

NATIONAL SUSTAINABLE DEVELOPMENT POLICY UNDER THE APPROACH OF
THE SUFFICIENCY ECONOMY PHILOSOPHY : A CASE STUDY OF THE LAO P.D.R.

Mr. Justin John Shone



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แนวทางที่ส่งเสริมกันทั่วไปในประเทศกำลังพัฒนาคือการใช้รูปแบบการพัฒนาจากประเทศตะวันตกที่เน้นการส่งเสริมอุตสาหกรรมเป็นหลัก องค์กรเพื่อการพัฒนาและสถาบันการเงินเพื่อการพัฒนาให้ความสำคัญกับเรื่องเศรษฐกิจและการเงินยิ่งไปกว่าเรื่องทางสังคมวัฒนธรรมและสิ่งแวดล้อม แนวทางนี้ใช้วิธีคิดแบบเสรีนิยมใหม่ซึ่งมุ่งมองผลทางเศรษฐกิจการเงินในระยะสั้น และมักจะเอื้อประโยชน์ให้กับคนกลุ่มเล็กๆ แต่ส่งผลกระทบต่อสังคมและสิ่งแวดล้อม

ในทางตรงกันข้าม ปรัชญาเศรษฐกิจพอเพียง (Sufficiency Economy Philosophy หรือ SEP) และโครงการพัฒนาในแนวทางใกล้เคียงกันนี้ ทำให้เกิดทางเลือกที่เน้นทางสายกลางและเน้นการพัฒนาแบบค่อยเป็นค่อยไปที่ยั่งยืน โดยพิจารณาเรื่องสังคม วัฒนธรรม เศรษฐกิจ และสิ่งแวดล้อมที่เหมาะสมและสมดุล

ปรัชญาเศรษฐกิจพอเพียงได้รับการยอมรับจากองค์การสหประชาชาติ รวมทั้งได้รับการยอมรับอย่างกว้างขวางว่าทำให้เกิดแนวทางการพัฒนาที่เน้นความใส่ใจดูแลและเน้นมนุษย์เป็นศูนย์กลาง ในปัจจุบัน ปรัชญาเศรษฐกิจพอเพียงเป็นส่วนสำคัญในวาระการพัฒนาระดับโลกของสหประชาชาติหลังปี พ.ศ. 2558 (ค.ศ. 2015)

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งานวิจัยนี้ได้สังเกตถึงแผนการพัฒนาชนบท ที่ควรระมัดระวังให้เห็นถึงปัญหาที่แท้จริงและความยากจนของสังคมในชนบท

งานวิจัยนี้ยังชี้ให้เห็นว่าการดำเนินงานพัฒนาประเทศตามหลักการเศรษฐกิจพอเพียงยังมีความซับซ้อน และมีความจำเป็นเร่งด่วนที่จะทำให้นโยบายและการปฏิบัติสอดคล้องเชื่อมโยงกันมากขึ้น

งานวิจัยนี้สามารถจะเป็นพื้นฐานสำหรับการตัดสินใจของผู้วางนโยบายการพัฒนาที่จะค้นหาแบบการพัฒนาที่ดียิ่งขึ้น โดยพิจารณาจากแนวทางต่างๆ ในแผนการพัฒนา และเลือกสรรแนวทางเหล่านั้นเพื่อนำมาสู่การปฏิบัติ ซึ่งจะช่วยให้ปรัชญาเศรษฐกิจได้รับการนำมาประยุกต์ใช้อย่างจริงจังในโครงการพัฒนาระดับชาติในอนาคต

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KEYWORDS: CONVENTIONAL DEVELOPMENT / SUSTAINABLE DEVELOPMENT / LAO PDR / MODEL VILLAGE / SUFFICIENCY ECONOMY / RURAL DEVELOPMENT

JUSTIN JOHN SHONE: NATIONAL SUSTAINABLE DEVELOPMENT POLICY UNDER THE APPROACH OF THE SUFFICIENCY ECONOMY PHILOSOPHY : A CASE STUDY OF THE LAO P.D.R.. ADVISOR: NARUMON ARUNOTAI, Ph.D., CO-ADVISOR: CHARLES B. MEHL, Ph.D., 289 pp.

Current *conventional* western development approaches in the development industry as actively promoted by most developed countries, their development agencies and development banks have long asserted the absolute precedence of economic and financial consideration over social/cultural and environmental considerations. This neo-liberal, short-sighted and often misguided approach driven by the irresistible prospects of short-term financial gains, usually only for the “few”, can come at a particularly high price for affected societies and cultures.

In contrast the ethically-based Sufficiency Economy Philosophy (SEP) and SEP sympathetic development programmes offer more viable alternative because they promote moderation and sustainable step-by-step development with social/cultural, economic and environmental considerations being afforded due respect and being in proper sync and balance.

This research confirmed that the SEP has been championed by the United Nations and acknowledged globally as shaping global development dialogue through promoting a more caring and people-centred working model for development and is now at the heart of the UN’s Post 2015 Global Development agenda.

