

## **CHAPTER 2**

### **THEORITICAL RELEVANCE AND LITERATURE REVIEW**

This chapter reviews three main concepts which are closely related to my research site: border development, negotiating resettlement developments and adaptive strategies. A combination of these three concepts and a literature review will be applied in order to analyze and understand the emerging problems in the study area. My conceptual framework will also be described in this chapter.

#### **2.1 Border Developments**

Here, I will look at how economic development has shifted into the border areas in Lao PDR, through a review of the literature on the subject. In terms of the development of Laos over the last decade, Pholsena (2005) states that the situation today is very different from ten years ago in 2005, when Pholsena mentioned whether Laos would become “land-linked” and be able to negotiate new socio-economic opportunities by opening its frontiers. Since then, the Laotian economy has based itself on a capitalist system using primitive methods of accumulation (Pinkaw, 2011), commoditizing its own natural resources such as forests, minerals and land, and seeking economic integration through an ‘open-door’ policy - encouraging FDI in order to instigate economic growth.

Tonphueng District, which is situated within the Golden Triangle SEZ, has been designed based on development plans drawn up by the Government of Laos (GoL). According to Omkar (2010), the 6<sup>th</sup> NESDP (covering the period 2006 to 2010) was focused on poverty reduction, and as a result there has been an increased amount of FDI flowing into the country’s hydropower and mineral resource sectors, plus the agricultural sector, involving public investment in irrigation projects and an increase in the amount of land under cultivation. This, in turn, has led to a healthy growth in the agricultural sector, which has run at 4.7% per annum over the past decade. Omkar (2010) also states that economic performance in 2009 was impacted by the global economic crisis in the form of reduced FDI in mining and hydro-electricity, a drop in exports and reduced earnings from tourism. However, Omkar

states that the growth prospects for 2010 and beyond in Lao PDR were expected to remain strong, due to renewed interest in the Lao economy from foreign investors and continued low-cost concessional assistance from bilateral and multilateral agencies. In the area of economic development, the emergence of institutions in Southeast Asia such as the Asian Development Bank (ADB), the World Bank (WB), ASEAN and AFTA, has led to greater economic integration among countries in the region, with Laos gaining World Trade Organization (WTO) membership status in 1997.

In addition, Tonphuang District itself is located close to the border with both Myanmar and Thailand, and there are checkpoints in the area which facilitate flows of both income and local people such as those who live along the Mekong River. Pinkaew (2011) describes Laos' development process as representing a transition from colonial capitalism, for instance, in which invested capital served the West through the implementation of controlled production and exports by the colonizers, to national capitalism - during which time both Lao and foreign investors have used natural resources for their mutual benefit, and have integrated the country into the international division of labor process. As a consequence, the country's natural resources have been 'transformed' into capital, a pattern which in the twenty-first century is termed the "frontier of capitalism". Sometimes, the process of turning natural resources into capital in a developing country, through the implementation of unequal, complex and unclear investment rules, results in a huge influx of transnational capital, such as that from Vietnam into southern parts of Laos. In an economic development sense, the Laotian "frontiers" are areas which may be far from the country's center, but have been transformed into economic "borders" - to be used as a space for economic negotiation among actors such as the ADB and ASEAN.

However, a frontier is, in part, a metaphor for national development in its material and ideological sense, as well as in terms of spatial expansion and delimitation (Hirsch, 2009), and in Southeast Asia, frontiers have an economic function (Booth, 2007), plus have been the basis of development programs, such as in Indonesia, the Philippines, Vietnam and Thailand. In the case of Lao PDR, the peripheral areas far from central control along the borders have been changed into areas of economic development, as described by Walker (1999), who discusses how the Economic Quadrangle has connected "actors" who are not borderland dwellers, to

local people. The Economic Quadrangle has promoted the de-regulation of land around the border, turning it into an exchangeable commodity for some people's benefit. This has been made possible by the linking of the land around the border through road construction projects, and Walker argues that the reduction in regulatory action has created conditions for a new "mix" of regulatory practices to develop. He also suggests that within the center-periphery discourse, the periphery is an area far from the center, with little or no access to modernity; however, in these "remote centers" there are some groups of people living in the mountain and forests who have no control over the political or governance process - they seem to be located away from the centers of authority and from regulation, and are prone to giving away all their local rights to external investors (Walker, 1999).

