

“There has to be a balance between economic development, social development and environmental harmony.”

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Please describe your work in PADETC.

PADETC emerged out of a group of people working in agriculture. We focused on organic fertiliser and shifted towards integrated farming systems and then towards rural development with “bottom-up” planning. This included a number of activities like clean water, sanitation, income generation activities, revolving funds, and fish raising.

After working in a rice-based integrated farming system for four or five years, I decided to concentrate on human resource development and training people. We set up this training centre – the first centre that obtained government permission as an institution in

Lao PDR – in the Ministry of Education under the Department of Private Education. We operate quite independently. Before that we were working under projects and operating under the auspices of a foreign nongovernmental organisation, the Quakers Service.

Laos is often described as a “least developed” country that is struggling against “poverty”. How would you define “poverty”?

The definition of poverty used in Laos by international agencies and institutions is very much based on a measurement of cash income or gross national product (GNP) that is based on products and cash. It does not emphasise social and environmental capital. International agencies and institutions talk about cash capital and material capital, which is basically what comes from industry not from natural products. So in using that criteria yes, Laos is a “least developed” country and based on this criteria Laos is considered “poor”.

But the poverty here and in other countries is quite different. Poverty here is basically cash poor; social services are poor – education and health care services do not reach many people – that is “poor”. But the natural social capital and the indigenous social capital is quite high. For example, people really care about one another, they help one another and in this sense, I think we are quite wealthy. In terms of the environment, we are lucky that we are not very populated and nature can provide a lot of things that makes us kind of easy-going. This should be seen as a capital, it is our national wealth.

But in the World Bank and the mainstream economic system of measuring poverty, these factors are not considered and Laos is seen as “poor”. From the Western point of view, it is seen as a disadvantage if you are not competing against each other.

Do you think that the people in Laos want economic wealth?

Yes. Economic richness is a basic human instinct that the world of capitalism and consumers is very good at tapping to bring superficial satisfaction. The increased consumption benefits the multinationals and the industries. The world of entertainment especially from the US is penetrating all over the world. But it is not just entertainment, it is to tap the basic instinct to desire certain products and a certain lifestyle without thinking. It manages to entice a great part of the global population to join the consumer world and even consume things that they don’t need.

The power of advertising and communication is basically dominated by the western world. But we cannot just blame the outside world because we are not preparing our people socially and mentally to make the proper decisions based on informed choices or enough information. They are given only one-sided information by the advertisements. The education system does not give them the other side of the story. For example, MSG – monosodium glutamate – is being used widely here. People find out about MSG from advertisements that tell them that it makes the food taste good. But that’s all they know. There are many well-known side effects: MSG decreases the ability of your bones to form calcium therefore leaving your bones brittle, some people have limited tolerance to it and faint or consistently have tears, other people suffer headache after consuming a lot of MSG. But the worst long-term effect is on nutrition. We are allowing these products to come in and take over, as part of the market economy promoted by development but we are not preparing people socially.

The market economy actually reduces your social consciousness because you compete for materials and reduce your concern for the environment. You become addicted, because you want to take everything, consume foreign whiskey, buy nice cars and so on. But if you look at it carefully, you don’t need a lot of this material that actually does more harm than good. When you cannot afford it you should not be using it. You cannot live in debt or what you can call “eating up the future”. When you become addicted to it, then you never know when to be satisfied. You end up

depriving a whole new generation of their rights to the access to resources.

Has Laos benefited from “development” over the past 10 years?

We are participating in a system that is not sustainable. We did not realise it at first and now we have got sucked into it and we cannot get out of it.

Early on we had a good basis for development. Soon after the war, in the early 1970s, there was a stress on social equity and so on. But we failed to also look at the economic component. Then, when the socialist approach failed they dumped everything to go to the capitalist model which is also a mistake because the capitalist world has a lot of problems. There has to be a balance between economic development, social development and environmental harmony.

Today, life is easier for some people but harsher for others who do not have the means. For example, people would now be very happy with what you could call the apparent improvement in the road and communication system, more hotels and restaurants, more imported beers and drinks and other goods and products. The other side of it is that people in the countryside also want to join in and will do anything, sacrifice anything, just to be part of this lifestyle. They would leave the countryside, they would work in garment factories and do basically very harsh, very difficult work. But how long will they be happy? If people are happy destroying their own system then there is something wrong.

What I mean is you should not over-consume or over utilise the things that you have without having the most value out of it. Whatever limited resources you have you need to recycle and reuse them, in the most effective way so they last longer for the future generations.

Do you think Laos is a “resource-based” economy?

We have no choice but to look at Laos as a “resource-based” economy. The question lies in the implementation and preparation – the social preparation – when development goes into an area. We cannot just destroy our resources and trade them in for a low price to get junk products and for junk lifestyles.

We should be looking at the use of biomass – water, sunlight, soil, land – and develop our economic system based on the biomass. For example, pulp factories are being developed to make use of the biomass. But this is not what I mean by utilising biomass because pulp factories consumes so much fibre from the biomass and also destroy the environment. We are left with the polluted water while giving our best resources to someone else to use.