Research findings show that the perceptions of the SEP and of its principles in the Lao PDR are positive and strong and at all Government levels awareness is high. Likewise at a non-government and public level the perceptions against the pillars and dimensions of the SEP are similarly agreeable although often using different terminology and in a number of cases following already existing local development SEP-like approaches.

This research has also established that there are complexities to the realization of the SEP in national development approaches and a pressing need for a much better connection between policy and practice and that current conventional Rural Development programmes should be more reflective of the local realities and problems and needs of the rural poor.

The methodology used in this research included, literature reviews, direct observations and semi structured interviews for determining perceptions of the SEP and the research has found that the SEP approach is already well-known in the Lao PDR and is being implemented under the direct model of the SEP in “Model Villages” as well as through local hybrid versions following a similar philosophy;

This research could consequently provide a basis for decision makers looking for an improved development model to take stock of the approaches in their current development plans and to consider selecting, implementing and realizing more SEP-like approaches in their next national development programme.

Field of Study: Environment Development and Sustainability Student's Signature

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ADSC	Agricultural Development Service Centre
AEC	Asian Economic Crisis
AusAID	Australian Agency for International Development
ASEAN	Association of Southeast Asian Nations
DPs	Development Partners
DIC	Department of International Cooperation (MPI - Lao PDR)
EU	European Union
EWEC	East West Economic Corridor
FAIR	Foreign Aid Implementation Report
FAO	UN Food and Agriculture Organisation
FDI	Foreign Direct Investment
G-20	Group of 19 (plus EU) Largest Economies
GDI	Gender Development Index
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GNH	Gross National Happiness
GNHC	Gross National Happiness Commission
GNP	Gross National Product
GOL	Government of Lao PDR
GPI	Genuine Progress Indicator
HAI	Human Achievement Index
HDI	Human Development Index
HDR	UN Human Development Report
HPI	Happy Planet Index
ICEM	International Centre for Environmental Management
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
ILO	International Labour Organization
KM	Kilometer (KM)
KREI	Korean Rural Economic Institute
KPI	Key Performance Indicators
LDC	Least Developed Country
LPRP	Lao Peoples Revolutionary Party
LTSSSED	Long Term Strategy for Socio Economic Development
LWU	Lao Women's Union
MDGs	Millennium Development Goals

MPI	Ministry of Planning and Investment (Lao PDR)
MAF	Ministry of Agriculture and Forestry
MoFA	Ministry of Foreign Affairs
MoNRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MRC	Mekong River Commission
NEF	New Economics Foundation
NEM	New Economic Mechanism
NERI	National Economic Research Institute
NIE	New Institutional Economics
NGO	Non-governmental Organization
NZAID	New Zealand Agency for International Development
NESAC	National Economic Social and Advisory Council (Lao PDR)
NGPES	National Growth and Poverty Eradication Strategy (Lao PDR)
NHDR	National Human Development Report
NSC	National Statistics Centre
NSEC	North South Economic Corridor
NSEDP	National Social Economic Development Plan (Lao PDR)
ODA	Official Development Assistance
OPM	Office of Prime Minister
PADETC	Participatory Development Training Centre
PDR	People's Democratic Republic
PRF	Poverty Reduction Fund
PRSP	Poverty Reduction Strategy Paper
PIP	Public Investment Program
PM	Prime Minister
RTM	Round Table Meeting
RTP	Round Table Process
SD	Sustainable Development
SDSN	Sustainable Development Solution Network
SEP	Sufficiency Economy Philosophy
SG	Secretary General
SWG	Sector Working Groups (RTM)
TICA	Thailand International Cooperation Agency
TI	Transparency International
UN	United Nations
UNDP	UN Development Programme
UNHDI	UN Human Development Index

UNIHDI	UN Inequality adjusted HDI
UNODC	UN Office on Drugs and Crime
UXO-NRA	Unexploded Ordnance – National Regulatory Authority
WB	World Bank
WCED	World Commission on Environment and Development
WEF	World Economic Forum
WEO	World Economic Outlook (IMF)
WCU	World Conservation Union



GLOSSARY OF TERMS

Meanings of terms used in this dissertation for which the definition is not directly referenced are considered by the Author to be operational definitions.

TERM	DEFINITION
10 Planks in the establishment of Marxist Socialism	<ol style="list-style-type: none"> 1. Abolition of property in land and application of all rents of land to public purposes. 2. A heavy progressive or graduated income tax. 3. Abolition of all right of inheritance. 4. Confiscation of the property of all emigrants and rebels. 5. Centralization of credit in the hands of the state, by means of a national bank with State capital and an exclusive monopoly. 6. Centralization of the means of communication and transport in the hands of the State. 7. Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan. 8. Equal liability of all to labour. Establishment of industrial armies, especially for agriculture. 9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of population over the country. 10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production (Marx & Engels, 1888).
Buddhism	Buddhism refers to the teachings of Buddha (4 noble truths, 8 fold paths) as an ethical system.
Buddhist Economics	Buddhist economics is the “Middle way” of development which aims to achieve a maximum level of well-being with a minimum amount of consumption. (Schumacher 1966).