Borders represent dynamic structures and areas where a variety of power relations within and between states manifest themselves, and can provide a window into the role of the state in terms of shaping the border landscape (Minghi, 2011). Nations and regions have been created and recreated over different periods of time, as well as by various agencies, with outside investors and elites - along with local elites, creating social, territorial space (Jakkrit, 2006). Furthermore, borderlands are representations and signs of power; however, Kristof (1959) states that boundaries and frontiers are different concepts. Pinkaew (2011) defines a "frontier" as being distinct from a "border", suggesting that frontiers are territories which contain complex interactions, including influxes of transnational capital, commodities and people from (and within) nation states. Tsing's study (2005) entitled 'Friction: An Ethnography of Global Connection', considers a frontier as representing the edge of space and time, as a "zone of not yet" - as in not yet mapped, not yet regulated. It is an unmapped zone, even in its conception. Frontiers are generically imagined as unplanned, instead of frontiers are not just discovered at the edge, and from then are projects that create geographical and temporal experiences. Frontiers represent wilderness, entangling visions and violence; though their wilderness is both material and imaginative. This wilderness reaches backwards as well as forwards in time, bringing old forms of savagery to life in the contemporary landscape. Frontiers energize old fantasies, even as they embody their impossibilities. Pinkaew (2011) describes three main types of frontier: (i) relational frontiers - where the territorial

interaction among local officials and transnational investors is complimentary to the state-controlled border, (ii) frontier space – which is territory defined by the state, both central and peripheral, and that becomes an area defined as least-developed, backward and not modern, and (iii) borders as sites and symbols of power, or luminal zones, in which residents, wayfarers and the state continually contest their roles and their natures. Walker (2006) describes a frontier as a part of “...expanding borderlands (figuratively or literally) driven by economic cycles of rapid investment with potential for a disproportionate return on investment.” In a similar fashion, Tsing (2005) describes forested agrarian dynamics as deregulated zones in which “frontier capitalism” may develop. In the Lao case, the resource frontier is unevenly distributed through both legal and illegal means, and is composed of a heterogeneous assemblage of development actors and state interests. Cohen argues in favor of a relational approach, with resource frontiers being “meso-scale”. So, in the Lao context, the frontier is less about being settled, and more about promoting resource sector investment activities. Cohen (2009) concludes that the economic activities in northern Laos represent *unregulated* frontier capitalism, while Rehbein (2007) states that “While the habitus of most [of] Lao is still firmly rooted in the rural past, it is now being exposed to radical changes and is under pressure to adapt to the market economy, and even if they succeed in adapting to the market economy, Lao often adheres to traditional conceptions of time, work, happiness and behavior that are hardly compatible with the ‘spirit of capitalism’.”

## **2.2 Negotiating Resettlement Development**

To understand the context of the current resettlements taking place, it is important that the dynamics of the circumstances be clearly understood. In this regard, it is vital to understand the enormous population changes that have occurred throughout history in the area, both before, during and since Laos’ independence from France. Many scholars viewpoints have been given on the resettlement issue, but through an in-depth case study of the SEZ here, and especially the lives of the local people living in Tonpheung District, I illustrate the concept of ‘territorialization control’ and the negotiation patterns and processes that have occurred during the resettlement process, as used by the nation state to control the economic

territorialization activities in this particular space. Vandergeest and Peluso (1995) use this concept to refer to the role of the state, which excludes or includes people within particular geographic boundaries, and their access to natural resources within those boundaries. For instance, to establish a protected area, ethnic minorities are usually excluded from the spaces involved.