What I mean by utilising biomass is that each tree and each plant has a valuable use and yet we are not searching out how to use the leaves, the branch, the fruit, the flowers. There would be a lot of high value crops also. But we just harvest everything raw with no processing.

For example, we are selling electricity as a raw material when we should be converting electricity to something else. Why can't we concentrate on using electricity for our mobility? Why are we importing expensive gasoline and

exporting electricity at a very cheap price when investment in electricity is high? We have to learn to be a thinking society – that is the bottom line of sustainability.

A non-thinking society has a very low negotiation power and short and narrow vision. It is very susceptible to immediate rewards without looking at the long-term impacts. For example, multinational companies want to patent our indigenous rice varieties but this can affect the livelihoods of many farmers.

What is the direction of agricultural development in Laos?

The Lao government has adopted an agriculture policy based on the advice of neighbouring countries and multinational institutions. So the Lao government is obsessed about rice self-sufficiency. Even though the technical people say we do not have to be self-sufficient in rice because we can diversify our production, produce other crops for a higher price and use the cash to buy rice.

But the politicians seem to be stuck with self-sufficiency in rice because they see that as a form of security. So the international agencies are saying we have to mechanise and they will give a loan for mechanisation and chemical fertiliser because all of these products earn money for outside companies, for multinationals. The companies promote special high-yielding varieties that need all these expensive support systems.

The local systems using organic farming methods have higher productivity and higher quality of food. But the consultants and the experts are not interested. It is natural for the market economy to promote the products it can make the most money out of for them. But in reality, the local people still prefer local varieties and local methods.

So the government is willing to get loans for irrigation, fertiliser, mechanisation to boost production. So once again, we have an example of not thinking – doing something that does not give enough return for the investment and yet we continue to do so.

Do you think that the World Bank or other government aid agencies would not give loans unless there was some benefits for them in return?

Well, who owns the World Bank? Who controls the World Bank? It is industrialised countries. Who put in the money? It is industrialised countries. It is the private sector. It is the multinational corporate sector that put the money into the governments and the governments in turn put the money into the Bank. And the Bank has to serve the interests of those companies. So the Bank serves the interests of the companies and donor countries, not necessarily the recipient countries. Sometimes I feel sarcastic and say they are alleviating their own poverty not our poverty. We live in a world where we cannot expect a just system or equal treatment. We live in

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the world of survival of the fittest.

The nature of the World Bank is to make money. If they give you something they always calculate in the longer term that they will gain something. They give you something as an investment for their own system.

For example, if they invest in electricity it is their hope that one day you will buy a lot of electricity and require appliances from their world and their industries will benefit. That's their motive because they have the power, they have the money. Of course we need electricity. But the question is, how are we going to use it?

It is the same thing with chemical fertiliser. The banks promote chemical fertiliser because they support those industries. They even want to promote pesticides here that have been banned in the developed world.

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The irony is that we do not see that one of our strengths is that we can, and are, living simply. While other countries are going for industrialisation, Laos should capitalise on its lifestyle. It should improve its social services, health care and education but also maintain its simple lifestyle at the same time.

How can education and health care be improved in Laos? Do they require help from outside?

It will require a very strong leadership to lead us out of the vicious circle we are in for development. Our leadership

doesn't know we are in a vicious circle.

We have inherited an education system that is pretty much irrelevant, inefficient, and very poor quality. It is one way communication, teaching people to follow instructions and not give people choices. When you cannot think you cannot solve the problems.

Laos receives outside help for education but if they continue to build schools without improving the software of education, the training of teachers in their own traditional way of education also, we will remain nonthinking.

Some educated Lao want to leave Laos because now we are teaching people to fend for themselves and look after themselves and think less of others. So when you are educated you want the best services for yourself, the best salary for yourself, without thinking that the profession that you learnt is to help others.

In terms of health care services we boast about the number of hospitals but the quality of service is very poor. People still die from simple diseases. There is some improvement, some trends, but we can do a lot better.

We have been receiving quite a bit of outside help to improve social services, but outside help does not come free. It comes with outside ideas and outside domination. We do

need outside help but it should come from a person that understands the situation here, not from someone who understands it from an outside perspective and imposes their own understanding on us.

For example, we set up big hospitals using loans from the World Bank. They have modern equipment, which maybe we do need. But the priority should be in training the people, especially the doctors. This is the investment we need. Building hospitals is high investment but has little impact on the health status of the people here.

How are the local people organising themselves on education and health care?

There is a lot of sharing at the community level. They are helping one another so if you can introduce something that they can share – not that they have to compete for – then it would be very helpful such as health care, information, services, education and other things that they need.

Development should simply be for example how to maximise nutrition when you feed an infant. Or to provide latrines and access to clean water, these things would really help them. We have to provide simple information and amenities like that.

The Australian government funded the friendship bridge across the Mekong River from Thailand to Laos. Is this a good sign of friendship? How do other countries help?