TERM	DEFINITION
Capitalism	Capitalism is an economic and political system based on the private ownership of the means of production, distribution and exchange.
Communism and Marxist Socialism	Communism or Marxist Socialism are often referred to today interchangeably as Socialism. Communism is described in the Communist Manifesto as a political and economic theory of social organization which advocates that the means of production, distribution, and exchange should be owned or regulated by the community as a whole. The Communist Manifesto also directly relates to the wanting of social justice and equality in society.
Conventional Development	Conventional Development is contemporary capital-intensive (labour-saving) development methods usually involving international consultants and contractors and Direct Foreign Investment (DFI) and mirrors development methods and systems as commonly used in developed countries giving priority to economic and financial prerogatives.
Democratic Socialism	Democratic Socialism is a modern political and socio-economic system which advocates a democratic political system alongside a capitalist or largely capitalist economic system such as in mixed economies where state owned enterprises are also able to operate competitively. Democratic Socialist states sometimes also referred to as Social Democratic states place high priority on basic social rights (particularly health and education) as well as on basic human rights for all citizens while encouraging an open and competitive free market economy.
Dutch Disease	Dutch Disease is an expression used to describe the unwise socio-economic management of a vast increase in wealth or

TERM	DEFINITION
	inflow of foreign capital usually as a result of a commodities or natural resources boom which may not be sustained. The expression is coined from the Netherlands' unfortunate social and economic experience after discovering large natural gas deposits in the 1960s.
Egalitarianism	Egalitarianism is a doctrine of equality in which people should be treated as equals; socially, culturally and economically.
Gross National Happiness	Gross National Happiness is an expression coined by His Majesty Jigme Wangchuck, the fourth (Dragon) King of Bhutan to refer to the essence of a philosophy of peace, security and happiness. The GNH value or Index is now used as an indicator of a nation's psychological and social health or "wellness" by measuring, economic, environmental, physical, mental, workplace, social and political "wellness". (GNHC)
Inequality	Inequality refers to the divergence of income and/or wealth within a society. Social inequality can result from unequal opportunities and rewards for different social positions or statuses within a group or society. It can also be structurally driven by recurrent unequal distributions of goods and wealth.
Neo Liberalism	Neo-liberalism is a misnomer as this politically charged economic approach is not "new" but it is a generally accepted term now used to describe a philosophy of self-interest over any sense of obligations to society. Neo-liberalism is a philosophical offshoot of classical liberalism that emphasizes capitalistic freedom, private property rights and limited government. (Rashbrooke, 2013).

TERM	DEFINITION
New Theory	New Theory refers to the New Theory under a Sufficiency Economy which His Majesty Bhumibol Adulyadej the King of Thailand developed as a system of integrated and sustainable agriculture, embracing his thoughts and efforts in water resource development and conservation, soil rehabilitation and conservation, sustainable agriculture and self-reliant community development. (Chaipattana Foundation, 2014).
Poverty	Poverty is defined by the United Nations as the inability of getting choices and opportunities, a violation of human dignity, and a lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to; not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It also means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation.
Self-immunity	Self-immunity is the Buddhist notion of self-reliance and self-discipline as well as the ability to withstand external shocks and cope with uncontrollable events. (UNDP Thailand, 2007)
Sufficiency-Economy	The Sufficiency Economy references the Sufficiency Economy Philosophy SEP with respect to its implementation as an individual, community or at national level.
Sufficiency Economic Philosophy (SEP)	The Sufficiency Economy Philosophy was developed based on the real life experience of His Majesty Bhumibol Adulyadej King of Thailand and stresses an appropriate conduct and a way of life, advocating a "Middle path".

TERM	DEFINITION
SEP Pillar: Reasonableness	Decisions concerning the level of sufficiency made rationally with consideration of the factors (Moral, Ethical and Knowledge) involved and in careful anticipation of the outcomes that can be expected from the actions.
SEP Pillar: Moderation	Actions of Sufficiency with consideration of the factors (Moral, Ethical and Knowledge) and avoiding deficiency or excess in relation to oneself or others.
SEP Pillar: Self-reliance	A livelihoods approach and ability inclusive of Moral, Ethical and Knowledge considerations regarding natural economic activity rather than growth based activity to be able to cope with changes and shocks.
SEP Dimensions: Moral and Cultural	Refers to the importance of peace for both religious and cultural principles for both personal security and safety and physical, emotional and mental immunity as well as for the security and safety of the nation and property and good international relations.
SEP Dimensions: Educational	Refers to a knowledge based society with equal access to knowledge and learning necessary for self-reliance
SEP Dimensions: Social	Refers to Social Responsibility and peaceful conflict settlement through the right of access to Public services and social (protection) welfare and sharing and compassion within the society.
SEP Dimensions: Management of Public and Private Sectors	Refers to the Corporate Social responsibility of individuals through political participation, the private sector through efficient management and good governance and transparency and the State through proper monitoring of performance and decentralization of power to local authorities.

