village. Then they wrote it down in the book. The elder who retells this story says, “they (governors) had never really seen our border”. Therefore, the state did not demarcate new boundaries for the village but recorded and acknowledged a rough approximation of territories as told by the villagers.

In brief, during this period of monarchy with French rulers, the discourse of land ownership belonged to the monarchy. There was little influence from outside on resource tenure systems and the local people continued their practises. This was because of the weak state and the lack of transportation and connection between the central government and the country. Therefore, people were quite independent on managing resources following the conditions in the area and customary rules of each locality. There was an effort from the colonial authority to formulate a modern state with a structure of political administration and registration of land title. The reality was far from the plan and the government could only assign tasks to the state representatives at the provincial and district levels while villages were not unified

into the system. This has generated strong village autonomy and deep-seated customary resource tenure up until the present.

## **2.2 Socialism and the Collectivisation Trial (1975 to 1986)**

The transformation of resource tenure systems in this period was not much different from the prior regime but some socialist ideologies were initiated. There were many attempts from the new government to develop the country from a natural economy of subsistence agriculture to a national economy to include socialist industrialisation. The government promoted the “three revolutions”, which are referred to as relations of production, science and technology, and culture and ideology (Evans 1995: p. 51). The discussion here focuses on the change of relations of production only, which is referred to as agricultural collectivisation, and the establishment of administrative political structure.

Under Laos’ constitution, resources and land are under the ownership of the “national community”. The state had the authority to monitor and control the rights of using, transferring and inheriting resources of national community (Kirk 1996). However, the state could not intervene much except where co-operatives were concerned. In addition, in the past, wars have created patterns of resource tenure that differ from region to region. In the north, where the geography is full of high mountains and wars during the 1960s to 1970s were more tense than in other regions, a high level of migration resulted. After the war, many people left their home villages and different minority groups migrated down to share residential areas with lowland groups. The government prevented the highland and upland immigrants to return to the mountains, where there were still some anti government insurgents hiding. Moreover, the government supported these refugees to settle permanently in the lowlands to do wet rice farming. This was for the people’s security and also for political security by making administration easier for the government. Many newcomers took over the land of emigrants. Some Hmong communities lived near and shared farming lands with ethnic Lao communities.

This later resulted in problems between groups, for example when the government allowed the returning lowlanders to reclaim their lands back from the late comers (Hirsch et al. 1994). This situation happened only infrequently in the south as there was not as much migration as in the north and most people who had migrated, moved back when the war ended. So, there were no overlapping land tenure claims and resource pressures like cases in the north of the country.

After the long period of war, in late 1975, the country changed to a socialist regime governed by the Lao Peoples' Revolutionary Party and called the country the Lao Peoples' Democratic Republic. The economy of Laos at the time was in severe duress. Most communities were facing rice shortages, and the peasant society was far behind from the contemporary development. The wealth that was concentrated in some Lao cities disappeared with a huge out migration of officials, traders, and many educated people. To develop the country, the new government introduced new forms of control over factors of production. According to the discourses of socialism, the private business sector and private accumulation were seen as materialism and individual profit absorbing. Therefore, the government, with its centralised planning, started the state enterprise and co-operative system for agricultural practices. The government was confident that the co-operative system and collectivist direction would improve the situation. In addition, it was assumed the newly introduced system would bypass socialist industrialisation and country development without going through capitalism.

As for the agriculture, the government encouraged and convinced people to turn all production systems from the individual to the collective pattern, so that production would become common property used as a means to develop the country. It also supported people to produce as much as they could where the areas were available. The permanent wet rice farming was preferred to shifting cultivation but there was not yet prohibition for the latter. Therefore, the government was not successful much in changing the local resource tenure systems.



Even though the government tried hard to achieve its goal, the co-operatives did not last long. The system even increased the problem of rice shortage. Many co-operatives functioned only few years before stopping. From interviews with some people in the study area, people did not oppose the collectivisation. However, there were problems of equity relating to production and reward. People said, "there were people pretending to be sick every day while other people worked hard and never had a rest". This presented big problems for officials inexperienced in management, and unfair labour contribution and benefit distribution at the time. So, the result actually caused a disincentive effect. After the end of the co-operative system in 1986, the farming and resources tenure systems reverted back to the prior situation of the family household economy as the basic unit of production.

Another significant move by the government during this period that partially influenced the resources tenure system was the attempted integration of local administration within the political administration. The government learned that disconnection with the local level was not a good idea. Therefore, the government posted local party members from the co-operatives to all levels of the political administration; provincial, district and village levels. Each administrative agent would work as network member to integrate and transform the subsistence-based "natural economy" (Evans 1995) at the local level into a national economy. This indicates that the government was reaching out to become closer to the communities. In parallel, the government requested a contribution from people in the form of taxation. It asserted that people had to play a part in country's development plan so that the national economy would function. The first agricultural tax was initiated in 1976 (Evans 1995) and it was followed by a series of tax collection in the form of rice and money.