Yes, physically, a good sign, its even romantic. But here again, how do we use the bridge? Right now it has satisfied the Vientiane population quite a bit, they go out on weekends and shop in Nong Khai [Thailand] and come back. A lot of officials go there so it gives the upper echelon of the social group a good sense of security and happiness. But every time we go out to buy things over there we are giving away foreign exchange. And we are absorbing a lifestyle that we cannot afford and bringing it back to Vientiane. Others see this and want to copy. In that sense it is not really positive. But the bridge does facilitate communication going back and forth and there is a need for that. To some extent the bridge has made things more convenient, but we have plenty of time, we could just go by ferry as easily. I think we cannot avoid being linked up, but we need to know how to select what we are linked up for.

We got money from the Australian government. If we didn't build the bridge we would not have got this money. But if you look at it from the point of view that the Australians are giving money to put into whatever we want instead of the concrete for the bridge then I would probably have put it in something else, probably into the social sector. But does the Australian government give that free choice? I don't think so. The Australian government and Australian companies built the bridge. Every kind of assistance comes with that attachment. There are lots of hands that are coming to help out but we do not know how to communicate or negotiate – how to say what we want. If we know what we are doing I think we do have some power. If we said it right and with good reason we could negotiate how to use the money people

are giving us.

Laos is heavily in debt and has low ability to pay back our loans. Our social infrastructure is very weak. We are seen as a country “in the red” and therefore sometimes we are called the Africa of Asia. So, there are a lot of sympathetic hands coming in, a lot of good intentions but a lot is also misplaced, misused and misprioritised. That is why we are where we are despite all the helping hands. We do not know how to communicate our priorities. How can we expect outsiders to understand? Often we do not look at Lao people as a strength.

The effect of Laos being a landlocked country is that some products rely heavily on transport and we do not get a good price for the product because the transport takes up a lot of the cost. But I would see our landlocked situation from the other point of view. I would not export anything that is heavy. I would convert it to something that is light and then transport it at a higher value.

Since we have no port, we could produce something that is light like fabrics and basketry especially since we have some of the world’s best designs. We should not be selling logs but furniture so we get more money for the weight.

What do you think that the World Bank and ADB have learnt from their involvement in Laos over the past 10 years or so?

I think they just continue to do the same thing that they have been doing. They are just using different terminology but their activities and the projects are still the same. They talk about “poverty alleviation”, but they build roads and dams. It’s the same thing as always, just different terminology and these do not change things very much. What I mean by poverty alleviation is that as a strategy it should prevent the creation of poverty. But poverty prevention has never been a strategy of the World Bank or the ADB because if you stop creating poverty the banks do not make money out of it. So you create poverty and then put a human mask to yourself and then say “we’re going to help alleviate poverty”. But actually they are the ones who are creating poverty.

The World Bank says that roads and dams help poverty alleviation by raising money for the central government to then alleviate poverty. Do local people benefit from the building of large-scale dams and roads? How can the building of roads and dams be viewed as “poverty alleviation”?

In their view, if you build roads, the community will be able to sell their products to the market and therefore they earn cash and with cash you get out of poverty automatically.

But does the community need the roads? Sometimes you do not need all season tar roads to these remote areas. From a community point of view they need something just so they can transport some goods or get things they need. Often, their communication system is quite low-cost. But the benefit is for the people from the city not the community.

The main north-south areas need to be connected and feeder roads are needed but the roads need to be developed according to the needs of the local community rather than of

the people in the city. And you need to prepare the society from the point that they can take advantage of the road before you put in the roads. If you don’t prepare them, then outsiders will just come in and extract all the resources from the area and the community will become poorer and not richer.

In general, governments are inefficient. So it is wrong to expect something to turn out well if anything goes through the government unless you prepare the bureaucracy to function properly first. In Laos it does not function properly. When it does not function properly and you invest in it, there will be a loss.

We need a strong and decisive leadership. If you have good leadership, you can guide the people in the right direction.

Can poverty alleviation work without security of land tenure?

Before outsiders came in we had a local system where the villagers knew which land belonged to whom and they shared common land. There were no legal owners. The new land tenure has destroyed this system. Common land is gone. Now who has access? Usually people who have the capital to buy it up. So therefore it takes away the resource of the local people. And because the people are not prepared properly, when they are given land tenure and then tax is charged on it and when the people don’t have the money to pay the taxes their automatic response is to sell the land to raise the money to pay the tax. At the end they lose the resource that they depended upon.

Land tenure systems can help if you prepare properly and maintain the common land areas. Land tenure is a problem in the areas where the market economy takes hold and where the economy has been “monetised”. But the thinking of the World Bank is that unless land becomes a commodity you can not “monetise” the economy. It is a chicken and an egg situation. The World Bank and the local government are not known for social preparation. I think the World Bank is illiterate on social preparation.

What potential do you see for Laos to get away from the model of mainstream development?

When I talk to people in villages, if they are very isolated they tend to say they are quite happy with what they have. They are quite happy with the way they are. The Lao are quite a contented population. But the information that comes in has polluted their minds, then they want this and they want that. Some people will see that as a good sign because people are no longer lazy. But for me that’s a bad sign because we are shifting to a lifestyle that we cannot afford and becoming discontented with what we have.

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