

CHAPTER 4

URBAN DEVELOPMENT PROJECT IMPLEMENTATION AND RESETTLEMENT POLICIES AND ACTIVITIES

In this chapter, I discuss my research findings with regard to the implementation of the Pakse urban development project, obstacles and evaluation of the project. I then provide information about the resettlement policy in place and some of the actions taken follow by the presentation and analysis of my findings in line with the research objectives.

4.1 Implementation of the Pakse urban development project

4.1.1 Implementation Process

From my data collection activities, I found that the local officials planned and arranged the resettlement before implementing the project, putting together a strategic plan aimed at improving the infrastructure and providing services to the villagers. This plan covered the electricity and water supplies, the roads, health services, education and a telecommunications network, with the aim of improving people's living conditions (UDAA 1999).

An electricity supply was provided to the allocated area according to government policies related to the relocation of people. The government; however, introduced a special policy for Pattana village because it had been identified as a special government area, and this meant the government provided an electricity supply to the village free of charge for one year. Before people moved in, UDAA officials installed electricity line alongside the roads to the allocated land. In addition, after people had moved in, their houses were connected for free and UDAA allowed people in the community to use the electricity free of charge for several months.

Water was also an important resource to be considered for those moving to the allocated area, because the new village has no natural stream. As a result, UDAA officials had to provide a water supply for people in Pattana village - to use on a daily basis for their subsistence needs. For example, prior to people moving for the first time, UDAA officials had to dig twelve wells in the community, to resolve the

potential water shortage problem, and after that they installed water hydrants to further support water consumption and usage activities.

Within the allocated area, UDAA built roads so as to pass in front of the houses and facilitate communications. The roads were designed so that people would not have to enter and/or pass each other's houses, as had been the case in their previous villages. However, the roads constructed are not perfect; they have not been sealed with asphalt, though Pattana villagers are happy with the fact that the roads pass in front of their houses, unlike in their previous villages as already mentioned.

The roads were built using a government budget; the government being granted aid because the village was in an allocated development area. In addition, the government then decided to make this area a Special Economic Zone (SEZ) for Pakse District, by building a market, bus station and Champasak University - to service all four provinces in southern Lao PDR.

Furthermore, to facilitate communications, the government allowed private investors to establish a telecommunications infrastructure system in Pattana village - to make it easier for the community to access services and make it easier for business activities to take place – to improve income levels and generate further funds to be used for the management and administration of the village.

In terms of the postal service, there is a post office at the kilometer eight mark in Banchiang Chaleunsouk district, which is next to Pattana village, plus a provincial post office in the center of the town, about seven kilometers away.

4.1.2 Urban development models

The UDAA officials used three different styles of urban development within the plan, as they did not have direct experience from outside or from different countries from which to draw any lessons. The first style was according to the general direction of the project in terms of its management and conduct, while the second was drawn from Vientiane urban development project. The third was related to the work of officials who carried out field work during the period 1998 to 2003.

The general direction of the project was set out in the high level project implementation guidelines, which included three steps: 1) UDAA officials to survey the number of households in the project area, in order to calculate the land

compensation to be given within the allocated area, 2) UDAA officials to assess the number and sizes of houses in community; to evaluate the compensation levels and the housing demolition requirements, and 3) UDAA officials and the village authorities to develop an understanding with those inside the project area; to ensure the project went well. In addition, the UDAA officials also provided cars to transport items.



Figure 14 Urban development area in Pakse

The lessons learned from the Vientiane urban development project helped the Pakse project in terms of defining the costs of housing demolition, evaluating the compensation to be paid to the affected villagers and allocating the land. Moreover, the abilities of the officials responsible for the project were able to help with the planning framework and other development techniques.

4.1.3 Obstacles to urban development

According to my interviews with affected villagers, some mention that a number of obstacles were encountered during the development project. For example, the compensation budget was insufficient for those migrating, and so people were not satisfied with the compensation paid, and this led to delays in the project. The budget

was divided into three: 1) to be used for infrastructure development work such as constructing roads along the Mekong River, widening the roads around the city and also building roads in the allocated areas, plus building the wells and installing electricity, 2) to pay compensation for those factories which migrated out of the city, and 3) for compensation given to people for having their houses demolished and also for the move. It was this last allocation that fell short – leading to late payment of compensation.



