

CHAPTER 4

SPECIAL ECONOMIC ZONE, THE APPROPRIATION OF LAND AND CHANGES TO LOCAL LIVELIHOODS

In this chapter, I will discuss the land appropriation process used during the resettlement process, including the use of information, the persuasion used, the use of petitions, compensation payments and the handling processes. I will also tackle the negotiation process, which included petitions made by villagers in relation to their agricultural land, their houses and so on. I will do this in order to show how local livelihoods have changed due to the introduction of the SEZ.

To obtain the relevant information, I carried out interviews and observed, plus held group discussions with the male and female laborers and agricultural workers in the village whose houses had to be replaced by the project. Between 2007 and the early part of 2012; most farmers families were resettled to the new location – an area the company had already built for them. Even the temple building was moved from the old location to the new, which involved moving a Buddha statue and a cemetery.

4.1 Resettlement in TonPheung District: The Case of Khuan Village

The story says that the village's name had significance for more than 100 years; however, the same story is told of Khuan, Sri-Don-Sak and Sam-Liem-Kham villages. Grandpa Noi, who is from the second generation of settlers, told me that he is the child of a Yuan family who moved to the village, was born in 1928 and that his father passed away when he was 41 year-old. He said that he has six siblings but only his first son still lives in khuan village, which is a similar story to other people living there; many people have moved to live in Chiang Sean (in Thailand, on the Mekong River). Also, Mr. Young who is from a second generation Yuan family in the village, said that before he moved, he had worked in LuangNamtha Province, and that at that time he visited to khuan village and saw abandoned natural resources in the village, such as plenty of land. As a result, a few years after his visit he decided to move in the study village with his family. He said "My parents settled down in this village; my mother was born in Lamphun province, and my father was born in Muang Sing, but I

went to work in LuangNamTha until 1990, when I and my family moved to settled down here because we had to abandon our land and resources in the village.” Another Yuan grand-child, Mrs. Yen, also told me, “My parents were the first to settle down here; my grandfather is from Lamphun Province, but the grandfather of my husband is from a group of people who lived in khuan village at that time.” She added, “There are three families that claim to be the oldest families in this village.”

Grandfather Noi mentioned that Khuan village was the old name used before he was born, then, during the French colonial time; it was called Sridonsak, because the village was covered by “teak wood trees” or *maisak* at that time. This name was used by the French army. At that time grandfather Noi was only fifteen, and became a Buddhist monk. He said that the temple sign showed two names at that time - sridonsak and khuan village, up until 1975 and the formation of Lao PDR.



Figure 4.1: Sign at Khuan Temple Showing the Village Name before the Move

After the French withdrew from Laos, sridonsak changed its name to khuan village, because people found it easier to remember. The village is located near the Mekong River, at the border between Laos, Thailand and Burma (interview with villagers in March 2012). The reason the name was changed was because people could remember it more easily and also because in the middle of the river is a big whirlpool into which people used to throw coconuts and watch them appear on the

other side of the river, and for this reason people called the village 'khuan'. At that time a business man built a mill in the same spot as the whirlpool, causing it to disappear, but people still remembered the name khuan.

Oui Noi is another Yuan name, and as one elder said "at that time, after Laos changed its administration, the population in the village was quite low, so the government staff said to me (at that time he was head of the village) "there are some households from Xayyabouly which will move to settle down in this village". Mrs. Boun who is a villager from Luangprabang district, and is also the wife of the present village head, added "My family was from Luangprabang Province, and my husband is Lue. We and our friends moved from Xayyabouly Province in 1997. At that time, I bought land from the state at a low price, and have worked as a farmer since then."

4.1.1 Ethnicity

The Yuan are just one of the many ethnic groups in Lao PDR; they speak their own language and are considered to be part of the Tai speaking peoples. The Yuan are not native to northern Lao PDR; they first migrated to Laos from northern Thailand. More recently, in 1984, members of the Lue ethnic group started to migrate from Xayyabouly province to the study area, as there were better natural resources and abandoned land free. In line with their traditions, the Yuan and Lue prefer to work on the farm and also gather forest products and grow vegetables for consumption, similar to other ethnic groups in the province such as the Lao Loum.

The ethnic Yuan and Lue believe in a *phiiban*; and that the *ngiew* spirit has protected their village for many generations. They are Buddhists, but they mix this with a respect for the village spirits. Recently, they have had to change from practicing agriculture to working for the local companies, due to the lack of any land to grow crops and vegetables, and raise animals.

4.1.2 The Uniqueness of their Houses

During my field research visit, I found out that Khuan village had a few houses which may have been considered unique, as the villagers claim to have been the first to live in the area. However, three families claim that they were the oldest in the village, but that since moving to their new houses they have forgotten much about their former houses and lives, and so much about their history. One grandfather who had a traditional house in the village said "I miss my old house, but I had to leave

it...” When I asked how he feels about having had to move to a new house, he said “Our new house is quite big – it has four rooms and two floors – there is more space than before.”



Figure 4.2 A Yuan House before Resettlement



Figure 4.3 A Yuan House after Resettlement

The above two figures show changes in the unique style of the Yuan villagers’ houses in Khuan village. The photo on the left shows a house before the move, while on the right shows a house after the move to the new village, as built by the company. After the villagers moved to the new village, the old village was left empty, then the local Burmese laborers moved in.

4.2 Initiation of the SEZ Scheme in Khuan Village

On 24th January 2007, an agreement was reached between the district and the villagers in Khuan to move their village due to the development scheme. In total, 320 villagers participated in the meeting, with two district level staff attending from the Tonphueng authority and the agricultural section. In the meeting, the officials told the villagers about the Golden Triangle SEZ project and that the village would have to be moved ten kilometers to the east. The officials added that the villagers could still pick fruit and vegetables at the site of the village, and could use water from the river, and also the temple. As a result, all the villagers approved the move at the end of the meeting.



Figure 4.4 Village Meeting Hall

A few months after the meeting, between the 11th and 13th April 2007, representatives of the government from Vientiane, local level officials and company representatives held a round-table discussion to talk about the impact of the SEZ on Khuan and Sribounhueng villages. There were two agenda items; one to discuss about the size of the concession land and two, the classification of the villagers' houses.

At the first meeting, after measurement of each house in the village, the company classified the houses into six different grades: A1, A2, B1, B2, C1 and C2. The following figures show the houses designed by the company.