This brief period was a trial for the government to transform the political regime along with economic development. The centralised planning of the co-operatives was initiated to experiment with whether collective farming would be an effective pattern to develop the country. The failure of the system stopped the

socialist government from interfering with customary resource tenure further. As a result, the collectivisation had not been achieved well. The resource tenure system was not changed much, including in the study area. The village society was not changed much from before. Its economy was still independent from the natural economy based on local production. However, the government did succeed in integrating the political administrative structure of all levels into the network under the party system so the country began to become united.

### **2.3 The New Economic Mechanism and Formalised Resource Tenure (1986 to the present)**

After a long period of colonialism and an unsuccessful socialist styled development, the government has now shifted the country's strategies toward a mainstream market-economy. It is to be noted that the current change is oriented toward a capitalist economy, while the Lao Peoples' Revolutionary Party still controls the political administration. Many sub-policies, decrees, and laws have been issued in order to facilitate this aim. The selected policies discussed here have had direct and indirect impacts on the changes in resource tenure, especially land and forest at the local level. Meanwhile, the fishery resources have not been affected much. The policies and schemes currently in place are the result of decentralisation; encouragement to increase production from self-subsistence to surplus; and Land and Forestland Allocation.

A great change in the country came after the "New Economic Mechanism", the *Chintanakan Mai* or New Thinking was announced in 1986. The government accepted that in order to achieve socialist development, it had to pass through a capitalist stage first (Evans 1995). The main content of the New Economic Mechanism is that commoditisation and economic liberalisation have to be promoted to replace the self-subsistence economy; privatisation must replace collectivisation (Evans 1995); and the country needs to open to the outside instead of remaining isolated. The government has started opening the country to foreign investments and the market has been improved to become accessible to people at the

local level. The major investment emphasis is put on country's improvement of infrastructure and agricultural production. The aims are to stimulate investment and economic growth, and to increase GNP per capita. Lately, the government has invested in irrigation for secondary rice cropping. From this policy, it is expected that agricultural production will be increased from subsistence to surplus. At this time, individuals or communal accumulation is seen as a contribution to the economic growth.

The state has continued its centralised management over resources in the country. The difference is that at present, the government can intervene at the local level with more effective control both legally and in practice. In this period all resources are defined and formalised from the national level to the household level. National resource tenure is required to ensure proper utilisation of resources as a basis for the country's development and to prompt the market integration policy. Land and forest in particular are paid attention to. The national policy on natural resource management was initiated for the first time at the National Forest Meeting in 1989 (Premrudee 2000). In only a decade, during the 1990s, the government issued many decrees and laws on resource legislation to support the above policy.

At a recent National Party meeting, which is held every 5 years, the government set a goal to end the food shortage by 2005 and to transcend its developing country status by 2020<sup>2</sup> (World Bank 2000). The Lao government has limited capital to develop the country according to these goals itself. In order to achieve these aims, the government has to rely on the budget from international monetary organisations for structural adjustment and legal frameworks to support the transition of economic reform (World Bank 1997). Also, several international

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<sup>2</sup> This fixed target for country's development is not possible in reality, but it has been set in order to urge officials and authorities at every level to try harder. In the past, the government set a goal to stop shifting cultivation by the year 2000. However, it is still

organisations such as the World Bank, Asian Development Bank, Swedish International Development Agency, Japan International Co-operation Agency, German Agency for Technical Co-operation (GTZ), IUCN, European Union, Swedish International Development Agency (SIDA), Japanese International Co-operation Agency (JICA), DANIDA, and the Australian Agency for International Development (AusAID) have supported and influenced the property regime arrangements of the country.

It is to be noted that various development projects implemented by foreign organisations from the national to the local level reflect a certain image. Project work is called "*khongkaan*" in Lao. There are many big foreign organisations such as United Nations Development Program (UNDP) that have donated funds and implemented development projects through out the country for a long time. Research oriented projects are very new in Laos and all of them are required to provide some development activities. The development tasks and the immediate benefit from the projects are prioritised. Therefore, every *khongkaan* that has foreign staff is perceived and assumed by the government and also the local communities to be a development project.

In addition, there are no local Non-Government Organisations (NGO) in the country. There are only international ones. All foreign organisations are under the supervision of the Lao government. Many of them are obliged to assist the government in implementing or contributing resources to government prioritised activities such as Land and Forestland Allocation Program, stabilising shifting cultivation, or other development schemes. Therefore, the image of these *khongkaan* are as development projects with both authority and capital collaborating with the government.

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being practised in some areas. Such goal setting is the approach the government takes to press people throughout the country to share and move toward the same goal.

