

## CHAPTER IV

### BAN THIN PHEER AND ITS ENCOUNTER WITH MODERN ECONOMY

This chapter reviews village history, change in agricultural and traditional ritual practices, land use ways and land rights, which emphasizes cash crop cultivation of villagers in Ban Thin Pheer. This chapter analyzes differentiation in access to livelihood resources, particularly cultivatable land, capital and other income sources. This chapter is divided into two sections.

The first section reviews the villagers' agricultural practices after the introduction of the market economic mechanism and also analyzes the villagers' livelihood adaptive strategies on changing situations, including how earn alternative cash income.

Second section examines the land holding patterns that local people have practiced for many generations. In addition, this section also analyzes change of labor exchange relations and local livelihoods amidst rapidly local agrarian, economic, societal and environmental changes.

#### 4.1 History of the village

In the past two decades Ban Thin Pheer (Thin Pheer village) was one of "*ta seng ban hom*" (Ban Hom sub-district), Hadxaifong district, Vientiane. This village was established in the Seventeenth Century by the Phuan ethnic group, which are ethnic minority group of Lao Lum that migrated from Xieng Khuang province, northern part of Laos. Nowadays, the majority of villagers are not aware of the village history particularly the "*khon-run-mai*" new generations. Generally, they refer to themselves as Lao Lum ethnic group. According to elders' recollection in the village, they explained that Ban Thin Pheer was firstly established by Phuan ethnic group that migrated from northern part of country, at that time there are only seven to eight households immigrate to establish a village in this area. Then population has increased until now (interview with elders in Thin Pheer village, March 14<sup>th</sup> 2006).

Based on elders' recollection in this village, the reason of Phuan ethnic group's settlement in this area is caused by geographical location and appropriateness for agricultural practices, due to the majority of villagers engaging in cultivation and domestic animal raising as their primary occupation. Wet-season rice and green vegetables are widely grown for households' domestic consumption. The phrase "*thinpeer or thin phia*" comes from the words "*on phia pia roi*" (meaning while establishing the village in this area, they felt very exhausted after walking for a long time). Thus, they call themselves village "*ban thin pheer or thinpia*" (referring to the felling of exhaustion). While other villagers said that it is a play with words. However, elders of the village said that "*thin pheer*" means the land of naga of the Mekong River. Presently, many villagers still believe in superstition, particularly naga and various other spirits. They practice spiritual ceremony as their ancestors practiced such as ancestor spirit, village spirit, pond spirit and Mekong River spirit (interview with elders of village March 14<sup>th</sup> 2006).

This village has two temples; one is considered the most beautiful temple in the Ban Hom area. One of the temples financial support came from relatives who live abroad. Basically, all villagers believe in Buddhism mixed with Animism, but it was explained to me that they have stopped practicing animism. Officially, all villagers like to refer to themselves as Buddhists and say that their main religion is Buddhism. I asked about village-spirit house and the importance of the big pond near village. They said that they are spiritually significant places. Each year, the villagers must offer food and drinks for village and big pond spirits. Every three years they must sacrifice a pig to offer the village and Mekong River spirits to ask it protect and maintain life and agricultural products. This illustrates that villagers believe in Buddhism mixed with Animism.

Generally, regarding spiritual practices, villagers sacrifice chickens with local wine. After the ceremony, the villagers who attend the ceremony can eat the rest of the meat and drink near spirit house. They cannot bring food and drink back to their homes; because of it will be disrespect to spirit and will involve illness if they do not obey customary law.

After changing administration regime from Kingdom of Laos to Lao People's Democratic Republic (Lao PDR) in 1975, there were some villagers in Ban

Thin Pheer who migrated abroad as villagers in other village of Ban Hom sub-district during 1975-80s. The reason of the villagers' migration was fear of state authorities of the new government. But some scholars mentioned that villagers wanted to live abroad to search for better livelihoods. The majority of them migrated to the United States, France, Canada and Australia. At that time, a total of 27% of villagers have migrated to live abroad. Therefore, Ban Thin Pheer was determined as an area of economic, social and political importance from the government of Lao PDR. Then, the government propagandized information in accordance with developing the economy, society, politics and culture for people who were still live in village to understand to the government policy. Economically, the government determined Ban Thin Pheer as a pilot zone of agricultural cooperative projects and agricultural collectivization to create economic security. Due to the fact that this area is arable land and suitable for agricultural production because it is located along bank of Mekong River, large flatland and closed to Vientiane center. Main objectives were to create political, economic and social security through agricultural sector production.

The program of the government's agricultural cooperative and agricultural collectivization led to conflict between the villagers and state authorities. In order to create mutual understanding between the villagers and state authorities during reconstruction, the government of Lao PDR has propagandized information to local people make understanding on the policies of the government's socio-economic development. Then, the government canceled the program of agricultural cooperative projects and agricultural collectivization and introduced NEM to exposed opportunity to peasants have more privatization in agricultural practices. At that time, there are twenty households that remained at Napo refugee Center, Nong Khai province, Thailand. But nowadays, these villagers resettle to their hometown and the government allocated them cultivatable land and there are many households have owned car and modern house.