Figure 15 Urban Development and Administration Authority Office in Pakse

In addition, some people were not satisfied with the new location, as it was not the same as the old location – in terms of housing density and also for doing business, and this led to delays, which had a knock-on effect on the project work timetable, with activities having to be postponed until agreement could be reached between the officials and the villagers.

Furthermore, the people who did move to Pattana village were not satisfied with the other compensation paid such as the housing demolition and land compensation, or with other welfare aspects. All of these problems acted as obstacles to the urban development project, leading to problems in terms of the planning styles used in the project area and the environment.

4.1.4 Evaluating the success of the project

During the April of my study visit, I found that evaluating the success of project could be done according to a number of factors developed by the UDAA officials and in line with the project's aims, which were to develop Pakse and improve and modernize services in response to the demands of local society. For example, improving infrastructure within the city should have led to greater efficiency and quality, especially with respect to roads, telecommunications and others services. During an interview with Mr. Maotay, he told me:

"The only way to evaluate the success of project would be to look at the project's targets at the start; to develop Pakse District and modernize the other services provided in response to the demands of local society."

(Mr. Maotay, 54 years-old, April 2013)

With the roads' building, the idea was to make them wider than previously and meet up with the Ministry of Communications, Transport, Post and Construction standards – sealing them with concrete in the center of town and with asphalt in the municipality as a whole. In addition, some roads were to be constructed to reduce overcrowding, while the road alongside the Mekong River was constructed to act as a wall, to prevent river bank erosion. This latter road later became a key tourist attraction. With telecommunications, the ideas was to modernize the infrastructure when compared to former times and improve the quality – by having several companies compete for the services – in order to extend the network to as many places around the city as possible. Some companies were told to give free SIM cards to customers in order to attract business. Other services were also built, such as hotels, guest houses, a post office and education facilities; all based on the funds provided by external and internal investors. The overall aim was to make the area as attractive to people as possible once the project had been implemented.



Figure 16 A new road in the town center

4.2 Resettlement policy and activities

Before implementing the project, the government's policies were aimed at helping people affected to move to Pattana village, where land was to be allocated, old houses to be demolished, electricity and water services installed and in general provide good living conditions in the new environment. During the period 1999/2000, the government's strategy was used officially by the UDAA officials who were to manage and administer these policies.

One of the key aspects of the project was communications with the affected villagers in the project area, and UDAA officials were given the task of ensuring the impacted villagers were informed about the resettlement policies. Before going to meet the villagers, the officials had to meet Pakse District officials and officials from the three villages (Phonkoun, Pakse, and Pakhueylue) to explain the impacts of the project and describe the new area and the services that would be provided there.

4.2.1 Resettlement of the affected villagers – key activities

While interviewing the head of the UDAA office on April 2013, I could see that UDAA officials had to deal with the villagers impacted by the urban development project, covering activities such as compensation evaluation, land allocations, housing demolition compensation and relocation compensation.

A range of officials sat on several committees focused on these activities, such as provincial officials, district officials and representatives from the three impacted villages, and the joining together of these groups of people helped manage the project in terms of the fieldwork activities needed to agree compensation, allocate land and demolish houses.

Before providing land to the affected villagers, officials had to assess how many square meters should be given to one household, a process facilitated by developing drawings. This drawing, with the help of village representatives, was managed by the Land Allocation Committee for each village. The land was allocated by dividing it into blocks, with one block equaling eight plot (pang) of land and each plot (pang) being 800 square meters (20 x 40). In addition, although each household was allocated the same square meter (size) of land, the locations were quite different, with some households relocated to low-lying land and some to higher land. It seems the officials who had to allocate the land did not have any criteria to use. After the committee had finished dividing the land up between each household, it passed the information to the Pakse district officials who were to make an announcement to the households to inform them of when they should meet the officials to find out how much land they had been allocated.