Goudineau (2004) views resettlement as a double-edged process, undermining territorial determination - which means leaving a territory, and for many villagers also requiring them to change their entire way of life. In contrast, 're-territory determination' implies setting up a new environment, accepting the boundaries involved and integrating peoples and spaces into the cultural references that are bounded by it. In addition, the resettlement process in Laos has tended to occur in a different form to the traditional dichotomy of "forced and voluntary", so that the implementation of a planned resettlement may affect and transform local inter-ethnic relationships in an insightful and complex manner.

Several academic publications and unpublished development reports have debated resettlement in Laos, mostly referring to the movement of rural people closer to government established services, or to new, lowland fields. Vandergeest (2003) has also looked at induced resettlement displacement in Laos, and there are some advocates, such as Chamberlain (2007), High (2008) and Rigg (2002), who argue that settlers' interests have been promoted through a closer integration between the state and the market. Rigg (2005) notes that people become poor when they are separated from markets, services and opportunities, and that primitive living conditions are the real basis of poverty; hence, development can bring about a release from these old forms of bondage. He criticizes resettlement in Laos as creating "new poverty", which is perhaps transitional. Chamberlain (2001) discusses "policy induced poverty", while High's (2008) main argument is that "resettlement" taps into deeply held aspirations for poverty reduction and modernity among rural residents in Laos. She argues that internal resettlement is not actually so problematic, because those who have experienced state-sponsored resettlement programs maintain personal and collective aspirations which are largely associated with escaping from poverty and becoming more modern. High (2008) concludes that aspirations for a recognizably modern future are key to understand the motivations of residents in a development village, and

Rigg (2005) notes that while some re-settlers move out due to “distress” in their new environment, others do so because they ‘want to’. Indeed, both motivations may be at work in a single individual. Resettled people sometimes say that they wanted to move, and that, given the chance they would not want to return to their former homes despite a significant drop in income. However, there are critics who refute the fact that resettlement are always good; saying that it instead aggravates poverty.

Baird and Shoemaker (2007) argue that there is no distinction between “voluntary” and “involuntary” resettlement. What is clear; however, is that very little of what is classified as voluntary resettlement in Laos is truly villager-initiated. Despite claims that there is no involuntary resettlement in Laos, resettlement often takes place after a number of escalating steps have taken place which are designed to influence or coerce villagers into agreeing to the resettlement option. They name development projects which have attempted to “anchor” remote villages and made it more difficult for the government or other international agencies not to justify relocation. In fact, resettlement has become a crucial part of the economic development process in Laos, such that villagers are no longer just victims, but are actors in a process of negotiation. They negotiate with enterprises in various forms, and also re-negotiate for compensation; furthermore, they try to adapt to their new environments and find ways to move ahead in their new areas. Thus, according to the existing literature, resettlement is a process by which villagers can be negatively as well as positively affected. Scholars have concluded that some resettled colonies might experience serious problems; for example, where there is disease, where people are not able to adapt to a new environment, or where people have to sell their farm land and end up in conflict with the groups of people who already live in the new areas. However, Rigg (2005) states that villagers often recognize the benefits of relocation - both potential and actualized - brought about by moving closer to new fields or government services.

Here I use the term “negotiating” to suggest that the state not only subjugates villagers, but also tries to negotiate with them in cases of relocation. Baird and High (2008) say that these ‘negotiations’ mostly do not include villagers as the “local voice”, but see them only as “victims”, which may be observed in Tonpheung

District, where the villagers have approached the state in order to carry out negotiations.

### **2.3 Adaptive Strategies**

There have been a number of debates among scholars on the issue of livelihoods. The most commonly understood definition of a livelihood is that it is the means of gaining a living. Chambers and Conway (1991) describe a livelihoods as “the means, activities, entitlements and assets by which individuals make a living”. Chambers and Conway (1991) argue that a livelihood is comprised of “capabilities, assets and activities require for a living”, while they state that a livelihood system consists of livelihood resources that are combined together to form different livelihood strategies.