#### **4.2 Changing Land Tenure**

Ban Thin Pheer is located along the bank of the Mekong River in the southwest part of Vientiane, which is an area of wetland and fertility. In the three years ago, infrastructure facility systems in this village were still not developed

particularly roads, electricity, and irrigation. Communication and telecommunication between the town center and the village faced difficulty. The agricultural equipment still has traditional characteristics. The majority of the villagers have limited ability to buy tractors, rice mills and other necessary agricultural equipment. Therefore, they tended to use buffalo for both transport and plowing. Their cash crop cultivation was not extended with only tobacco grown for market and Lao Tobacco Company.

Ban Thin Pheer is a village of Hadxaifong district that has potential capacity in economic and social development particularly agricultural sector productions. In 1976, the government of Lao PDR mobilized villagers, students and prisoners to construct roads, irrigation, and embankment for protect flood and dig some canals to create facility to peasants for their agricultural production. At the same time, the government developed basic infrastructure particularly road, irrigation and electricity, and promoted villagers to produce commodity agriculture and services in accordance with integrating system into the modern economy. However, the development of infrastructure is still insufficient for agricultural practices. Many households are unable to access services from the irrigation system.

In order to create facilities for commercial agriculture practices for peasants, the government continued to improve basic infrastructures in particular roads, electricity, irrigation, education, and public health. These infrastructure investments of the government make traditional land tenure have gradual changed to more official characteristics. In addition, basic infrastructure development has allowed the villagers to be able to produce more agricultural commodity and services. At the same time, it has allowed villagers access to market for the sale and purchase goods and other services. Many villagers explained to me that the sale of agricultural products is not difficult, and they do not have to bring their products to sell at the market in Vientiane by themselves, because wholesalers come to buy their vegetables from the field.

Based on the present context of change, villagers have comprehensively applied agricultural technologies in commercial agricultural production. Two wheel tractors, pumping machines, chemical fertilizers and pesticide are increasingly used. In this case, I asked villagers why do you change to use tractors, pumping machinery and chemical fertilizers? They gave the reason that tractors, pumping machineries and chemical fertilizers are efficient and fast in preparing soil for plantation, and

facilitates faster access to markets. Buffalos are difficult to raise and slow in preparing soil for cash crop cultivation. On the one hand, most of the villagers grow vegetables, if buffalo eat neighbor's crops, the owner of the buffalo will be fined. On the other hand, the villagers can access to better basic infrastructures and agricultural tools. Therefore, the villagers do not need to raise buffalo. However, there are some villagers who raise buffalo for sale or for their children's marriage ceremony.

Currently, there are many peasants in this village that grow cash crops in both dry and rainy seasons. They use irrigated water, water from natural ponds, Mekong River and underground by private pumping for particular peasants whose farmland is far from irrigation canal. In this case, the villagers indicated that pumping water from natural pond, Mekong River, and underground is cheaper than using irrigation water, therefore most farmers like to use water from underground and the Mekong River particularly where they find suitable conditions to dig wells to reduce the cost of production. However, there are only peasants who grow vegetable crops that can use water from these water sources, but for irrigated rice has to use water from irrigation.

Regarding infrastructure development villagers have also received assistance from their children and relatives abroad; such as lanes and roads among villages and electricity system along the road within village. Presently, the villagers can transport all year round in both the dry and rainy seasons. However, there are some peasants complain that irrigation water and electricity is not enough for commercial agriculture production. Moreover, electricity and irrigation fees are expensive; sometime the villagers are unable to pay irrigated and electric fee. Based on an interview on March 11, 2006, the villagers have asked the government to help to support financial and fertilizer credits, improved seeds and irrigation fee services in lower prices, long term and suitable interests. Regarding other facilities, the villagers told me that they have asked the government to provide piped water or water supply system into their village. Despite this they can use water from underground but they want to use water supply as other villagers in town center.

In Ban Thin Pheer, land is significant factors for villagers' livelihood activities because most villagers are peasants and grow cash crops as an alternative livelihood strategy. Therefore, villagers have tried to held land and natural resources

as much as they can. In the past, villagers in Ban Thin Pheer held land and natural resources by practicing agriculture to show to rights in resources, particularly land, water and forestry resource. Villagers practiced agriculture every year in land where they hold land, water and forestry rights because land title showed in land uses. At that time, the majority of land is used for planting crops and raising livestock for household self-consumption. Land could joint use among relatives without rental. Land conflicts were solved by eldest groups within village and state authorities at local level. Land division among relatives, children, grandchildren, and parents or close relatives is based on customary law in the characteristic of inheritance.