With the influence from international organisations and the need to improve development, the Lao government has initiated several policies. The decentralisation is a direction of the mainstream economic development that the Lao government follows. This policy has been in place for some time. In 1999, the government implemented an important scheme that has affected to the local administration. This was a few years after the economic crisis in the region and the high inflation of local currency which prompted the central government to encourage more self-reliance at each level. This scheme is known by villagers and authorities as “Ban kum Ban, Meuang kum Meuang, Kwaeng kum Kwaeng” (self-reliance for the administration at the provincial, district and village levels). For the authorities, there is a new slogan: “Kwaeng pen Yudtasaat, Meuang pen Ngobpamaan, Ban Jadtang Patibat”. This means the province is the planner while the district has to find the budget to support the development plans in the area and the community will have to participate, contribute, and take action. The central government provides mainly guidelines, direction, and very little budget. Then, local authorities have to find ways to implement those ideas where the circumstance is appropriate. This shows the shift of strategy in development from top down central planning to local initiative and local self-reliance.

In addition, there is also an economic independence or self-reliance at the local administrative level in order to release some weight from the government's shoulder. This is because the government does not have enough financial capacity or qualified personnel from the central level to work at the local level. Therefore, the government transfers responsibility to the implementing agencies at the local level, especially to the district, as it is the smallest technical administrative unit. This is not devolution of power to the local level but rather allocating some administrative functions to the local government (Fisher 2000). The central government still holds authority in planning the main development direction and making decisions in various policies.

The government also sets a big goal to conserve natural resources, which are the main sources of national income. It aims to ensure the country's forest cover remains intact and that other benefits that can be gained from the forest. Laos has followed guidance from the west on natural resource conservation and resource tenure reform. It identifies the zoning of reserved areas into National Biodiversity Conservation Areas (NBCA). Since 1986, when the National Office for Nature Conservation was established, 21 NBCAs located in 12 provinces have been established. More than half is already active and the others are in the process. All of these NBCAs receive guidance and monetary support from a number of international donors (Premrudee 2000). At least 40 per cent of forest cover is expected to be preserved around the country. As for communities that dwell in the conservation areas, they have not been requested to move out but their practices of resource use are controlled and investigated closely.

In addition, the government has established the national shifting cultivation stabilisation office as a division in the Department of Forestry. This policy has been installed in every province. The areas in the north where most of the people practice shifting cultivation are affected. Resettlement is supported from the government wherever there are available areas and people volunteer. In some remote and politically critical areas, the communities are resettled from the hills and down to the lowland to do permanent wet rice farming (Hirsch et al 1994). This national office has a sub section of Land and Forestland Allocation Program (Premrudee 2000) sharing the same vision and operating widely at the moment.

Land and Forestland Allocation is the country's land titling program, first issued in 1993. It aims to clearly demarcate the boundaries of each type of land and forestland and define how it should be utilised and who has rights and responsibility

for each type of land and forest<sup>3</sup>. This can be regarded as territorialisation in the sense that the state appropriates land use planning under clearly defined boundaries and rules. Resources are classified into three regimes, the state, private, and communal properties. Detailed cadastral surveys are conducted. This means all areas are identified in terms of use and also administration.

Individuals who have rights to the resources can trade and inherit the rights to others. It is also can be used as a collateral. The system of land titling is that individuals and the community will receive a land title 3 years after they can prove productive use of the land. Individuals who reserve land without using it, will lose their tenure rights and that land will return to community. Then, the committee will re-assign the land to people who need it. It is expected that land will be distributed to all people to reduce conflicts of ambiguous boundaries and rights. This system will give incentives and reinforcement to individuals to use their land productively and in sustainable manner. In addition, this allows the government to collect tax more effectively than before, as people tended to report less land than they had in their actual possession.

The Lao government recognises customary rights and gives *de jure* rights to individuals and communities in cases that do not break the law. Therefore, in some areas, people already occupy clear and permanent land, the Land and Forest Allocation Program just gives legal rights to the existing system. However, details of resource use are still according to the customs of each area.

This program pays more attention to shifting cultivation areas. This is because those areas do not have clear and permanent land tenure so they are a threat

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<sup>3</sup> In the Land and Forestland Allocation Program, lands are categorised into five types: permanent production land; non-permanent production land; land remaining from the allocation; land set aside as reserve land for the village; and forestland. Forestland is

to forest resources (Premrudee 2000). Forests are seen as national property with the state as the legitimate manager. These resources are economically valuable for the government and also valuable for world conservation in the discourse of international donors. By implementing this program, the government has defined and registered clear territories, rules, and users. The result is that the government can centralise control and regulation over natural resources. Therefore, this is a centralised scheme rather than the decentralised scheme that the government may claim (Vandergeest 2000).