Figure 4.5: New Houses of Grades A1 and A2



Figure 4.6 New Houses of Grades B1 and B2



Figure 4.7 New Houses of Grades C1 and C2

Later on, the company changed its classification of the houses into only three grades, from A1, A2, B1, B2, C1 and C2 to Grades I, II and III.

There were 73 households in Grade I; 25 households in Grade II and ten households in Grade III, plus 89 barns across the village. In the meeting, they also identified the land uses in khuan and sribounhueng villages, plus the public land. However, there are more sixteen households which the company did not give any compensation to; those houses built after 2007. In this case, Mrs. Khai who is 23 and works at the casino, said, “Actually, my previous house was already separate from my parent’s house, but my husband and I did not build a house during the period when the company came and measured, so we built a house afterwards; that’s why the company gave us only empty land. When we negotiated through the village committee to apply for a house, the company refused to help. Most of the families in the same situation wanted the company help us, not only to give us land but also to give compensation for the house as well.”

The table below shows the land use types in khuan and sribounhueng villages affected by the project, as of 12th April 2007. According to the project proposal made by the company, they needed 82,765 hectares in the Donsao area to build tourist shops, and the Don Dok Ngiew tourist site. khuan and sribounhueng village was to be used for constructing a fitness center, a hotel, food and drink venues, an entertainment complex, a trade and service area and agricultural facilities.

Table 4.1: Summary of the Land Use Types in Khuan and Sribouhueng Village affected by the SEZ Project

Land Use Types in Khuan Village	Hectares	Land Use Types in Sri Boun Hueng Village	Hectares
Paddy fields	11.36	Paddy fields	19.74
Corn fields	52	Corn fields	1.97
Tree plantations	27.59	Tree plantations	7.33
Cattle	71.497	Cattle	19.74
Cemetery	4.57	Cemetery	2.27
Sacred forest	3.59		
Residential land	41.013		
Total	319.99		54.160
Total Public Land		453.50	

Sources: villagers' document, 2010

During my fieldwork, a former villager called Mr. Noi Yung said that the head man of the village did not attend, because the villagers did not want him to as they did not want to move. Later, an agreement was reached on the condition that the company should meet as part of the move. Under this agreement, 1) the company agreed to build the villagers new houses, a new temple, a new village, new school buildings, a new village meeting room, and a cemetery, and that the valuation of the existing houses and other buildings would be done in line with the local monitoring committee, 2) the company agreed to create a new village, install as new sealed road around the village and in line with the villagers' requests, 3) the company was to allow the villagers to move out of the old village only when the new village was ready, and had a temple, a school, a village meeting room and a cemetery, plus had electricity and a water supply of a guaranteed quality, 4) the company was to appoint workers from khuan village as a first priority, plus find jobs for villagers with no education. They also promised to allow elders to participate in the project from its initiation and until its end, 5) the company agreed to be responsible for all expenses incurred in relation to the village's traditional customs, such as moving the village cemetery and others, 6) the new khuan village location would be agreed with the full cooperation of the villagers, 7) the company agreed to provide compensation based on

a fair valuation of the land, animals and residential buildings, those affected by the project and under Lao laws, and that the valuation be made by a provincial level team, 8) the company would build new barns for the villagers according to the new situation, 9) the company said it would compensate the villagers for the fruit trees and plantation trees lost in the old residential area, plus plant new trees in a suitable location and ensure the provincial team carried out an evaluation, 10) the company agreed to build new houses and hand these to the villagers in accordance with the new location and also based on their old houses, 11) the villagers could build on their own land, but not in the area used by the company to build the cultural and tourism village, and 12) a local team was to evaluate the area and come up with appropriate compensation, prior to the company.

The conditions above created many worries among the villagers, those who did not want to leave their land. At that time, the company would not allow the villagers to build any new structures on their existing land past 2007, withdrawing compensation if they did so.

The following month, on 1st June 2007, the villagers tried to submit a request to the central government in Vientiane entitled ‘Request to kindly consider and the village and paddy land of Khuan Village be exempted from the development and tourism complex project’.

One of my interviewees said “we collected all the villagers’ money and two senior elders took a bus direct to the Prime Minister’s Office. But the reply was ‘no’; we could not do anything as we had to follow government policy. The company promised we would be able to live happily in the new location as we would have nothing to do; just visit our farmland once a year.”

The following year, on 29th October 2008, there was a meeting held with the Dok Ngiew Kham., Co., Ltd in Tonphueng district, at which the conditions surrounding the relocation of Khuan village, those areas affected by the development and tourism project, were discussed. Attending the meeting were the company, coordinators from the province and district, and representatives from the village.

On 6th April 2010, a further meeting was held, at which it was agreed that: 1) 114 households would be moved first in line with the classification, 2) the order in terms of land classification was to be 800 m², 600 m² and 400 m² (for land over 400

m² the meeting agreed to compensate with money; for land less than 400 m², the company was to compensate with seven million Kip per hectares per rai, 3) trees would be compensated at the market price, 4) water wells were to be compensated at 60% of 3,900,000 Kip per well, 5) barns were classified into three types, as follows: Type I = 208,000 Kip/m², Type II = 130,000 Kip/m² and Type III = 52,000 Kip/m², 6) the company would build fences around each house, and 7) the company would build a store of 20 m². For some households, the company would compensate in cash.

Over the period 20th to 23rd July 2010, a measurement team cooperated with the village committee to help measure the land, houses and garden areas etc.

Table 4.2: Types of Land Use in Khuan Village based on a Survey in 2010

Land Use Type	Area (Hectare)
Village land	24.212
Residential buildings	14.290
Public land	
-School land	1.080
-Village office land	0.157
-Reserve land	8.686
Forest land	214.841
- Protection forest	173.136
- Trees/gardens	3.858
- Consumption forest (production forest)	37.847
Agricultural land	630.649
-Paddy fields	243.541
-Gardens	278.165
-Farms	9.143
Swamps or wetlands	145.496
-Kong River	110.125
-Canals/streams	1.240
-Reserve rivers	43.131
Public work land and transportation property or land	8.776
-Roads	8.776
Industrial land	-
Cultural land	3.125
-Temple	0.252
-Sanctuary	2.963
-Cemetery	-
Defense land	-
Total	928.140

Source: Villagers' document - 2010

Table 4.3: Land Area in Khuan Village

No.	Content	Area	Unit(s)	Remarks
1	Paddy fields	119.36	Ha	
2	Corn fields	52	Ha	Paid in cash
3	Tree plantations	27.69	Ha	Paid in cash
4	Cattle farms	71,497	Ha	Paid in cash

Source: Villagers' document, March 2012

Table 4.4: Village and Garden Areas in Khuan Village

No.	Content	Area	Unit(s)	Remarks
1	Khuan village	41.013	Ha	
2	Cemetery	4.57	Ha	45,700 m ²
3	Sacred land	3.59	Ha	35,900 m ²
4	School land	1.3191	Ha	13,191 m ²
	Temple land	0.5787	Ha	5,787 m ²
Total				100,587 m²

Source: Villagers' document, 2012

According to the resettlement data I collated on 7th April 2011, the company was to compensate the villagers as follows: 1) Houses 114 (land area of 800 m² for 63 houses; land area of 600 m² for 21 houses, and land area of 400 m² for 30 houses), 2) total amount of residential land the company was to re-arrange, 7.5 ha (75,000 m²).