TERM	DEFINITION
SEP Dimensions: Science and Technology	Refers to the need for local appropriateness of science and technology through adequate resource allocation for human development for the Development and self-reliance of science and technology potentials.
SEP Dimensions: Economic	Refers to equality-based economic systems and economic stability through Sustainable agriculture, Environmental friendly production and food safety, Reasonableness and efficiency in using resources, Immunity at the national level, knowledge based development and improvement on local wisdom.
SEP Dimensions: Resource and Environmental	Refers to the wise, efficient, balanced and effective use of resources and participation and justice in managing natural resource and environment, the avoidance of environmental damage through economic activities that have low impact on environmental health as well as the quality preservation of resources and the maintenance of biodiversity,
The Middle Path	The Middle path refers to the middle between two extreme paths. It follows an optimal route or balanced and astute approach for personal conduct at all levels and requires an on-going effort. It should not be confused with a simply compromising or “middle-of-the-road” approach.
Sustainable Development (SD)	Sustainable Development (SD) is classically defined in the Brundtland Report, ‘Our common Future’ as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” It contains within it two key concepts: <ul style="list-style-type: none"> • the concept of 'needs', in particular the essential needs of the world's poor, to which overriding

TERM	DEFINITION
	<p>priority should be given; and</p> <ul style="list-style-type: none"> • the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.
Model Villages	<p>The terms SEP Model villages / training centres/ Demonstration centres are used interchangeably throughout this text and refer to the implementation of activities following the “New Theory” under the SEP as is practiced.</p>



Chapter 1

Overview

1. Introduction

1.1 Background and importance of the Research

This research has been conducted under the Chulalongkorn University, Interdisciplinary Program in Environment, Development and Sustainability (EDS), to better understand the impact, implementation and application of the Sufficiency Economy Philosophy (SEP) and how it is used to support National Development and Planning outside the Kingdom of Thailand and its synergies with such plans.

This research provides a basis for future decision makers to better address the important issue of Sustainable Development through an alternative approach which departs from current *conventional* development practice. This alternative approach should build greater resilience against economic downturn and better address the development challenges in a balanced and people-centered manner through the adoption of the SEP (or SEP-like) model of “self-immunity, reasonableness, and moderation” for sustainability.

This research is undertaken within the context of the prevailing and predominant *conventional* development environment where the benefits of development are driven largely by wealth creation or self-interest for the few and often with consequent negative environmental and social impacts and at a very high cost to communities. Unfortunately current *conventional* development models as embraced by most developed western countries through their agencies and development banks are now more often than not being adopted as presumed best practice by underdeveloped and or developing countries.

Despite the expansion of development goals in *conventional* development practice to many non-economic aspects, such as health, education, nutrition (as in

the Millennium Development Goals), and the emphasis in much development theory on environmental, social, and other non-economic aspects, *conventional* development practice continues to emphasize and prioritize economic growth. The ADB for example is spearheading the infrastructure development in the Greater Mekong Region which is intended to spur economic growth; and the World Bank continues to use economic indicators as its main measures of development. Many contemporary practices for so called sustainable development take as a given economic growth alone as the means to improve people's standard of living.

However the resultant and growing inequalities which derive from current *conventional* development approaches clearly highlight the need for a rethinking of the shortcomings of current approaches. Returning a primary and pre-requisite focus to respect for human rights¹ and greater social equality in development programmes will lead to more harmonious and sustainable societies and economies afford greater respect for the environment. This however would mean the repositioning of financial and economic growth prerogatives to a more complementary and socially responsible as well as a more balanced role.

The SEP approach recognizes that if we are to gain further improvements in the real quality of life, we need to shift attention and dominance away from a preoccupation with purely material gain to more balanced economic growth approaches. This requires a “middle path” to be able to provide better attention to ways of improving the psychological and social wellbeing of the society as a whole and to achieve greater well-being and equality.

The “middle path” is the pillar of SEP and is based on Moderation, Reasonableness and Self-Immunity;

¹ As enshrined in the 1948 United Nations Universal Declaration of Human Rights

“an approach to life and conduct which is applicable at every level from the individual through the family and community to the management and development of the nation”. (UNDP Thailand, 2007)

Current *conventional* development approaches in developing and developed countries as presently supported by most developed countries and their development agencies and development banks presume that continuous and optimal economic growth is necessary for an enabling environment for development. Some current *conventional* development approaches still consider that this economic development alone and as it is currently structured is able to adequately provide for an improved quality of life for the poor through eventually reaching them via, among others, the thoroughly debunked “trickle-down”² effect.