Before proclaiming land law and land tax, villagers respected and obeyed customary law strictly, they applied customary law as a strategy in holding, using and solving land conflicts among relatives, children and close relatives. After national constitution, tax, land and agricultural law other laws were proclaimed, villagers started to change to respect in state law and rely on holding and using land resources for their agricultural practices. Presently, land and agricultural law are seen to be the main mechanism for villagers. Nevertheless, the majority of villagers in Ban Thin Pheer village still have not received certificates of official land use rights.

In 1997, the government issued temporary land use certificates (TLUC) in order to guarantee rights and be legal evidence for people's land holding and land use through the Ministry of Finance and Ministry of Agriculture and Forestry called "*bay nam sai thi din so khao*". This TLUC is a document that use for certificating rights in holding and using land of people. Furthermore, The TLUC also use for paying land tax for people. The TLUC is signed by the concerned state authority, village head and representatives of the household. People can use TLUC for borrowing money from banks. Besides this, the TLUC also is inheritable and considered as a first step towards delivery of full ownership titles. Although, the TLUC are valid for only three years and cannot be sold before the permanent full ownership title is obtained. TLUC can be withdrawn if the beneficiary does not comply with land use regulations (Land Law, 1997, art. 18, 62).

In 2003, the issuance project of government's permanent land title certificate began to be implemented, which was funded by the World Bank and technical assistance provided by AusAid. The objectives of the project are to: (1) improve the

security of land tenure; (2) develop transparent and efficient land administration institutions at the national and provincial levels; and (3) improve the government's capacity to provide social and economic services through a broader revenue base from property related fees and taxes (MAF, 1999). However, the villagers in Ban Thin Pheer receive only temporary land use certificates for keeping to evidence in holding, using and paying land tax. Therefore, villagers still have retained land holding patterns characteristic of semi-customary law and state law. According to official data, the government's issue project of Permanent Land Use Certificate (PLUC) just initial to be implemented only some districts in Vientiane Capital.

According to the governor of Hadxaifong, he explained that land titling project of the government still is not implemented in his district, but it will be implemented very soon (interviewed on March 17<sup>th</sup> 2006). Nevertheless, villagers explained me during to visit research site that even though they have only TLUC, but they rely in land rights that receive inherit from their parents. On the other hand, TLUC can apply for borrowing money from bank as PLUC. In fact, they need PLUC but they are concerned that if they receive PLUC it will make them pay more land tax than previously.

Legally land title certificates are important documents for people for land holding evidence and to indicate legal land rights. Land titles can be inherited, sold or leased, provided that the land has been registered and land taxes are paid. Paddy land titles are gradually being formalized in flatland areas and even though all paddies has not been formally allocated, but local communities recognize its long-term use rights (MAF, 1999: 21-22). Land Law (1997) specified that land title is only one document that is taken as the main evidence for permanent land uses rights. It is copied out from the land register book in one copy only and is handed over to the land owner who shall keep it as an evidence for a long period until there is a change accordingly to the conditions as prescribed in the law (Land Law, 1997).

Before issuing certificates of the land title, the concerned state authorities will announce to know by through at the Land Management Office (LMO); District Administrative Office (DAO); Village Administrative Office (VAO) where land is located or notify via the media such as newspapers, television and the radio for a period of 90 days as from the date of signature of the certificate in order to inform the

public. During this period, if no claims have been raised or if the claims have already been resolved, the land title shall be issued to the holder of land use right correctly to state law.

Land holdings and use rights are legal rights of citizen. Especially, right to inherit land use right, the right of inheritance of the use right of developed land is the right to give the land use right as inheritance to the children, grandchildren, parents or close relatives after the death of the person having the land use right. According to the Land Law (1997), land use right is the right to use land for a specific purpose according to the management plan of the state with a view to responding to the needs of the person acquiring the land use right (Land Law, 1997, Article: 55).

In the past, Ban Thin Pheer had many plots of fields to cultivate certain cash crops such as wet-rice, maize, tobacco, orchards, onion, cabbage, beans, sweet tomato and sugarcane and other mint. According to interviews with the village leader and her representatives and other farmers of Ban Thin Pheer village, explained that many farmers are still occupied with self-sufficient agriculture with local technical knowledge. In spite, the commercial and modern agriculture has developed as farmers in the surrounded neighboring countries but they still are not succeed in commercial agriculture practices due to insufficiencies of infrastructure, marketing, technical and credit support. Many peasants still engage in semi-commercial agriculture and there are many peasants do not dare to more invest in agro-business.

In 1990, basic infrastructures have improved; vegetable crops have been widely grown in both dry and rainy seasons. The cultivation of vegetable crops occupies less time and can produce cash income for households. In addition, it is also low cost when compared with other farming activities. On the other hand, some vegetable crops are easy to grow and also can grow in home gardens and on small plots of land very close the bank of Mekong River. Besides this, some crops like maize, onion, sugarcane and tobacco and some vegetables are still able to grown in paddy fields.