Finally, on 28th January 2012, the new village, named Samliem Kham, was ready for the villagers to move into. An official opening ceremony took place in the area of the new village.



Figure 4.8: Comparison of Houses in the Old and New Locations

Figure 4.8 shows the differences in the houses between the old and new village. The houses were built more than a hundred years apart. I observed that these

changes have brought different meanings to the villagers living in this area. The villagers' lives have changed a lot. The photo on the left shows a daily life in which the villagers had a long historical background and many memories before they moved. After they moved to the new houses, the old houses were handed to the company and the Burmese workers moved in and changed them. Previously, the owners of the houses did nothing underneath them, but the Burmese workers now sell food and other items in the community.

4.3 Land Appropriation Process

4.3.1 Information Sharing Process between Local Officials, the Company and the Villagers in Khuan Village

To inform is to give knowledge of facts or circumstances to people in order that they know what to do and how to prepare for a given situation. In Lao PDR, the government dissemination of information follows a step-by-step and top-down process, as was followed in the case of Khuan village. Before the project came to the village, government officials at the local level started to give out information, such as the district government staff.

One of the villagers I interviewed said “an official from the district government first informed us that ‘khuan village was to be moved to the east by about one hundred meters’. Most of the villagers who attended the first meeting were thinking ‘if the new location is not so far from the current village, and we are able to come and grow our house plants and fruit trees, and use the river as before, and the temple will not move, why would we agree to follow what the government officials have said’”. He then said “most of the villagers who attended that meeting tacitly agreed by signing on to the meeting agenda.”

It was said that developing the SEZ would help support growth of the local economy and create jobs for local people, in response to the national plan. Accordingly the following edicts were passed: Government No 02/NA, dated 6th May 2003, the Promotion of Investment Law No. 02/NA, dated 8th July 2009, the Resolution of the National Assembly Standing Committee on the Approval of the Decree on Special Economic Zones and Specific Economic Zones in Lao PDR No. 47/SC, dated 26th October 2010, and the Notification on Approval and Direction of

the Ordinary Cabinet Meeting of the Month of September, held from 29-30th September 2010, No. 2898/GS, dated 5th October 2010. All these agreed to create an SEZ in northwestern Laos called the Golden Triangle SEZ and determined the area to be created as a development zone.

Based on the Decree on Special Economic Zones and Specific Economic Zones in Lao PDR No. 443/PM, date 26th October 2010, Article 2 states that an SEZ is a new economic development area that the government has determined as an area supporting economic environment which can provide facilities and autonomy when undertaking business operations, more so than in other areas nationwide, through the comprehensive building of social and economic infrastructures, institutions and so on, and with a view to raising the competitive capacity of the business operations. This will act as an incentive for attracting investment from all parties, so that the economy in the area may develop at a faster pace when compared to other areas. SEZs receive special promotion privileges, have an autonomous economic and financial system, apply a management and administration system according to the principle ‘smaller administration unit but wider society’, and are supervised by the Administrative Committee and the Economic Executive Board. This system is meant to ensure the security and protection of national culture and the sustainable conservation of the environment, and at my study site covers an area of 1,000 hectares or more, comprised of many specific economic zones. In the case there are people living inside the zone, it is not required for them to move out. On the contrary, an arrangement shall be made to allow them to have jobs and participate in the SEZ and have a sustainable income.

According to a Prime Minister’s Order about SEZs, No. 443 in 2010, the Boten Daenkham and ‘Dok Ngiew Kham (Group) Co., Ltd’ areas were upgraded to be an SEZ - an area with its own decrees and laws – separate to other areas.

The SEZ was added to the NDEP for Lao PDR (covering 2010 to 2015), the aim of which is to support economic growth and help remove Laos from the Least Developed Country (LDC) list by 2020. The national target growth rate was an average of 6% per year from 1988 to 2008, except for a lower growth period caused by the Asian financial crisis in 1997. Despite this high growth rate, Laos has remained a country with an underdeveloped infrastructure, particularly in rural areas. It has a

rudimentary but improving road system, and limited external and internal telecommunications. China has signed a deal with Laos to build a high speed rail system in the country, and construction on the US\$7 billion project was slated to begin in April 2011 and take five years. Electricity is now available in urban areas and in many rural districts. Subsistence agriculture is still dominated by rice cultivation in lowland areas, and accounts for about 30% of GDP and 75% of total employment. The government in 2009/10 received US\$586 million from international donors, and economic growth has helped to reduce official poverty rates from 46% in 1992 to 26% in 2010. The economy has benefited from high levels of foreign investment in hydropower, mining, and construction. Laos gained Normal Trade Relations status with the US in 2004, and is taking the steps required to join the World Trade Organization, such as reforming its import licensing system. Related trade policy reforms will improve the business environment. On the fiscal side, Laos initiated a VAT tax system in 2010, and has introduced simplified investment procedures and expanded bank credits for small farmers and small entrepreneurs - improving Laos' economic prospects. The government appears committed to raising the country's profile among investors, while The World Bank has declared that Laos' goal of graduating from the UN Development Program's list of LDC countries by 2020 is achievable. According to Laotian officials, the 7th Socio-Economic Development Plan for 2011-15 outlines the country's efforts to achieve the Millennium Development Goals (Mundi 2011).

MacLean (2008), referred to in Barney (2009: 147), says that the complexities of the resource frontier can be drawn-out through a national scale analysis of the neo-liberal inspired resource sector investment processes in Laos. The notion of the "patch worked frontier" is introduced by him to indicate how new global resource sector investment in Laos has interacted with the previous spatial regimes used for resource governance, producing fragmented and overlapping mosaics of resource governance and territorial control.