However it is the manner in which economic and social objectives are set and their performance realized and measured (Stiglitz, Sen, & Fitoussi, 2009) and the benefits distributed that should be at the heart of 21st Century sustainable development strategies and these need to be based more on the most appropriate and sustainable levels of socio-economic growth necessary for the optimal wellbeing of growing populations.

In comparison to current *conventional* western development approaches, the Sufficiency Economy Philosophy³ (SEP) provides development programmes with a viable alternative development option. The SEP has been championed by the United

² Most recently by His Holiness Pope Francis through his encyclical, “*Evangelii Gaudium*”, November 2013

³ The Sufficiency Economy is at the center of the Sufficiency Economy Philosophy (SEP), this philosophy has been developed based on the real life experience of His Majesty King Bhumibol Adulyadej of Thailand and stresses an appropriate conduct and a way of life, advocating a middle path as the optimal route for personal conduct at all levels of society for an outcome of balance, stability and sustainability

Nations and acknowledged globally as shaping global development dialogue through promoting a more people-centred approach to development and through creating working models for genuinely sustainable balanced and stable development.

While the SEP is clearly a philosophy, for it to be effective it must also translate from a philosophy to a policy (where it must start) and to the development project or activity (where it is put in to practice) where a meeting of the “top down” and “bottom up” approaches intersect.

1.1.1 International Recognition of SEP

In December 1948, shortly after the end of the Second World War the United Nations General Assembly adopted the Universal Declaration of Human Rights (UN, 1948) which provides clear guidance on the rights of individuals and the responsibilities of nations which can be applied to national development policies. This Declaration is a cornerstone to the conceptual development of the SEP by His Majesty King Bhumibol Adulyadej of Thailand.

In May 2006 while this Author was engaged with the United Nations Development Programme (UNDP) in Bangkok, Thailand, the Secretary-General of the United Nations, Mr. Kofi Annan presented the first United Nations Human Development Lifetime Achievement Award to His Majesty Bhumibol Adulyadej for his tireless efforts to help the poorest and most vulnerable people of Thailand and thereby setting an example to the world and in many respects providing an example of best practice as envisaged in the principles of the Universal Declaration of Human Rights.

“Your Majesty has made an extraordinary contribution to human development. As the world’s ‘Development King,’ Your Majesty has reached out to the poorest and the most vulnerable people of Thailand – regardless of their status, ethnicity or religion – listened to their

problems, and empowered them to take their lives in their own hands,”
(K. Annan, 2006)

In presenting the award the United Nations Secretary General cited examples of His Majesty Bhumibol Adulyadej's rural development projects that have economically and socially as well as environmentally benefited millions of people across Thailand and which started with promoting small-scale agriculture, appropriate farming technologies, sustainable use of water, conservation, and flood and drought mitigation. It was further acknowledged that the SEP has its application not only at the personal and community level but is equally relevant at all spheres of development of the public (Government) sector and the private sector and also at all levels; Regional, Provincial, National as well as International. Indeed the United Nations Development Programme (UNDP) has and continues to replicate the SEP-type programmes in many countries internationally.

“As a visionary thinker, Your Majesty has played an invaluable role in shaping the global development dialogue, Your Majesty's ‘Sufficiency Economy’ philosophy – emphasizing moderation, responsible consumption, and resilience to external shocks – is of great relevance worldwide during these times of rapid globalization. And it reinforces the United Nation's efforts to promote a people-centred and sustainable path of development. With this Award, we hope to further promote the invaluable experiences and lessons learnt from Your Majesty's development endeavours, and help draw attention to Your Majesty's visionary thinking beyond the borders of the Kingdom of Thailand.” (K. Annan, 2006)

Today globally however the prevailing and predominant western *conventional* development policies retain the commanding position due to their influence and size and through unquestioning of the approach also referred to as the

‘Washington consensus’⁴. But there is growing international apprehension that these prevailing *conventional* development policies for so called “sustainable development” have economic, social and environmental goals moving seriously out of proper balance and that there is a need for these development policies to be better composed and where necessary reformed and improved to be able to achieve truly sustainable development.

1.1.2. International Experts and Organizations Sympathetic to the “SEP” and “SEP-like” Approaches for Development.

There are many internationally renowned development experts and authorities whose own development approaches and guidelines are largely in sympathy with the SEP. These include those pioneered by Schumacher and Stiglitz, Nobel Laureates Sen, Kuznets and Yunus and others⁵ as well as the “Occupy” movement, the New Economics Foundation, and the Equality Trust (UK).

As is explained in the work of E.F. Schumacher *“Small is Beautiful: Economics as if people mattered”*, (E.F. Schumacher, 1973) - people and the development of people should be considered as infinitely more important than a matter of profit or exploitation. While the logic of this is simple and clear, the reality of development priorities often does not follow such simple principles. Schumacher also emphasizes the common sense of local development involving an optimization of the use of local resources. In this respect Schumacher’s approach has particularly strong parallels with the SEP and indeed now with a world concerned about the carbon footprints made by transporting goods and products over vast distances.