### **4.3 Contextual Factors and Land Security**

#### **4.3.1 Population Pressure and Agricultural Practice**

In this changing situation, it is not only external factors that push toward agrarian and local livelihood changes, but also internal factors because of rapid population growth within their community. These growths of population have led to the demands of land use are increased. Limited land has led to conflicts in land rights among relatives with clearing natural forestry for agricultural activities. Many peasants have to re-adapt livelihood strategies to create food security and better standard level of living.

Demographic factors have created increased pressure for local peasants' livelihood activities, because of cultivatable land is limited, and it is divided into many plots of land among parents, children, grandchildren, and closed relatives. Some plots of cultivatable land are used for constructing houses. Villagers who have no land or less land have to apply all strategies to create enhance and sustainability in living. For instance, households that have little farmland must to use more diversified and intensive land to maintain food sufficiency for their family members. Peasants whose have no own farmland, they have to rent land for agricultural practices.

The distribution of land among relatives has little chance of providing stable and sustainable land use for rapid population growth. According Mr. Jarn Kham, head of the Unit of Cultivation and Livestock of the village told me that the majority of the villagers in this village can achieve food self-sufficiency in normal years, because peasants have grown crops both in dry and rainy season. He said again that if they are active people can produce surplus and sale both in local market and Vientiane urban market (interviewed in during to my field visit on March 11, 2006). As mentioned the sale of agricultural products in this village are not difficult because wholesalers will buy vegetables from the field. At the same time, official chief of the village explained me during my visit research site on March 11, 2006 that each household in this village has enough rice for family self-consumption and can sell it if they are active people and dare to decide commercial agricultural practices with investments.

However, there are nine households that are unable to access cultivatable land and there are 13 households cannot access credit for dry-season agriculture production. Moreover, they also have faced higher cost of production and risk from

the fluctuation of market prices if they rent land or borrow money from APB or local moneylenders. Similarly, many households have no own land and hand tractor. These groups of households must rent rice field and vegetable field at high prices including wage of hand-tractor and hired labors for land preparation and transplant. Some families have borrowed their relatives' hand-tractor but buy oil for machines by themselves.

According to my survey in February 2006, the villagers seem to be practicing intensive agriculture in their rice paddy and vegetable field. All plots of land have been used for cash crop cultivation. These intensive agricultural practices are to increase products and cash income. On the other hand, it seems to have adapted to the momentum of the market mechanism for survival. However, these agricultural practices of the peasants will be to enhance rice productivity.

In the case of domestic animal rising, most of the villagers raise poultry for self-consumption and sale in local markets to solve problems of household food deficits. According to official data, rice production in this village has had a robust growth of around 5% annually. These agricultural products have enabled villagers attain self-sufficiency in rice. However, the population growth has brought about the decrement of the agricultural land, which might involve conflicts among the villagers, relatives, and neighboring villagers.

Based on economic and social changes, many large families have separated into small households, and the original land has been redistributed among the children and their relatives in both traditional and official forms. There are many new families that have established their own house on the small plot of land that received inheritance from their parents. The distribution of agricultural land has increased and becoming land for housing sites. Limited land has intensively been used for agricultural practices. In this case, some households became daily wage laborers; they must rent land for agricultural production to sustain livelihoods. Some households do not currently cultivate cash crops by themselves, but they are engaged in working as wage labor inside and outside village in accordance with weaving at home.

According to report of vice head of the village, in 1986 the population of Ban Thin Pheer has about 807 people with 158 households; in 1996, the population had increased from 807 people to 1179 people with 214 households and it has increased

about 1551 people with 327 households in 2006. The rate of population growth is 2.4% per a year or 372 persons per 10 year. The size of household members from 1986 to 1996 is about 5 to 7 people per a family; and about 2 to 5 people per a family from 1996 to present (see table 4.1).

Table 4.1 Population and Household Change in Ban Thin Pheer

Survey Period	A		B		C		D	
	1986		1996		2006		Growth rate (2.4% per a year)	
Village	Population (Person)	Number of HH	Population (Person)	Number of HH	Population (Person)	Number of HH	Population (%)	Size of HH's members
Ban Thin Pheer	807	158	1179	214	1551	327	2.4	5-7

Source: A semi-official list of households which was provided for author by assistant of the village chief in early April of 2007.

Nowadays, there are many new families that have become increasingly independent from their clan family. The majority of these families are youth who have separated from their parents' family home. While some families have become small landholders and some have become large landholders. These wealthy households have adapted to commercial agricultural production, and other non-agricultural activities, which is a good way of earning cash income from other economic activities in market system. It is a good chance for rich households. Similarly, households who have good education and remittance from abroad have high trend that becomes a rich peasant in community. In contrast, poor households and lack of education have a less chance and they have to work as wage laborers in agricultural sector and construction. However, there are a little hired labor in this village because of villagers who have no own agricultural land can rent land for agricultural practices.