Pinkaew (2011) says that to procure community land, the company had to use a number of techniques to access it, those used for local benefit over the long term and using provincial level mechanisms. The idea was to ensure the local villagers accepted the changes without protest. Most people in the village did not know

beforehand that the company was to build in the area and that they would have to move, even though similar projects had been considered at the national and provincial levels for some time. The meeting held to discuss the project at the local level occurred after the project had already been agreed. Similar to the case of Khuan village, the villagers did not know beforehand when they were to move out of the village; they heard only that there was to be a project implemented in their village. It was only when the project coordinators from the provincial government came and declared that the villagers would have to move to another location not far from the current village that they found out. As a result, the villagers thought that, even having moved to the new village, they would still be able to come and pick up plants, fruit and use water from the Mekong River. As a result, the villagers agreed to the move at that time. Now the area has already been built and developed, to mirror Khuan village, only about eight villages have not been moved, because they were located around the Golden Triangle itself. People told me that the local, district and provincial government authorities met a representative of the villagers and the village chief, at which the government told them the aims of the project, to develop this area, and the reasons why people had to move to a new location. They also said people would get compensation in the form of jobs and houses, and that they would not end up poor.

However, the Khuan villagers were impacted adversely; their farmland was developed into a road which runs through the old town and houses the construction workers. The villagers told me that when their land was converted to government property, they did not receive compensation from the company, and said that they had to share the burden of the nation's development projects. Government representatives told me that as part of developing the area, they had already received approval from the state.

During the interviews I held with the villagers, they said that the development authorities had originally said the villagers would be able to get laboring work on the work programs and would get priority when looking for employment with the company, receiving high salaries and experiencing good living conditions. In the end; however, most of the Laotian people applying for jobs have been rejected, because they cannot speak Chinese.

Another problem faced by the people is that many were not accepted for employment because they were too old. At the beginning of the project, men and women from the village applied for jobs as laborers, but did not get work because they did not have the experience needed in terms of working in that environment and working all day with almost no break (interview with villagers in March 2012).

Most of the twenty people eventually hired to work at the casino were young women, with only four men working there, according to an interview held with the village chief (interview with villagers in March 2012).

A villager told me that more than 350 Lao people now work in the casino. Two were originally employed as dealers at the casino tables, but now only one is left because one made a mistake and resigned. Although the company has allowed villagers to move, Pinkaew (2011) says that the majority of the propaganda aimed at people in the area simply acknowledges the authority of the national party and central government.

4.3.2 An Agreement

All the land cases managed by the company were based on top down agreement with the villagers, but the process used to persuade them was very important. As Pinkaew (2011) states, the process used to “arouse” or persuade became key in forming the agreement, for the actions of the provincial and district authorities meant the villagers had to respond to government policy. In addition, the concessions were agreed very quickly, so that the villagers could not refute the details. Similar to the case of Khuan village, certain tactics were used to persuade the villagers to move. The villagers were told they would be moved to a new location not far from their current village, and that they would be able to return and harvest their vegetables and fruit. In addition, the villagers were told they would be able to get good jobs and that their lives would improve. One villagers gave his ideas on this: “in fact, we would not hand our land to the company because we did not know how we would earn for our livelihoods, but we could not disobey because we have to live with the government; our needs were not taken into account; however, it was state policy so we had to give in”. He added, “We did not want to disobey; if we handed over our land it was said the company would give it back to us”. It was said that the project was urgently needed for the industrialization of the area, and so any local people not accepting it

would make it hard for any further decisions to be made. I was told that most people did not want to give up their land to the company, because there was no work in the new location and farming was their sole way of making a living. However, they said they could not go against the party and central government's orders, because they had to live with these entities, adding "they said we needed to move, but did not say 'right now'". However, this was the policy of the government and the villagers did not want to disobey it. If everyone was willing to move and they could then live in good conditions and find jobs to generate an income for their families, then they realized they would have to move.

4.3.3 Measurement

When the provincial land agreements were being developed, villagers said it had been very difficult to come to an agreement, because they did not want to leave their own land and farming areas. The first meeting was held on 11th to 13th April 2007, but at this meeting the people did not agree to give up their land to the company. Several times the meetings took place until at the end, at the end of July, the government at the district level told them they could not speak at this point; just let the government investigate who had what in terms of farmland and gardens etc. They said that after that they would have to sign an acknowledgement proving it was their land, for onward submission to the central government, after which the villagers would know how much land they had a right to.

Because they had not expected to lose their land, some of the households mentioned that during the measurement period they were worried about having to pay more tax to the government, in case the measurement process found they had more land; they did not know the company was going to buy their land. One of my interviewees said, "At the first meeting, the local government official at the district level came with the head of agriculture for the district. They said 'the village will be moved about a hundred meters away from the current village to the east', and the villagers replied 'if we are moving not so far from the current village, we can come back and take our own house plants or *mak mai mak tok*, we will be able to come and use the Mekong river and the temple'. As a result, most of villagers agreed and applauded at the meeting. However, the authorities came again later and said

‘according to the previous meeting, the villagers have agreed to move under the government development project, which the government has a 20% share of.’”

An agreement was then made to survey the area over four days (20th to 23rd July 2010) in Khuan village and a meeting called which was attended by the village chief and village committee or *neo hom ban*, plus land owners, to measure the land around the village. The district office drew-up a plan and appointed a committee for the negotiation of the resettlement of Khuan village during March 2007, in order to deal with any communications over the measurement that land. The company also agreed to pay 50,000 Kip per day, or about 200 baht, to village committee members who cooperated during the measurement process, which covered agricultural land, farmland, and the housing area (interview with villagers in March 2012).

After that, the local people eventually said that they would submit a request to the central government saying would not give up their land, because it belonged to them and had supported their livelihoods for many years. They added that they had been resettled 500 years previously, and that if the project took all their land, they would have none left on which to farm (interview with villagers in March 2012).

Another reason they did not want to move was uncertainty over what their children and grand-children would be able to live on in the future. However, with part of the town already developed, they had little choice (interview the villagers in March 2012).

However, the government authorities said they had already come to still agreement and that the villagers had agreed to allow the development, as it was in a good cause and good for their families’ futures. The village representatives asked if the land would be returned to them in the future, to which the ambiguous answer given was that the project would definitely be going ahead (interview with villagers on March 2012).