Pinkaew (2011) undertook a case study of people who lost their land due to a concession, finding that they were not able to adapt to their new environment. In addition, the farmers relocated faced de-peasantization; that is, they had to face up to unfamiliar lives and experienced greater levels of scarcity than before, though a few of them were able to adapt due to income earned from working as employees, which was enough to cover their consumption expenses. These groups were able to adapt to their new environment because they had large families or had agricultural land which allowed them to grow paddy. The main reason why other people were not able to adapt themselves to working on the development project was due to their unfamiliarity with the work environment and the new technologies involved. For those who were able to adapt themselves to the new work environment in the local business, “their lives have been changed [for the] better”. Pinkaew (2011) points out that there were two types of groups impacted by the project - a group of people who lost all their land and another that retained ownership of some paddy land, each of which had to use different methods of adaptation.

In terms of the conditions of adaptation, Pinkaew (2011) suggests that both land and labor are imperative pre-conditions for people to adapt to new conditions, as they provide many livelihood alternatives. If people lose all their land, they experience greater levels of difficulty than those who still have some of their farmland left.

Along the same lines, Baird and Shoemaker (2007) state that the introduction of large external agriculture investment projects comes at a cost; that through the resulting migration process families are often separated. These changes also increase the exposure of young people to vulnerabilities. Barney (2009) reveals that the more active villagers' responses are to the fast-changing set of circumstances in terms of landscape transformation and resource degradation they face, the better they can adapt.

To locate the various aspects and implications of community and ecological transformation, one must focus on interactions and dynamics, for villagers themselves are becoming more actively engaged in the new modes of cash crop production, which then feeds back into further changes in land tenure and landscape dynamics. The enclosures which are being drawn up by capital-intensive resource development projects are altering landscapes - the result of significant histories in terms of human interactions, and these have resulted in changes caused by migration, and have led to villagers' engaging with new cash crop production methods and new transformations in terms of village property rights. In the Lao context, Bakker and Bridge (2006) call these changes the "co-production of socio-nature", in which marginalized local people, as well as rivers, water, soil and trees, are crucial aspects of frontier formation.

#### **2.4 Conceptual Framework**

The conceptual framework for this study is shown in Figure 2.1. The framework will be used to explore the resettlement plus negotiations of local farmers, and the adaptation strategies used to negotiate with the two main actors under the SEZ, which was established based on an agreement between the Lao and Chinese governments, and in particular their change from a subsistence-based livelihood to becoming laborers and working for a salary.

The diagram shows the relationships between various actors who have adopted SEZ practices at the research site, and can be used to explore the power relations that exist between the State, external factors such as the Chinese investors, and the local farmers. During this study, I will, in particular, focus on the policies and processes as well as the strategies used to motivate the farmers to engage in the establishment of



the Golden Triangle SEZ, as they became a part of the zone. Under SEZ rules, several actors have played an important role in changing livelihood strategies, as, in order to initiate these new strategies, the local farmers have required many new items, such as resources and capital. Inevitably, the requirement to utilize natural resources has caused contradictions between actors; therefore, it is necessary to explain more how these conflicts have emerged over access to these items. The interactions between local farmers, how they have established an institution in order to negotiate with and gain benefits from outsiders, reflect the iniquitous access to and benefits derived from the resources under the alternative development process, and this has directed local farmers to succeed and adapt in different ways.

Moreover, this framework will be used to investigate more how local farmers have adapted to their new livelihood strategy, as previously they used to practice subsistence agriculture, relying on natural resources and collecting NTFPs for food and income. Recently; however, their livelihoods have been based on wage labor, from which they can only make an income by working in the casino and becoming waged labor. In addition, access is restricted in the forests and on communal land; farmers have insufficient land to grow other food crops, or to expand their new vegetable plots. Subsequently, I will explore the reasons that have led them to practice intercropping and become workers in the Casino.