#### 4.3.2 Changing Land Uses in Community

In the past, people in this village used land only for subsistence agricultural practices. Land can combine use and compromise among relatives. They cooperated and helped one another in economic and social activities within the community. After

introducing the market economy, land has been intensely controlled and used by individuals. The patterns of agricultural practices have more privatization. The characteristic of land holding has inheritance, which have both traditional and official forms. Under the conditions of the market economy, villagers have more applied their land for economic benefits. Each household has used their available differentiated ways in agricultural practices depending on the condition and location of their land. For instance, cultivable land close to the road is used to build houses and invest for conducting non-agricultural business such as restaurant, beauty shops, grocery shops, motorcycle repair shops and so on. Cultivable land closed to irrigation canals is used to provide services for rent and for the agricultural production. Households who have many plots of land are used for both hire and self-agricultural practices. In general, rental rate calculated into agricultural yields and cash money. In the case of vegetable field will be calculated by cash money.

In the case of Mr. Thongvanh who is 73 years old; he has agricultural land of about eight rai, in which rice field is about six rai and vegetable fields two rai. His two children are in the United State of America and they often transfer him money each month, but he now lives with his son who is not involved in agricultural. He has cultivable land suitable for agricultural production. So, he provides all plots of land for rent. His plots of land are hired from neighboring villagers. So, he receives rice as rental out of land in each year and it has enough for self-consumption. Nowadays, he waits for money from his daughter and son for spending in everyday life (interview on March 17<sup>th</sup>, 2006).

Under condition of new economy, many households in Ban Thin Pheer have changed occupations from farmer and gardener to retailers, wholesalers; day wage labor and other services. For instance: Mr. Somchit's family three years ago had been debt of about 100,000 Baht (Thai currency) or about 3000 USD from loan his relatives to go work in Korea Republic, which was provided by Lao-Thai brokers but he and his friends were deceived. He told me that before he decided to go to work at that time to earn money for the construction of his house and to buy a car. He comes from Lak Xam Xip Hok village, Xaithani district but he is a son-in law in this village. He and his wife have no farmland, so they have to rent land for agricultural practices. He told me that after he became indebted he and his wife worked hard to repay the

debt. Each day, his wife worked as a wholesaler, while he grows cash crop in accordance with doing work as *tok tok* driver (taxi driver). Nowadays, he works as a head of land and business tax at village level (interview April 4, 2006).

Following the situation as mentioned above, peasants with farmland far from the village and irrigation have to rent farmland close to irrigation canal and Mekong River for conducting dry season agriculture production (*pouk peud la dou leng*). In the rainy season, they practice agriculture in their own farmland (*het na pi*) and invest in more agricultural production because of farming activities in their own farmland use low cost. On the one hand, during the rainy season, the prices of rice and vegetable crops are rather good and able to gain profit when compared with practicing agriculture in dry season. On the other hand, in this season vegetable crop cultivation has little risk to the market price. The told me that in the dry season of each year, they have to rent land for commercial agriculture practices to create food security and cash income for their family members. They told me that if they do not rent more land for growing crops in dry season is unable obtain food sufficiency because of their land is limited. Renting land for the agricultural production in dry season is an alternative in sustaining sustainable livelihoods as other villagers (Interviewed on March 9<sup>th</sup>, 2006).

However, peasants who have children and relatives abroad are not affected because of their relatives and children have transferred them money in each year. They have changed to other occupations such as retailers and service as an alternative of livelihood activities. Some households have their own cultivable land but no labor have to wage hired labors for their farming practices. While, peasants who have cultivable lands close irrigation canal and Mekong River provide for rent, and it has been rented in both dry and rainy seasons. These households do not affect food security because of they have received rice as hire out from their land. These groups of households can maintain food sufficiency and cash income stability.

In contrast, some households have many plots of rice field but nobody interested to rent it for producing agriculture because of it is sloping land and dry-land, and far from village, some households have low plots of land and it is flooded every year. Therefore, nobody is interested to rent it. Mrs. Vanny's family; she is 63 years old, she has a son and a daughter in the United State of America. Nowadays, she lives with two grand daughters. Her husband died 10 years ago. She has farmland 1

hectare, but is low land and far from her village about 5 kilometers, which difficult to practice commercial agriculture in rainy season because of is flooded in each year. Therefore, nobody was interested to rent for the agricultural production. If she would cultivate cash crops in dry season but it is very far and no labor for practices. She told me during interview that she waits for son and girl has transferred her money for living in every day (interview on March 13, 2006).