Later, after the survey had been completed, a meeting was held to discuss the results. It revealed that 827.65 hectares of village land and a total of 89 houses would be impacted. Out of the 319.33 hectares of farmland, about 119.36 of garden land, 27.59 of pasture for cows, 41.497 for the cemetery, 4.57 for the village of Siboun Hueng, 54.16 for rice land, 19.74 of corn fields, 1.97 of forest farming, 7.33 of fruit trees, 3.11 pasture, 19.74 for the cemetery and 2.27 hectares of government land were

to be impacted. The reported total area of land used for the project was to be 827 hectares, with government land protection areas being 453.5 hectares, Khuan village being 39.99 hectares and Siboun Hueng village covering 54.16 hectares (interview with villagers in March 2012).

The project proposal stated that development of the village would cover Donsao, which the company was to use for business stores and to market the area around Khuan and Siboun Hueng villages to tourists, plus for the use of gyms, hotels, bars and restaurants, as well as other services within the agricultural economic development zone (interview with villagers in March 2012).

- **Paddy Fields and Garden Land**

Measurements were conducted over a short period (surveying, measuring, bordering, defining land types and making maps), only taking four days from 20th to 23rd July 2010. One objective of the measurement exercise was to ascertain how many hectares of land the villagers held.

- **Houses**



Figure 4.9: A Grade I House in Khuan Village

As shown on the figure above, the area measured for residential buildings at that time was only 14,290 hectares, with the houses categorized into six types, though eventually this was changed to three types later: Grades I, II and III.

Grade I: Covered 73 households - two floors with tiles, the upstairs covered with cement and surrounded by wood. The ground floors surrounded by bricks or masonry.

Grade II: Included 25 households - only one floor, covered by tiles or zinc; the floor made of cement and surrounded with wood, bricks, or masonry.



Figure 4.10: A Grade II House in Khuan Village

Grade III: Ten houses covered with wood or zinc.

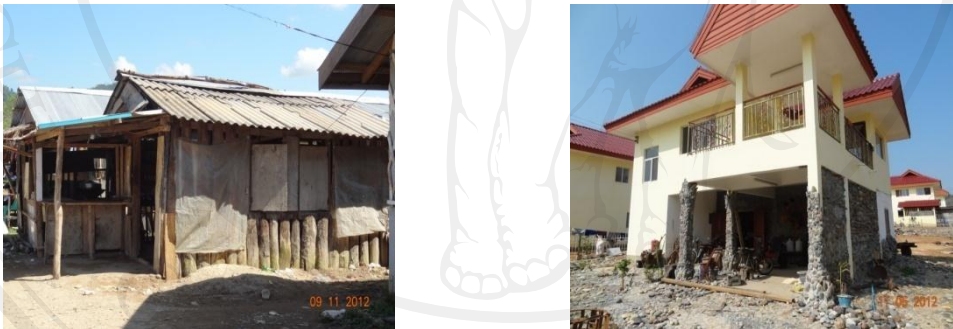


Figure 4.11: A Grade III House in Khuan Village

- **House Plants, Vegetables and Trees**

Khuan was an agricultural village, and growing plants was part of the way of life of villagers there, and was able to meet their sustainable livelihood needs, meaning they could save, reduce their expenses and ensure they got the vitamins they needed from the fresh vegetables grown. In addition, they raised animals such as chickens, pigs, ducks and cows, and in this way could make a suitable income for their families, as shown in the table below.

Table 4.5: Compensation given to Villagers for Plants, Vegetables and Trees in Khuan Village

No.	Item	Total Compensation (Lao Kip)
1	Coconuts	4,642,800
2	Fruit trees	182,161,000
3	Banana trees	17,192,405
4	Galangal	4,758,075
5	Rattan	9,399,285
6	<i>Phak heūat</i> (Ficus lacor ; Java fig)	5,926,725
7	Pineapples	2,628,800
8	Sugarcane	2,287,215
9	Bamboo	9,771,875
10	Sugar beet	322,240
11	<i>Tung</i> trees	6,691,250
12	Palm trees	4,770,000
13	Teak trees	36,146,000
14	Bitter cold vegetables	33,390
15	<i>Caesalpinia</i>	8,811,250
16	'Ship' trees	430,625
17	Goat's milk fruit trees	33,125
18	Bitter flower trees	283,815
19	Betel nut	610,560
20	Pomelo	2,587,460
21	Chicken fruit trees	4,273,125
22	Acacia trees	901,530
23	<i>Castanopsis</i>	1,060,000
24	Papaya	150,255
25	No data	33,390
Total		305,906,195

Source: Villagers' document, 2012

The table above shows the compensation given to the villagers who owned such types of trees and plants in April 2011. The total amount of compensation paid was about 305,906,195 Kip. The table also shows that the villagers in Khuan grew mostly cash crops, not only for family consumption but also sale as during the construction period Chinese and Burmese workers working on the construction site

near the village bought their produce. I observed that every household in Khuan village had its own, small vegetable plot next to the house. Some of them grew garlic, onions, morning glory and chilies, among other plants. Most were grown to support their daily consumption. Also, some villagers would cross the border to Chiang Saen Province in Thailand to buy pork and seafood, in order to sell to the workers. Some traders went into the forest to search for bamboo and wild animal, both to sell in the village to the Chinese and Burmese workers, or at the district market in Houaysay. During the land concession period, some household's were able to earn money by selling vegetables and other types of food to the workers - until they settled in the new location. Once their previous village had been taken over by the workers, and once they had moved, the villagers' revenue decreased because their customer base disappeared. "There are only sellers; no customers to buy our produce" said an elder in the village. She added "I have now stopped selling these products".

A former owner of a shop said, "At my previous house I could sell groceries such as daily production items, clothing and some others products. I was able to earn 800,000 to 1,300,000 Kip per day. My customers were not only from the village, but from neighboring villages, plus workers from the casino project. Now, at my new house I can only earn 250,000 Kip per day.

Gluckman (2011) points out that Laos has cleared a lot of villages as a result of concessions - for rubber plantations and tobacco processing plants, and these projects have lured Chinese investors to neighboring Luang Namtha Province. For example, the town of Boten was relocated; its farmers moved to new roadside settlements twenty kilometers to the south: "They took the land, we had to go—we had no choice," said one vendor at a grocery shop in the ramshackle New Boten. Like many villagers, she concedes they had received compensation that seemed fair at the time, but added "If we could go back, we'd do it in a minute." Now, she said, they have no rice and no fields, or "No life." She added "When they told us about the project, they said they were going to make things better. They needed the land to build shops" (all were small, low-profile companies that quickly disappeared in May and could not be contacted). Touts in vans roamed around China's border towns, offering free, "sure-fire" get-rich trips. But when the holiday ended, some customers

were left 'in-hock' and were detained, with ransom demands issued to relatives (according to Chinese accounts).