As for fishery resources, Laos does not have clearly specific legalised control of fisheries management. Kirk (1996) points out that fisheries resource is mentioned under the Water Law. The state claims the status of owner of all resources and allocates usufruct rights to interest groups. However, the Water Law is more issued to large-scale modification of natural resources such as big reservoirs for hydropower and irrigation. There is no regulation for wetlands even though it contributes to the food security of the people. The Water Law makes mention of compensation in cases of the state's appropriation but does not acknowledge the disposal rights by other interest groups like the community. In addition, as the Water Law is also under the authorisation of the Department of Forestry (Claridge 1996) the administration may block co-ordination with other resource legislation.

The Department of Livestock and Fisheries (DLF) was assigned the full responsibility over fisheries in 1996. In the past there was ambiguity between the Department of Forestry under the office of the Centre for Protected Areas and Watershed Management and the Fisheries Extension Office in the Department of Livestock and Veterinary (the previous name). However, there is some overlapping role between the two departments, in particular on the conservation aspect of

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divided into three categories: water source protecting forest, village forest areas; and utility forest (Instruction No. 0822/AF cited by Premrudee 2000).



fisheries. The Department of Forestry still announces the prohibition of catching fish during the breeding period each year. Meanwhile, comparing the budget and funding from foreign projects, the Department of Livestock and Fisheries receives much less support from both government and outside organisations. The main supporters of the Department of Livestock and Fisheries now are the Mekong River Commission (MRC), and the Food and Agriculture Organisation (FAO). MRC focuses its interest in the biological aspects of fisheries and some socio-economic census information, while FAO targets mostly fish culture.

Fisheries in Laos are very much based on the traditional practices of subsistence, with little trading in the area. There is no clear legal fisheries tenure yet. Fish are a fugitive resource that moves across administrative boundaries, and fishers follow as travellers. Therefore, it is hard to control and monitor for administrative or management purposes. As for the main rivers, they are open access resources while in small water bodies such as streams and backswamps people follow customary rules. In many cases, legends, beliefs, and customs rule the actions of resource users (Ryder 1996).

The Department of Livestock and Fisheries (1999) states clearly in their policy framework the important aim of meeting food security. As a result, there is no strong attempt to investigate more on fishery management and its tenure system. The government's priorities are on increasing productivity and fish culture. Recently, the department has started to pay attention to fish stocking in the natural water bodies. Therefore, from the point of the government's view, fishery is seen as a domestic resource that supports the secondary subsistence livelihood of the people. There are some areas in Champassak Province where people pump water from backswamps for rice farming. As a result, other people cannot fish from that communal backswamp. However, increasing rice production is prioritised before fish production. This limits poor families that often rely on these resources.

The above information shows that after the economic reform started in 1986, the resource tenure system has been modified from a socialist collective, centralised regime to a capitalist privatised regime. The standard follows the mainstream property regimes of the west (see more in Kirk 1996). Its aims are to solve the problems of the lack of intensive and unproductive practices. Consequently, the new property regimes system is implemented to secure and legalise property rights to groups or individuals that have clearly defined tenure. At the same time, this produces disadvantages to individuals or groups, especially the poor that rely on undefined resources, and leads to competition among various groups. Also, the policies on decentralisation; increasing production for surplus; and welcoming outside projects to carry development work at the local level have influenced the idea of private property and maximising benefit from all resources.

#### 2.4 Summary

The resources tenure of Laos has normally been transformed through different periods of political regimes. The discourse of resource tenure has always been claimed to be under the governance of the monarchy and the socialist state during their respective periods of authority. The state is still represented as the manager of resource management. However, in practice, resource tenure has remained managed by customary rules. It is only recently, since the government has reoriented the economy from central planning towards a mainstream market economy, that development has resulted in real changes in resource tenure. Also, the ideologies of individual accumulation have been changed.

The natural resources of the whole country are territorialised and institutionalised. This is claimed by the government to be part of the policy of decentralisation. There is an assumption that when there is security in the resources, people can use them for collateral and resources will be used productively so that development is stimulated. The impacts from these policies differ between areas according to the farming patterns and resource uses. Also, it differs according to geographical characteristics where people are situated and the historical events. It

results in simplification of complex property relations at the local level. This can create rigidity in the tenure, which potentially causes exclusion of some people. At the same time there are advantages for groups that have clearly defined property rights and also the government and the private sector. Laos recognises customary rights in common property, which differs with Thailand. However, those communal properties require clear rules, boundaries, and users. This is not the same as the customary practices where rights shift and are negotiated all the time.

However, it is not always the formalisation of resources that leads to change in resource tenure. The power and incentives of the market may introduce other important influences. Compared to its neighbouring countries, Laos is in a transition period of moving to a market-based economy. This can lead to rapid changes, especially in resource tenure as Laos has to rely on natural resources for people's livelihoods and for the economic gain of the country. In consequence, it may result in exclusion of some groups.