⁴ The Washington consensus is a set of 10 policies (including liberalized trade, macroeconomic stability and price adjustment) that the IFIs believed as the basis for economic growth in the 1990s. These ideas have proved very controversial

⁵ Including researcher and author Robert Wade Professor of Political Economy and Development at the Development Studies Institute (DESTIN), London School of Economics and researcher and author Dr. Ha-Joon Chang of the Institute of Public Policy Research at Cambridge University

"Production from local resources for local needs is the most rational way of economic life." (E.F. Schumacher, 1973)

The possible influence of Schumacher's ideas on those of King Bhumibol Adulyadej is noted in the article of Professor Apichai Puntasen, (Ubon Ratchathani University) and Bronwen Rees "Sharing wisdom from the East: lesson from the King's Sufficiency Economy in Thailand"

"In 1974, he (His Majesty The King of Thailand) first put forward this radical idea that can be traced from his reading of Schumacher, Small is Beautiful. At the same time in 1973, he met the King of Bhutan who was developing his idea of gross national happiness, as opposed to gross national product, which was also in line with King Bhumibol's idea." (Aprichai Punthasen)

Renowned Indian economist and winner of the Nobel Prize in economics, Amartya Sen best known for his contribution to welfare economics and social choice theory has also stated that a country's progress should not be measured just in terms of GDP growth but that greater emphasis should be given to the rate of improved equality and in the reduction of poverty irrespective of economic growth. In his work *Development of Freedom* he explains that:

"What people can positively achieve is influenced by economic opportunities, political liberties, social powers, and the enabling conditions of good health, basic education, and the encouragement and cultivation of initiatives". (Sen, 1999)

Sen clearly outlines the need for a holistic approach to development and again this has strong parallels with the SEP.

Another internationally respected authority on development and more specifically economic development, is Nobel laureate Joseph Stiglitz who has cautioned about the risks involved for any country which has a major emphasis on the rapid development and exploitation of natural resources (particularly minerals and water) when he wrote in 2006 that a country aiming for an accelerated and high GDP growth might have to employ 'bad' policies and make 'bad' decisions on environmental issues. Stiglitz cited the example of Papua New Guinea's Gold and copper mining operations in mid 1980s, which resulted in large scale devastating environmental damage and problems which remain today. Stiglitz noted that GDP growth numbers can also be allusive if they do not properly account for the depletion of resources or environmental degradation (and its attendant negative social consequences) and if not fully accounted for then GDP growth could in reality be significantly lower. (Stiglitz, 2006, p. 30). During 29-30 October 2007 Stiglitz held discussions in Vientiane on the development implications of natural resource-based growth in the Lao PDR, which were very positively received by the GOL, he stressed that:

To prevent the natural resource curse and to be able to use resources most effectively for socio-economic development, governments need to consider two important issues: 1) how to maximise government revenues from the sale of natural resources; then 2) how to ensure such revenues are managed and invested effectively.

Stiglitz also explained and discussed the so-called Resource Curse or Dutch Disease, negotiating contracts with resource companies, environmental and social impacts, importance of transparency and accountability, importance of competition, managing natural resource revenues effectively and how to correctly measure a country's success.

In the light of the Asian Economic Crisis (AEC) of 1997, the Global Financial Crisis (GFC) of 2006 and the more recent debt issues in Europe and the USA there is

understandably a growing movement calling for people and countries to shift from pure *conventional* economic growth development models which benefit the few, towards socio-economic policies and strategies which better the majority and achieve more sustainable people-centered development.

At a global level the Occupy Wall Street movement “We are the 99%” is a contemporary example of the growing international protest against social and economic inequality and a strong call for the reform of economic structures in developed countries in order to create a fairer society. Occupy Wall Street is a people powered movement that began September 17, 2011 in New York and it has since spread to over 1500 cities globally. The movement aims to bring better equality through more reasonable and fair distribution of wealth:

“fight back against the richest 1% of people that are writing the rules of an unfair global economy”. (N/A, 2013b)

The New Economics Foundation (NEF) (NEF, 2013) an ecological economics think-tank that promotes social, economic and environmental justice aims to work for a “new model of wealth creation, diversity and economic stability” also represents those concerned with the historic focus on measuring progress against only economic and financial indicators.

The NEF launched the Happy Planet Index (HPI) (HPI, 2014) in 2006 which measures the extent to which countries deliver long, happy, sustainable lives for the people that live in them. The Index uses global data on life expectancy, experienced well-being and Ecological Footprints to calculate this. This index challenges existing indices of a state’s success such as the Gross Domestic product (GDP) and the Human Development Index (HDI).

Following this calculation from the NEF, countries such as Thailand and Laos are considered to be “happier”, “better” countries, than for example the United States of America, the United Kingdom and Australia (Australian Unity, 2014).