Other compensation calculated at this time could be classified into three types: to build a new house, for demolishing the old house and for the relocation itself. This activity was managed by the UDAA officials.

However, the timing of the provision of housing demolition compensation varied due to the government did not have money enough to pay the compensation for the affected villagers at the same time therefore; the government has to pay for the compensation for the affected villagers step by step. For example, some households received compensation within one month, while the next group of households did not receive this compensation until six or seven months later. Some did not receive any compensation due to the budget shortfall. This slowed down the migration of the affected villagers, meaning they did not all migrate at the same time. The migration of the affected villagers was dependent upon them receiving the compensation, for they needed this money to build their new houses in the allocated area. As a result of these delays, the UDAA officials were unable to set the relocation timetable.

The officials in charge of the move moved the households according to when they received compensation, so those who received it first were moved first. For the others, when they moved depended upon when the funds became available to pay them compensation. All this meant that people were moved at different times (UDAA 2000). One activity the officials paid close attention to was providing cars to help people with their relocations; to help move their household items etc.

4.2.2 Calculation of house demolition and relocation compensation

The compensation payments were calculated based on the quality of the houses, as assessed by the UDAA officials and provincial officials, who evaluated the quality of the houses based on a percentage scale and the square meters covered by each house. The rate paid was 800,000 Kip (US\$106.6) per square meter. For example, Mr. Ying's house was 100 square meters, but the quality was assessed as only 60 percent; therefore, he received 100 square meters x 800,000 Kip x 60/100, or 48 million Kip (US\$ 6,400). In another case, Mrs. Keo's house was 100 square meters, but the quality of the house was assessed as 95 percent; therefore, she received 100 square meters x 800,000 Kip x 95/100, or 76 million Kip (US\$10,133) (UDAA 2000).

For the relocation compensation, the government gave 60 percent of the value of the house the owner was allocated. For instance, Mr. Ying was allocated 48 million Kip for his house, so he received 28.8 million Kip (US\$ 3,840) for relocation compensation (48 million Kip x 60/100). So, in total compensation (house and relocation compensation) he received 76.8 million Kip (US\$ 10,240) (48 million Kip + 28.8 million Kip).

In the case of Mrs. Keo, her house was valued at 76 million Kip, so she received the relocation compensation of 45,600,000 Kip (76 million Kip x 60/100). In total, she received house and relocation compensation of 121.6 million Kip (US\$ 16,213) (76 million Kip + 45.6 million Kip) (UDAA 2000).

The following table gives details of these two examples.

Table 2: Examples of house and relocation compensations

House owner	House area (sq. m)	House quality (percent)	Rate (Kip)	House value (Kip)	Relocation compensation (Kip)	Total compensation (Kip)
Mr. Ying	100	60	800,000	48 Million	28.8 Million	76.8 Million
Mrs. Keo	100	95	800,000	48 Million	45.6 Million	121.6 Million

Source: Interviews with UDAA officials and field data collection, March 2013

As the head of the UDAA office explained to me:

"The calculations were made according to the guidelines set by the government and based on the Vientiane urban development project. For example, the house compensation rates and the relocation compensation rates."