4.5 Resettlement Compensation in Khuan Village

Compensation payments were made between the 17th and 21st May 2010. Throughout this period, villagers had problems accepting the compensation from the company, as many mistakes were made in terms of the details of the compensation items, as the compensation list was long and complex. For example, in this first compensation phase, not all households received the entire compensation amount. The promise was that it would be resolved soon.

According to the former headman, who was a committee member in village level at that time, "we wanted to follow the government policy for development in this area; however, the villagers did not want to move. The whole village did not agree to go but took compensation from the company. Thus, the village committee agreed the community leaders must go and take the compensation. To receive compensate the company paid by check, and the villagers were able to go and get it at the provincial office, but the villagers said that they did not know how to get money. As a result, the company arranged for a car to go to the bank and withdraw the money in Thai Baht, because the first time the company paid with Chinese currency - Yuan. Finally, the villagers went and accepted the compensation paid by the company."

At this time, the households were divided into who could receive compensation at first, and who would receive it later. In total, 122 households had the right to receive it, but in the end only 107 households came to collect it - five households were not satisfied with the rate to be paid, such as one household which had 712 m² of land but where the company measured only 400 m². Other households wanted the company to compensate with land instead of money. Out of the 107 households which received money, fifteen found compensation was missing for some items, such as the wells, barns, coconut, fruit and banana trees, and the kitchens. Another two households had a problem with the type of land and house registered – with the house grade at first being A1, but receiving compensation for type A2. As a result, this household did not receive compensation.

According to the company rules, after compensation was agreed in 2007, the company would not allow the villagers in Khuan village to build new buildings, and that if they did, the company would not pay any compensation on such property. However, sixteen households disobeyed this rule. In these cases, the company just supplied the people with cement and gave them land to build a new house at the back of the new village, near the school and temple. The householders were left to build the new houses by themselves. In total, sixteen households built new houses between 2009 and 2010 - eight in 2009 and eight in 2010. The following table shows the amount of cement provided by the company to these households.

Table 4.6: Households who Built Houses after 2007

No.	Year 2009	Cement Provided by the Company (no. of bags)
1		20
2		16
3		20
4		17
5		16
6		17
7		17
8		17
No.	Year 2010	Cement Provided by the Company (no. of bags)
1		18
2		25
3		25
4		25
5		25
6		21
7		20
8		21
Total		16 Tons = 320 bags

Sources: From Survey in Khuan Vilalge in March, 2012

The table above shows the amount of cement provided by the company to those households who built houses after 2007. I interviewed one of the women in these households, and she said “I shared the house with my mum; the company rules said I could not build a house on my land, but my mum is sick right now and I am a divorcee with a daughter. I wanted to return this land back to the company and negotiate with them for compensation, because I will live with my mum. In addition, I could not build a new house in such a short time”.

Table 4.7: Household Land Allocated (Unit: m²) plus Compensation Paid

	Original	Empty	New	Balance	Original	New	Balance	Compensation		Land Lost
	Land	Land	Allocated		House	House		Gardens	Backyards	
1	600		600	0	120	116.107	3.893	0		0
	1512	0	800	712	144	170.286	-26.286	400		5266.56
3	1215	0	800	415	135	124.399	10.601	400		253.2
	1032	0	800	232	78	94.613	-16.613	0		3916.16
5	600	633.6	600	0	99	116.107	-17.107	0		10695.168
	1539	0	800	739	180	170.286	9.714	400		5722.32
7	431	0	400	31	54	50.378	3.622	0		523.28
	2598.4	0	800	1798.4	277	170.286	106.714	1600		3348.992
9	437	0	400	37	51	50.378	0.622	0		624.56
	1338	9403.98	800	538	210	170.286	39.714	400	9403.98	2329.44
11	693	0	600	93	54	50.378	3.622	0		1569.84
	1190	0	800	390	150	170.286	-20.286	0		6583.2
13										0
	741	0	600	141	126	170.286	-44.286	0		2380.08
15	1365		800	565	133	170.286	-37.286	400		2785.2
	368		400	-32	126	116.107	9.893			0
17	455		400	55	108	124.399	-16.399			928.4
	1024.65		800	224.65	174	94.613	79.387			3792.092
19	1722		800	922	143	116.107	26.893	800		2059.36
	485		400	85	153	170.286	-17.286			1434.8
21	1170		800	370	153	170.286	-17.286			6245.6
	756		600	156	264	170.286	93.714			2633.28
23	224.93		400	-175.07	67	94.613	-27.613			0
	400		400	0	143	94.613	48.387			0
25							0			0

Table 4.7: Household Land Allocated (Unit: m2) plus Compensation Paid (continued)

	Original Land	Empty Land	New Allocated	Balance	Original House	New House	Balance	Compensation	Land Lost
								Gardens	Backyards
27	400		400	0	63	94.613	-31.613		0
	400		400	0	117	82.154	34.846		0
29	1240		800	440	145	170.286	-25.286	400	675.2
	276		200	76	54	94.613	-40.613		0
31	714		600	114	63	50.378	12.622		1924.32
	534		400	134	126	116.107	9.893		2261.92
33	497		400	97	54	94.613	-40.613		1637.36
	780		800	-20	180	170.286	9.714		0
35	897		800	97	207	170.286	36.714		1637.36
	1339		800	539	162	170.286	-8.286	400	2346.32
37	1665.85		800	865.85	82	116.107	-34.107	800	1111.548
				0	0	0	0		0
39	1237		800	437	166.5	170.286	-3.786	400	624.56
	2760		800	1960	132	82.154	49.846	1600	6076.8
41	1012		800	212	153	170.286	-17.286		3578.56
	1440		800	640	204	170.286	33.714	600	675.2
43	1600		800	800	204	170.286	33.714	800	0
							0		
45							0		
	2058		800	1258	144	170.286	-26.286	1200	979.04
47	676		600	76	126	170.286	-44.286		1282.88
	1640		800	840	162	170.286	-8.286	800	675.2
49	524		400	124	108	124.399	-16.399		2093.12
							0		0
51	1092	854	800	292	174	170.286	3.714	854	4928.96
52	980	2921	800	180	177	170.286	6.714		3038.4
	947	11829	800	147	207	170.286	36.714		2481.36
54	2957	1470	800	2157	262	170.286	91.714	2000	2650.16
	1200	1164	800	400	180	170.286	9.714	400	1164
56	1101.5		800	301.5	183	82.154	100.846		5089.32
	1578	3176	800	778	207	170.286	36.714	600	3176
58	712		600	112	36	94.613	-58.613		1890.56
	532		400	132	58	82.154	-24.154		2228.16
70	778		600	178	168	170.286	-2.286		3004.64
	1786	12720	800	986	204	170.286	33.714	800	12720
72							0		0
	668		600	68	177	170.286	6.714		1147.84
74	1638	1760	800	838	168	170.286	-2.286	800	1760
	1870	1130	800	1070	252	170.286	81.714	800	1130
76	1072.5	897	800	272.5	180	170.286	9.714		897
	1812.5	1130	800	1012.5	126	170.286	-44.286	800	1130