Meanwhile, some households have many pieces of land and relatives abroad and provide their land for rent. They have received benefit both from land rental and assistance of their relatives in each year. They have an opportunity to become peasant wealthier such as rice millers, land owners, local loaners and so on. These peasants have a chance to access to economic benefit and persons who have power in society, which easy to negotiate in socio-economic benefits. The majority of these farmer households are well educated, and they can manage their livelihood resources harmoniously. In contrast, households with no education and limited access to livelihood resources are unable to maintain their sustainable livelihoods. These households often have to rent land for agricultural production for achieving food sufficiency and cash income. Sometime, they work as daily hired labors to earn more cash income for buying necessary goods and services in daily living. The majority of these households are poor peasants with many children. Some households have five to seven children with cultivable land only 0.3 rai. Therefore, they have to rent land for agricultural practices.

#### **4.3.3 Household access to Scarce Land**

Demographic factors cause more requirements of local land uses for producing agriculture and constructing housing site. These increased needs of land use make some wealthy peasants and households who have many plots of land initiate to discuss land use planning and other future activities. They have used these opportunities to earn more cash income from market economy. In the case of Mr. Jarn Kham's family is one of the households who have many the pieces of agricultural land. He told me that his family has been offered land rights from his mother-in law about 6 hectares of paddy field and 1.1 hectares of vegetable crops. Nowadays, he use only vegetable fields for growing tobacco, sweet tomato, long bean and some mints.

His cash income in each year is more 10,000,000 Kip per year. In addition, his family does not buy rice to eat, because his family has received rice as rent out from lessee (interview March 17<sup>th</sup>, 2006).

Lacking labor and the increasing cost of production make some villagers ignore agricultural practices in dry season. In this village, there are many households who lacks of labor that will practice agriculture, because of their children are abroad. Some work as governmental officials in downtown and some married and separated households. Demographic factors have caused the distribution of land changing from traditional to official forms, and land has oriented to be more individual rights. Uneven access to land of the villagers has lead increased economic and social differentiation among farmers within community.

According to an interview with villagers in early March 2006, the majority of peasant households owned less amount of land and the land that they have been holding on average only 0.5-2 rai per household of land. Therefore, land has been over used for agricultural production, especially peasants who have many children with lacking of cultivable land. Limited access to land of poor peasants made different activities of livelihood strategies. As a result, small-size land called "kitchen gardens" is used intensively for growing green vegetables primarily for household domestic consumption. Similarly, there are many plots of land are used for growing crops both for own consumption and sale.

However, villagers have different amounts of land. Table 4.2 indicates that about 9.1% have no owned farmland; about 25.2% have less farmland; about 34.3% have some plots of farmland; about 23.3% have middle to many plots of farmland and about 8% have many plots of farmland. Peasants who have many plots of land have enough for cash crop cultivation. Besides that, they also can provide for rent every year. For example: Mr. Khamfong Noisisouk is 57 years old, he had been a technical staff of the Lao Tobacco Company, and he has all land area for 10 rai; about eight rai of rice field and two rai of vegetable field. He now practice agriculture by growing wet- rice and some mints with his some plots of own land. Besides that, he also provides his some plots of agricultural land for rent. He told me that his family has inherited land as a heritage from his parents. Nowadays, his family has only TLUC and he use it for showing land rights and paying land tax. He explained that if he

receive certificate of permanent land title would make his can use fully economic land to earn more cash income for family domestic expenditure but he concern that will pay more land tax (interviewed in early March 2006).

Table 4.2 Households' Land Holding Access

Land holding access (rai)*	households' land holding number	Percent of total households
No land	9	9.1%
0.3-2.0	25	25.2%
2.1-5.0	34	34.3
5.1-10.0	23	23.3
More than 10 rai	8	8
139	99	100%

#### 4.3.4 River Bank Erosion with Scarce Land Issues

Based on the study it was found that there are many households who have lost their cultivable land because of erosion of Mekong River bank in every year. Some households moved house three times. Many plots of rice field and vegetable field were replaced by new housing construction. This case has more trends due to population growth and household separation of new families. Some households moved to built houses in neighboring village. This loss of cultivable land has great impact on local people's livelihoods. Because, farmland that is main villagers' livelihood resources have eroded continuously from the Mekong River each year. Therefore, the villagers asked the government to construct barrier nets to prevent the erosion of the bank of Mekong River. The villagers told me during visiting research site in March, 2006 that soil have been eroded from Mekong River about three to seven meters each year. This erosion of the bank of Mekong River is a main cause of the villagers' house movement and cultivable land decrease.