In Australia, Australian Unity, in partnership with the Australian Centre on Quality of Life at Deakin University, regularly measures how satisfied Australians are with their own lives and with life in Australia. Using the Australian Unity Wellbeing Index, it investigates satisfaction with economic, environmental and social conditions in Australia, and gives insights into individual wellbeing. The Australian Unity Wellbeing Index is a comprehensive measure of personal and national wellbeing. Unlike traditional indicators of quality of life such as Gross Domestic Product, the index measures how Australians feel about personal issues such as their relationships or national issues such as satisfaction with government. Since its launch in April 2001, the Australian Unity Wellbeing Index has established itself as the leading and most comprehensive measure of wellbeing in Australia.

The Equality Trust (Equity Trust, 2013) in the United Kingdom is another contemporary example of professionals wishing to raise greater awareness of the impacts of development planning and development approaches which result in worsening inequalities. This organization was established by the authors⁶ of the now distinguished book *The Spirit Level: Why more equal societies almost always do better*. Their international research has shown clearly a direct correlation between those countries which have indices showing high levels of inequality with a corresponding high incidence of health and social problems (including those related to imprisonment, mental health, violence, education, the status of women). The conclusions reached from the research of the Equality Trust are that the more equitably the wealth of a country is distributed the better the health of that society.

⁶ Richard G Wilkinson is Professor Emeritus at the University of Nottingham, Medical School; Hon Professor at University College London and visiting Professor at the University of York. Kate Pickett is Professor of Epidemiology at the University of York and is a scientist at the National Institute for Health Research.

Oren Ginzburg and Survival International's⁷ cartoon booklet and now a short movie "There you go"⁸ has a vibrant, powerful and sobering message showing the dissonance between the aims of the "development set" experts and the "Innu Indians" the local indigenous people of Labrador and Quebec who were displaced from their lands and had their livelihoods destroyed all in the name of "development". This is a problem which is not confined to developing countries but certainly in many developing countries such actions as portrayed in "There you go" are more likely to involve little or no concern for the consequences of those local people displaced from their lands and denied any entitlement to "land rights".

1.1.3 Lao PDR Exponents and Advocates of the SEP

One of the key Lao leaders and independent thinkers in development who is also often described as a development visionary is the currently mysteriously missing⁹ Mr. Sombath Somphone who is among other things the founder of the Vientiane based Participatory Development Training Centre (PADETC) and winner of the 2005 Ramon Magsaysay Award for his efforts to promote sustainable development in Laos.

Mr. Somphone was a particularly staunch advocate of approaches to development which involved placing high priority on the social and economic benefits for local communities. He was particularly concerned about the rapid exploitation the natural resources in Laos and of the large scale environmental damage from deforestation and the unsustainable and over-intensive industrial

⁷ Survival International, 6 Charterhouse Buildings, London, EC1M 7ET, United Kingdom and www.survival-international.org

⁸ See <http://assets.survivalinternational.org>

⁹ As of 15 June 2014 remained "disappeared"

agricultural practices on massive land concessions made in Laos. When receiving the prestigious Ramon Magsaysay award¹⁰ Mr. Somphone observed that:

“We have to chart our own development pathway and balance our development strategies to strengthen self-reliance and avoid the mistakes that mire so many developing societies in debt, social disintegration, disease and environmental degradation.”

In a 2008 interview Mr. Somphone confirmed his position on the issue of sustainable development and observed that:

“...people want some alternative...the only thing that I see available is ‘Gross National Happiness’ philosophy (of Bhutan) and the ‘sufficiency economy’ of the Thai King and these are alternatives. But, every culture will have to find its own adjustment as the prevailing pattern of development is not sustainable.”(Sombath Somphone, 2008)

The current Executive Director of PADETC Mr. Khamphoui Saythalat who was interviewed during this research and during visits to the PADETC centre in Vientiane has a particularly unambiguous appreciation of SEP. In many ways while sometimes describing some PADETC activities under different names, in reality he implements activities which are highly compatible with the SEP.

¹⁰ The Ramon Magsaysay Award is often considered to be Asia's Nobel Prize. The Ramon Magsaysay Award is an annual award established to perpetuate former Philippine President Ramon Magsaysay's example of integrity in government, courageous service to the people, and pragmatic idealism within a democratic society. The prize was established in April 1957 by the trustees of the Rockefeller Brothers Fund based in New York City with the concurrence of the Philippine government.

<http://www.rmaf.org.ph/newrmaf/main/awardees/awardee/profile/137> (accessed July 1 2013)

Clearly alternative development models such as the SEP and a closer examination of the SEP-like approaches are now needed in both developed as well as developing countries to inspire a better alternative to current *conventional* approaches to development if there is to be greater resilience and a more genuinely sustainable and equitable development.

This is especially the case for developing countries which continue to be guided by development models based on planning and economic strategies of perpetual optimal economic growth that are no longer acceptable for addressing the changing face of globalization. The finite level of local and regional resources and the increasing numbers of socio-economic and environmental crises being faced in a world now challenged by the exacerbating effects of climate change must be faced up to. There is unmistakably a need to move towards a new 'Post Washington Consensus'.