Table 4.7: Household Land Allocated (Unit: m2) plus Compensation Paid (continued)

78	800	7846	800	0	172	170.286	1.714	7846	0
	1616		800	816	126	116.107	9.893	800	270.08
80	586		400	186	126	116.107	9.893		3139.68
	673.75		600	73.75	180	170.286	9.714		1244.9
82	724		400	324	135	116.107	18.893		0
	400		400	0	55.5	94.613	-39.113		0
84							0		0
	400		400	0	36	50.378	-14.378		0
86	762		600	162	36	50.378	-14.378		2734.56
87	1187		800	387	144	124.399	19.601	6532.56	
	612		600	12	72	82.154	-10.154	202.56	
89	1043		800	243	88	116.107	-28.107	4101.84	
	1279		800	479	135	116.107	18.893	400	1333.52
91	999		800	199	180	170.286	9.714		3359.12
	324		400	-76	90	116.107	-26.107		0
93	1011	1072	800	211	162	170.286	-8.286	1072	3561.68
	2890	1151	800	2090	156	170.286	-14.286	2000	1151
95	1072.5		800	272.5	180	170.286	9.714		4599.8
	3276		800	2476	132	116.107	15.893	2400	1282.88
97							0		0
	1060		800	260	60	82.154	-22.154		4388.8
99	200		400	-200	54	50.387	3.613		0
	1739		800	939	150	170.286	-20.286	800	2346.32
101	600		600	100	36	50.378	-14.378		1688
	306.25		400	-93.75	156	124.399	31.601		0
103	988.55		800	188.55	150	170.286	-20.286		3182.724
	1449		800	649	195	170.286	24.714	400	4203.12
105	330.5		400	-69.5	168	124.399	43.601		0
	330.5		400	-69.5	153	124.399	28.601		0
107	800	800	800	0	60	82.154	-22.154	800	0
	400		400	0	40	50.378	-10.378		0
109	635		600	35	153	170.286	-17.286		590.8
							0		0
110	504		400	104	122	94.613	27.387		1755.52
111	1032.98		800	232.98	117	116.107	0.893		3932.7024
	1311		800	511	93	82.154	10.846	400	1873.68
113	1314		800	514	153	124.399	28.601	400	1924.32
	877.5		800	77.5	226	82.154	143.846		1308.2
115	1404	6650	800	604	135	116.107	18.893	400	6650
	400		400	0	88	50.378	37.622		0
117	748		600	148	69	82.154	-13.154		2498.24
	830		800	30	96	116.107	-20.107		506.4

Table 4.7: Household Land Allocated (Unit: m2) plus Compensation Paid (continued)

	Original Land	Empty Land	New Allocated	Balance	Original House	New House	Balance	Compensation	Land Lost
119	396		400	-4	54	82.154	-28.154		0
	1628		800	828	123	116.107	6.893	800	472.64
121	1890	2041	800	1090	81	82.154	-1.154	800	2041
	708.75		600	108.75	60	82.154	-22.154		1835.7
123	630		600	30	56	82.154	-26.154		506.4
	624	431	600	24	126	116.107	9.893	431	405.12
125	685.6		600	85.6	90	82.154	7.846		1444.928
	1120		800	320	156	170.286	-14.286		5401.6
127	390		400	-10	84	82.154	1.846		0
	1303	748	800	503	160	170.286	-10.286	400	748
129	1292		800	492	50	50.378	-0.378	400	1552.96
	400		400	0	144	124.399	19.601		0
131	355.68		400	-44.32	100	116.107	-16.107		0
	113327.9	69828	73200	40228	14697	14144	553	29654	67539.98
									223755.034

Source: Surveyed in Khuan Village, 2012

The table above shows the area of land used to calculate compensation rates and the compensation paid, including for housing, garden and paddy field land. The total amount of compensation paid was 814,189,488.8 Kip (est.), with the average across the houses being 6,500,000 Kip (est.) per house. The minimum was 0 Kip, but they got land for build the house by themselves – for those households who built a house after 2010; however, by negotiating with the village committees and district authorities, plus with the company, the company agreed to provide cement to these households based on the amount of land held (in these cases, each household had to build its own house). The maximum paid was 50,440,000 Kip (est.). This data is not complete because some households were not paid compensation after the move (and had not received it at the time of writing). My survey in March 2012 found that one household received over five million baht in compensation, because the family had plenty of land, cattle and gardens.

In addition, the table above shows the compensation given for each of the houses. The company divided the area into original land, empty land and new, allocated land, and the balance left over (difference between old and new land areas). According to the resettlement policy, the provincial level government determined the compensation rates to be paid; in the form of new houses for them – with the size of

the new houses based on the original houses owned. The houses were categorized into three grades (grades I, II, and III), which were actually different from the size of the original houses. As shown in the table above, the sizes of the houses built were 400m², 600m²; and 800 m²; however, the fourth column shows the differences between the old and new land areas. As shown, villagers who had < 400m² were given compensation at a rate of 1 Rai = 7,000,000 Kip (est.). In contrast, for those who had \geq 400 m², the company gave them new land.

4.6 Relocation Process

Relocation officially started on 28th January 2012, after a long period lasting from 2007. However, the resettlement process in this area was quite different from cases in other areas of Laos.

“You only clean your feet when first in the new house; all are ready for you”.

These words refer to the readiness of the houses constructed and handed over to the villagers by the company.

The relocation of Khuan village to the new Sam Liem Kham village officially started on 28th January 2012. A grand opening ceremony was held to hand over the village to the villagers from Khuan, those affected by the tourist entertainment complex being built by the Kings Roman Group.