Some households have farmland of only two rai close to the bank of the Mekong River, but it was eroded. In this case, there are six households that lost cultivatable land making them have to rent farmland for conducting agricultural



activities. Some households have to earn cash income by working as a wage labor through other means such as van drivers, retailers, weaving, and other entrepreneurial activities. However, these villagers often receive money from children or relatives in abroad. They have received money from their children or relatives about 500 to 1,000 USD<sup>1</sup> per year. For instance, Mr. Nat is 49 years old; he was a teacher and grew cash crop as a second occupation. Nowadays, he has become a private van driver. His family has financial assistance from relatives abroad. Presently, he retired as a school teacher and has stopped commercial agricultural activities. Some households have temporarily stopped growing cash crops in dry season and works as weaving. These villagers will only grow crops in rainy season. Despite, it is difficult to grow these crops in the dry season, but they are good price and able to access to profits. Villagers explained that the price of vegetable crops in rainy season is rather stability than dry season.

In contrast, some households have land with sandy soil cannot cultivate in the dry season. Thus, they wait to cultivate only in the rainy season to reduce the cost of production. Some households do not have adaptive livelihood strategies make they have become daily laborers. While, some villagers do not do anything because of them have no labor. They wait for land rental for daily living, because of land rental has both in farm of cash money and products. Some households have their own land but far from irrigation canals and no body wishes to rent it. These villagers wait for their children and relatives send them money, but sometime they suffer from increased cost of living continuously and any things are bought and sold in market.

The eldest person of the village told me that in the past fifty years, the settlement of Ban Thin Pheer village was established close to the bank of the Mekong River. The villagers moved their houses due to increased erosion of the river bank each year. The present village site was paddy field. In 1976, the villagers explained that a flood damaged their farmland, agricultural products and domestic animals seriously. Mr. Phongdara is 79 years old; he explained that villagers have complained to the government for along time; but it is not solved. (Interview on March 2006).

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\*1 rai= 1,600m<sup>2</sup>

(1) 1 USD = 37 bath or 9700 kip (Lao currency)

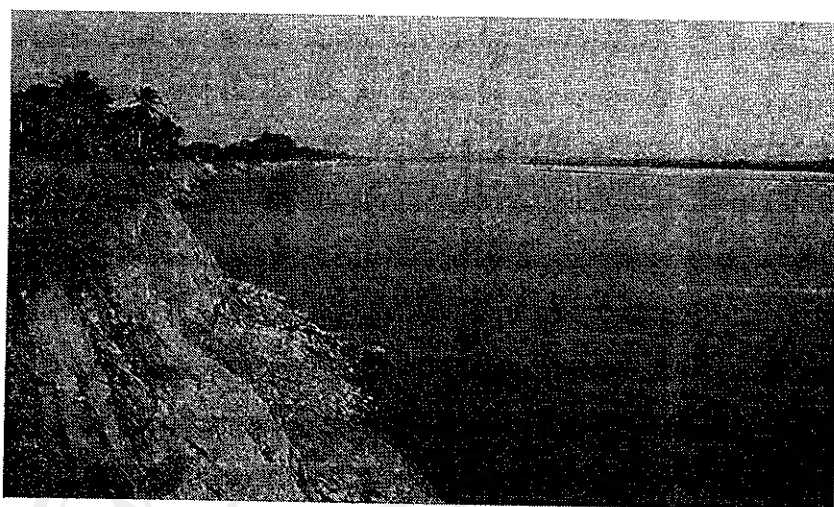


Figure 4.1 Eroded River Bank, the Mekong River

#### 4.4. Market Economy and Development of Hired Labor

Twenty years ago, the pattern of the villagers' agricultural practices in the village had solidarity and exchanged mutual labor during transplanting and harvesting seasons. The relationships of mutual labor exchanges have economic, social and cultural importance in agrarian societies because of labor relations have created solidarity and harmony within the local community. Most villagers practice subsistence agriculture more than commercial agriculture. The elders of the village explained to me that at that time, villagers often exchanged mutual labor within community among relatives, villagers and neighbors in agricultural practices and helped each other in traditional ritual practices.

After introducing the market economy, traditional labor relationships of exchanges have gradual changed to hired labor. Relationship of traditional mutual labor exchanges among relatives and neighbors begin to break down gradually. Each family focuses on the main economic benefits in agricultural practices. Households that lacked sufficient labor force at the family and clan level have to gain daily wage labor to help commercial agricultural practices and using tractors for preparing soil. Nowadays, agricultural activities have to use wage hired labor. For instance: Mrs. Latsami family has received financial assistance from her relatives abroad. After that, she built house and grocery shop closed to the road; she does non-farm business as alternative occupation. Nowadays, her household economy has been continuously

expanding. She said that she stopped agricultural practice for ten years; after she has financial helped from her kin living abroad. Nowadays, she is a peasant who wages hired labor for practicing commercial agriculture. Some years, she gives services land for rent in this village.