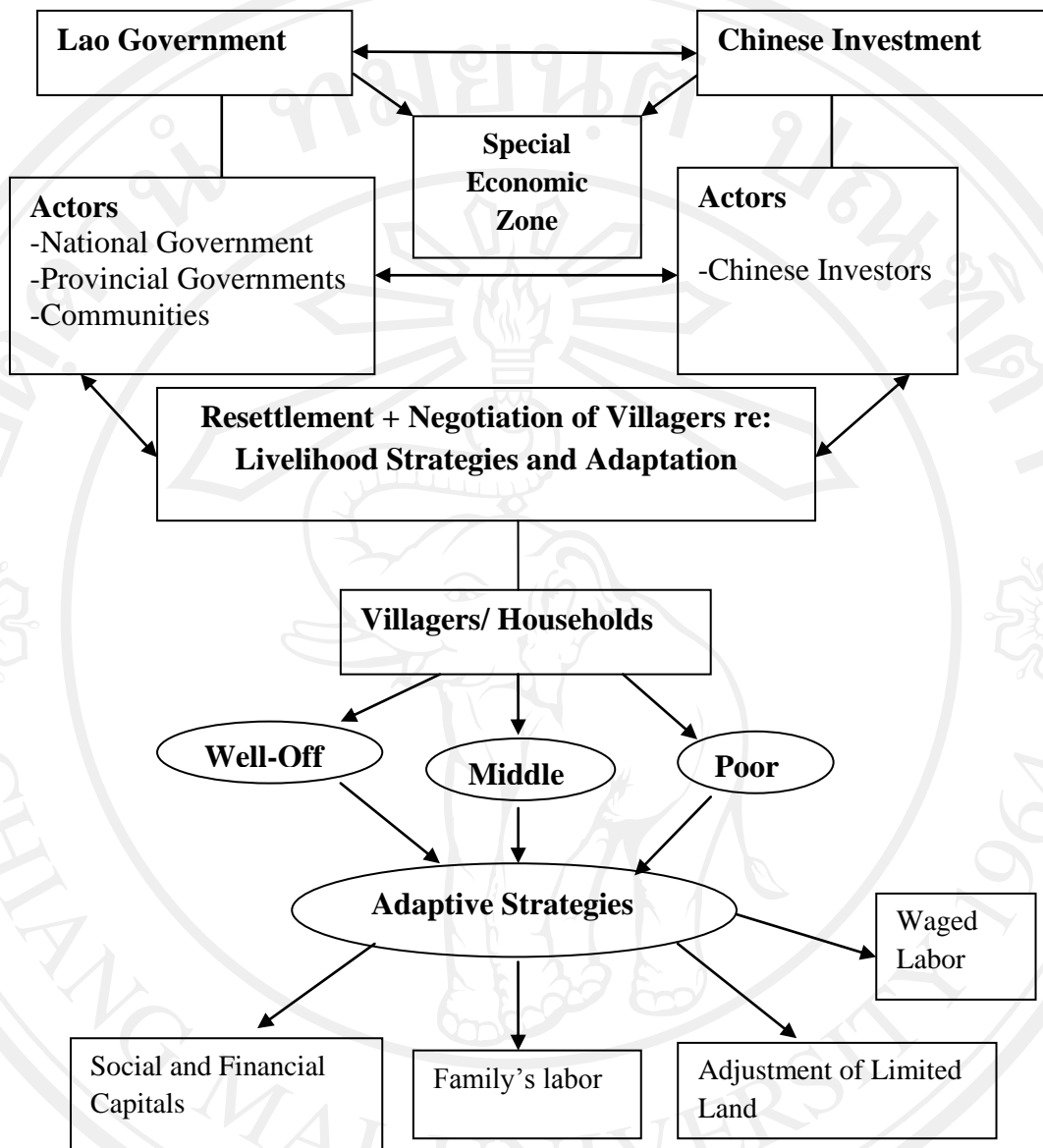


Figure 2.1: Conceptual Framework