Prior to 28th January 2012, the villagers received an announcement from government officials about moving to their new houses in the early part of the next month, but no one wanted to move at that time, so the village committee agreed to have a meeting and announced that during the move from the current to the new houses, all the villagers would help each other. The company provided transportation for the day of the move, and if any households moved things by themselves, the company was to pay them 800,000 Kip in cash.

“The company representative said that they would pay us 800,000 Kip for moving, but I have never seen the money” said one villager. He added that on the first day of the move the company representative said “you only have to clean your feet and can live in the new house”.

“On the first day we could not sense what was good or bad about the new houses; they were nice, but there was no food source to support our daily lives, when

compared to our previous houses. At our previous houses, even though they were small, they were rich in food and resources; we did not need to pay for water; we used our wells, and only paid for electricity, but not much.”

“Your lives will be better....”

During my field visit to the new village in March 2012, I interviewed villagers and heard a lot of complaints about the new houses. For example, one family head said, “Last month, there was heavy rain in the area, and I was so scared at night; we had to move downstairs because we were scared. Some of the tiles broke and fell down inside the house”. In contrast, he also added “Currently our life is good and we are happy, because we have to do nothing, just stay home. But we do not have an income; we just spend our compensation money. So we have no income, but are happy.”

“Haam-Phii-Tok-Kang-Pasa”

Another villager said, “My feeling with the new house is pretty good, in terms of the house’s structure, but there have been some problems with the company which the SEZ office has not yet resolved. Since we moved here, we have not seen any agencies (district or company) come to visit us, they just asked how we are feeling! In addition, during the resettlement, they moved the Buddha from the old temple and set it up at the new temple in the new village, we got compensation for our land, plus the ‘Hor Theh Va Dah’ and cemetery were moved as well”. He added, “Now, when it rains, the roofs of the new houses break and the villagers get wet. This problem has made the villagers feel down. Even though the previous houses were small and not nice looking, we preferred to live in them.”

While collecting data in the new village I had the chance to attend a village meeting, on 12th March 2012. The meeting talked about the recent problems the villagers were having and those actions the company had not carried out as promised. For example, the villagers asked the company to help repair their new homes, which had been damaged during recent heavy rains.

4.7. NEGOTIATION PROCESS

4.7.1 Petitions

A meeting was originally held at which the villagers agreed to move; however, the following month, on 1st June 2007, the villagers held their own meeting and agreed to send a petition to the Prime Minister in Vientiane, entitled “Request to reconsider the exception of Khuan Village and its paddy land from the development scheme”. The first meeting between the authorities and the villagers was held on 24th January 2007, in which 320 villagers (150 women) took part, agreeing to send a request to the Prime Minister to reconsider the project, as follows: “1) To exempt the village and its paddy fields from the scheme, as we do not wish to move out from this area to another area, as this could create food insecurity for us. If the project proceeds, we and the next generation may not be able to sustain our livelihoods. 2) We, the villagers, have agreed to the measurements given of the area lost under the PP Group scheme, including gardens and houses, and request the company give us compensation at the market price, as agreed by the company.”

The villagers collected some money together and nominated two villagers to go to Vientiane and submit their request for the village to be exempted from the SEZ project. In reply, the Government said the project would go ahead and was unavoidable; the villagers would have to obey the development policy. One of the villagers who went to Vientiane said that an official from the Prime Minister’s office had told him “An agreement has been approved at Don Chan Place Hotel already, you came too late. In the meeting you guys all agreed already”.

4.8 Changes to Livelihood Strategies

According to my household survey, the 130 households impacted by the move could be divided into two main groups: 114 households which received houses and compensation, and another sixteen household which had to build their own houses.

Among those from Khuan village who decided to work at the casino complex, the majority were teenagers and some were divorced (females). In all, 95% of the Khuan villagers practiced farming and gardening, so relied on themselves for their rice needs. Since moving, villages they have suffered a lot in terms of food, vegetables and other fruit, and products from the Chinese market cannot supplement

their food supply because the prices are high, plus travelling over the border to trade costs money and involves going into the area controlled by the casino, so it costs 10,000 Kip each one-way trip. So, selling their daily produce at the border no longer supports their livelihoods. At the moment; however, most of the villagers can grow various kinds of traditional crop to sustain their daily lives.

Over the years, villagers in Khuan have been able to sustain their livelihoods by farming and growing cash crops, and in the past could sell their produce both in the village and in Tonpheung and HouayXai markets. For their rice production activities, some middlemen used to come and buy rice at their village. I collected data on the incomes and expenses of the Khuan villagers prior to the arrival of the casino project, based on a survey of 114 households, including 47 households who had no any paddy fields, 23 with paddy land of up to one hectare, 33 households with one to three hectares, and 23 households with between three and seven hectares.

Most of the households with no paddy land were run by teenagers, and during my research ascertained that most of these were third or fourth generation villagers who had settled down in the village recently, but could farm and earn an income by sharing land with their parents. Moreover, some in this group were female and of a younger age, and also divorced, because their husbands had been drug addicts. I interviewed one former head of the village, a Mr. Dok, who said, “Drugs came to the village in 1999, when some of the very young males became addicts. My two sons were adversely affected because of it. Before they became addicted my sons had a very good attitude, and were warm.” This teenage group also had no land to do farming because they were still at school, but after graduating applied to study at the technical training school. However, they could not get in as they wished, so returned home to help their families on the farm. In addition, 47 households, including the households moved later, sustained their livelihoods by working as wage laborers, helping to build the houses, and working on farms growing rice and vegetables. Also, out of the 144 households, 61 had no garden land, 41 had less than or equal to one hectare, eleven owned one to three hectares and seventeen owned three to eight hectares.

The villagers were able to save more than 70% of their total income prior to the arrival of the casino, with most of the villagers focused on seasonal food

production - growing rice, cash crops and, vegetables, and providing labor, then selling some of their produce at local markets. Some of them had small grocery shops or small restaurants. In addition, some of them worked as laborers in the village - building and maintaining houses, plus helping to grow rice and vegetables. As a result, they earned money in a number of ways at that time.

4.9 Summary

My case study area is Khuan village, which is located around the Golden Triangle SEZ in northern Lao PDR, and whose villagers have experienced a significant change to their farming society, with some having to become workers at the new King Roman casino, one business established within the Golden Triangle SEZ. In this chapter I found that the land appropriation process treated the villagers depended on the government rates, and especially in relation to the compensation payments made, and this has since relocated them to change their livelihood strategies. When comparing the households in Khuan village, I have found that the project under SEZ has had the most adverse impact most on the teenagers, but that women now have a greater chance of gaining work for the casino company than men.