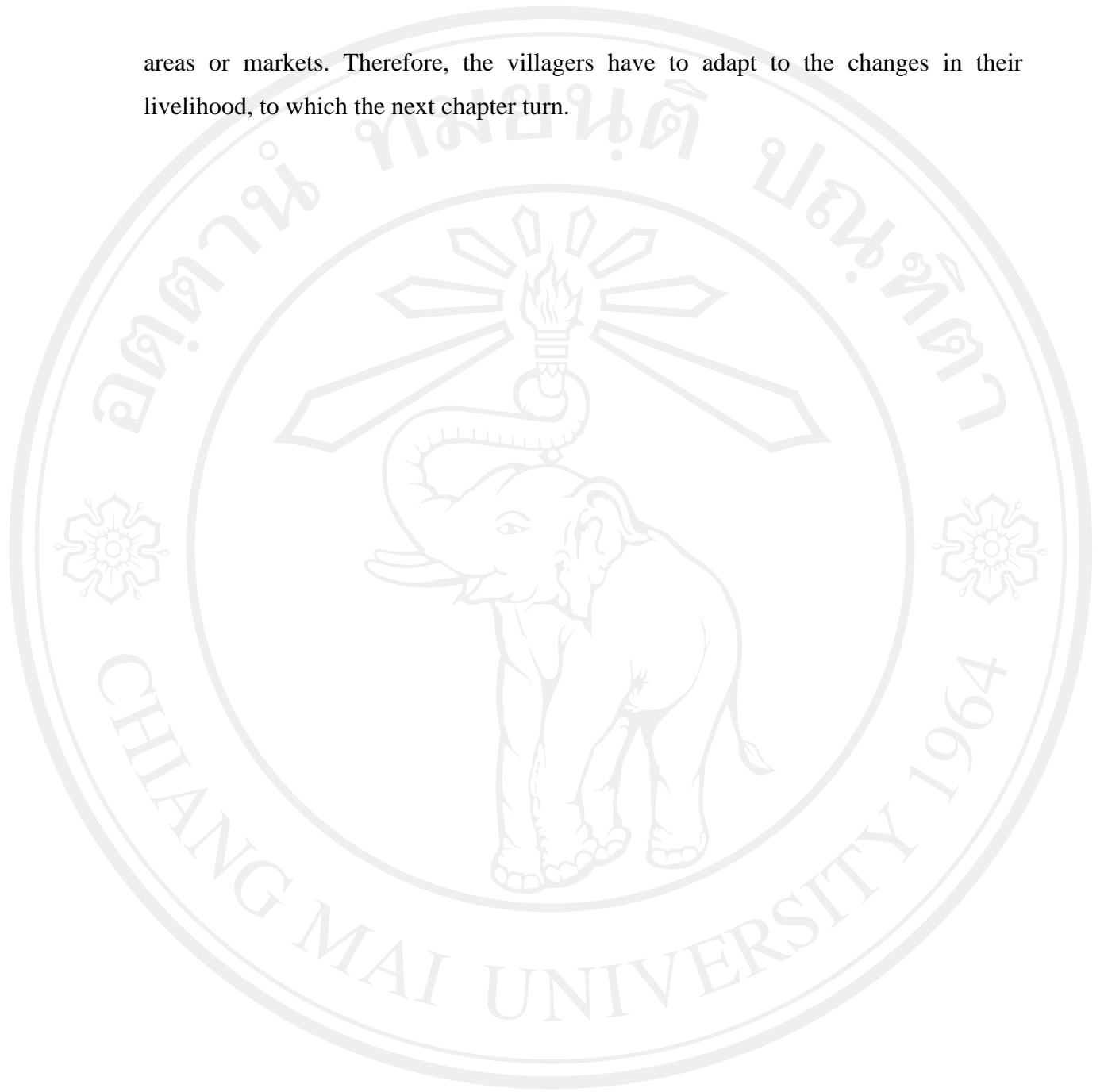
(Mr. Chanlasy, 56 years old, April 2013)

It seems that the compensation was quite low when compared to the cost of building a house and given that the economic conditions were unpredictable. However, according to my interview with the villagers, those who moved to live in Pattana village said that "we accepted the compensation because Lao PDR is an undeveloped country, not even a developing country." It seems the affected villagers accepted the compensation based on their understanding that the urban development and the resettlement were necessary for the country's economy and development.

4.3 Summary

The UDAA looked to the government's strategic plan for guidance in order to implement the Pakse Urban Development Project. However, this project impacted upon those living in the area, because they were asked to move out into a new area outside of town. They were asked to move into new houses and on to vacant land; however, the government paid compensation, for demolishing their old houses, for the relocation and for their loss of land. Unfortunately, the compensation paid do not equate to the cost of the new properties, plus the outskirts of the town are not suitable for running trade or business activities, situated as they are quite far from any work

areas or markets. Therefore, the villagers have to adapt to the changes in their livelihood, to which the next chapter turn.



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