Based on the situation above, some wealthier villagers have invested in their farms by employing laborers through the purchase of modern equipment for commercial agricultural productions. The majority of investment is focused primarily on vegetable cultivation in dry and rainy seasons. Irrigated rice cultivation is recognized as main factor in ensuring food security and stability in market price in Vientiane. For wet-rice (rain-fed rice) is used for self-consumption within households. Some households do not grow rice in both dry and rainy seasons, but they are able to ensure the household food security and high income by growing non-rice cash crops such as green vegetables, tomatoes, onion and tobacco for sale at local market, Vientiane market. These households can benefit from growing vegetable crops in both rainy and dry seasons with using modern technologies into agriculture practices.

Based on the historical context, cash crop cultivation in Ban Thin Pheer has been practiced for three decades. Tobacco is the main economic crop for the villagers, but patterns of their agricultural practices was still traditional moral characteristics with local techniques. Currently, agricultural production should be supported and encouraged from the state and private sector organizations, but it is still not fully supported and promoted, particularly marketing information, credit, techniques, and guaranteed prices. Villagers grow isolated cash crops; crops that would be grown for commerce depend on needs of market and price mechanism. It is true that price mechanism depend on demand and supply laws freely. The practices of peasants' commercial agriculture have risk that an investment will fail.

Some scholars said that Lao agricultural products are generally of poor quality by world standards and would trade at a significant discount to indicator prices (cited in FAO, 2001). However, according to official data the quantities of Lao agricultural commodities are exported through unofficial border trade mechanisms to Thailand, Vietnam and China. These commodities include maize, soybean, groundnut, cotton, sesame, red bean, coffee, cabbage, bananas, tamarind, water melon, mulberry bark and other forest products, buffalo, cattle and some pigs (MAF, 2002). In the case

of Ban Thin Pheer agricultural commodity producers have directly negotiated with wholesalers regarding prices of their products. Negotiation in market price is based on market mechanism momentum, but most of agricultural product prices are determined by wholesalers. However, wealthy families have an increased opportunity than the other households in negotiating and meddling with the state authorities for economic and social benefits.

Fluctuations of market prices often cause villagers to change the types of crops for cultivation to maintain stable cash income. The villagers said that the change in the varieties of crops are necessary, otherwise they might not achieve profit. Mr. Kham said that "if I want to grow cash crops, I must survey other families' crop cultivation that what kinds of crops do they cultivate in this month. After that, I choose to grow crops that neighboring villagers do not grow to avoid with lowing market prices" (interviewed with a peasant, March 12<sup>th</sup>, 2006).

The diversification of cash crop cultivation is a livelihood strategy in sustaining soil quality and cash income stability. Mr. Kham said again; "if everybody grows the same crops, it lowers the price of products in market. In any case, cash crop cultivation can achieve profits if the peasants know ways of searching for a better choice for sustaining livelihoods. Besides, they have to know how to manage the risk of market prices by many differentiated ways" (interview, March 12<sup>th</sup> 2006). Presently, the life styles of the villagers are based principally on rice and other green vegetable cultivation. Over 90 percent of households have livelihoods based on agriculture. Less than 10 percent of households are based on non-farm business activities and work as wage labors in agriculture and construction.

#### **4.5 Summary**

Integration into the market system of agricultural production has led to uses of diverse land by differentiated ways. A large family has been separated into several small families and at the same time, land has been distributed among children, grandchildren, relatives and close relatives. Some new households have no cultivatable land due to land that receive from heritage inheritance is house built. Each year, they have to rent land for agricultural production. Wealthy households have practiced agriculture by employing labors both inside and outside the village to increase

products and income. The peasants have less rice field; because of it's distributed among children. Therefore, they are oriented towards the cultivation of short-term crops such as onion, cabbage, mint, and corn on their land, on a very small plot of land. Cultivable land is intensively used in commercial agricultural practices.

Under the present changing situation, most of the villagers have enough food for household shelf-consumption but they have to invest more for fertilizer and soil preparation. In contrast, villagers also have faced difficulties and limitations of cultivatable land. Many households cannot maintain their farmland quality due to cultivatable land has a short fallowed. Lacking adequate labor force and the healthy problems are an obstacle in maintaining sustainable livelihood strategies. Therefore, hiring labor often has appeared during rice transplant and harvest seasons. As indicated above, rice plays a significant role in the cash economy, because of rice prices is rather stable and certainty than vegetable crops as well as rice millers play important role in buying and guaranteeing the price of their rice crops. However, this situation has provided greater opportunity for wealthy farmers. While some villagers lost sources of their livelihood resources because of the problems of land erosion and degradation. The village chief and committees have been strongly influencing to the community within village.

In the present context, state policy and the market forces have played significant roles in driving local socio-economic development through a producing commercial agriculture and services. At the same time, private pleasantries now are becoming a key in the distribution of agricultural inputs and in the procurement and trade of rice. The main constraints of commercial agriculture remain lack of market information and linkages, quality control, inadequate credit lines and insufficient technology transference.