1.1.4 *The SEP in the Lao PDR in Context*

Increasing pressure in the 1990's and 2000s from the neighboring countries of Lao, Foreign Direct Investment (FDI) and development organizations is now resulting in the very rapid and inequitable economic development of Lao PDR. These large and focused investments use very powerful conventional development approaches which involve direct negotiations between the government and foreign investment interests and with little public scrutiny. The very rapid pace of development continues in an environment of low capacity human resources, poor levels of transparency and accountability, lack of effective involvement of affected local communities and is unfortunately resulting in less than ideal conditions to achieve sustainability and the best social and most equitable outcomes.

The particularly rapid exploitation of its vast natural resources (particularly timber and water) has however resulted in constant development growth and some overall poverty reduction in the past few years due to the manner in which poverty

indicators are measured. The fact however remains that the improvement in GDP has benefitted mainly “the few” and the great majority of the rural population remain seriously impoverished and malnourished and are not benefiting from this GDP growth.

During this Author’s time living, working and undertaking research in the Lao PDR since 1996, paradoxical tendencies relating to development cooperation and Sustainable Development (SD) have been observed at close quarters. In the case of both the Lao PDR the government has recently taken a much stronger role and lead in defining development cooperation strategies, preparing poverty reduction strategies and development plans, and reforming development cooperation in their countries. This tendency has been well received by most stakeholders and the approach has corresponded with significant increases in aid flows and Foreign Direct Investment (FDI).

But regional and private investment interests aimed at a rapid exploitation of natural resources still continue to represent the most powerful influence on current development strategies and decision making and the manner in which income obtained from these investments is received and distributed. Although not well documented, large-scale land leases are widely known about in Laos and continue to be driven by foreign investment projects negotiated between international or private interests and the government. These arrangements continue to result in the dispossession and relocation of poor subsistence farmers so depriving them of livelihoods as well as access to food, nutrition, natural medicines and incomes.

And in the meantime the GOL’s implementation of national development cooperation strategies and development plans aimed at reducing poverty for the rural poor who comprise the majority of the population has regrettably been particularly slow and has not led to sufficient reductions in levels of poverty as measured for incidence of under-nutrition. (WFP, 2009)

1.2 Objectives of the study

The Objectives of the study are:

- a) To make an in-depth analysis of the SEP in the international development environment and determine to what level if any the Government of the Lao PDR policies and or people perspectives are in harmony / agreement with the SEP.
- b) To extract lessons and observations from the case studies of Sufficiency Economy Model villages/research centres in the Lao based on the “traditional” sustainable development model.
- c) To identify issues to be addressed for “genuine” sustainable development based on SEP in the context of Lao PDR and its SEP model villages/ research centres.

1.3 Research Questions (Q):

Q1. What is the SEP Concept? Is it already mainstreamed (but maybe described differently) and integrated with other accepted development concepts and practices?

H1: The SEP (possibly described by other terms) is already well in traditional/conventional development approaches in the Lao PDR but is not necessarily prioritized by development partners and is subjugated by economic imperatives and other influences.

Q2. Is the perception of Development Planning Policy in the Lao PDR in accordance with the SEP?

H2. The perception of the Lao PDR Development Planning Policies is that it may follow the SEP but possibly not to an optimal extent.

1.4 Scope of the Study

The scope of the study has:

- Covered the timeframes of both the 6th National Social Economic Development Plan (NSED) (2006 - 2010) now completed and the 7th NSED (2011 – 2015) being implemented during the research period.
- Involved case studies: Covering three Sufficiency Economy Model villages/ training centres in the Lao PDR. These three model villages/research centres have been visited and reviewed as real-life examples of the actual implementation of the SEP in an international development environment. The research involved securing perceptions from visiting these villages and interviewing persons involved at various levels.

1.4.1 Information Collection, Physical Area of Study and Population Sampling

This qualitative research in Lao PDR involved a maximum variation sampling purposive approach which included selecting key demographic variables that were likely to have an impact on participants' view of the SEP, its application and importance. As such the sample included students, farmers, business owners, workers, monks, house wives and Government staff across key government agencies; male and female; low income and high income earners; rural and urban populations and different ethnic groups.

In determining the sample size a statistical representation of the whole population was not the aim. As Albert Einstein said:

“Not everything that can be counted counts and not everything that counts can be counted”

The maximum variation sampling approach ensured a broad representation of reliable and credible views on the SEP and SEP-like activities from a cross section of the Laos PDR society and the semi-structured interviews were based on a loose structure made up of open-ended questions (Included in **Appendix 1**) which defined the general area being researched.

The research was structured in such a way as to involve three main target areas: firstly came the research to specifically profile Lao PDR and its development performance, then came a series of semi-structured interviews with a wide range of stakeholders in development and finally came the appropriate referencing to the Author's own work experience in the Lao PDR.

The collection of information in the Lao PDR was separated into two broad groups: Primary data/ information and Secondary data/information.

The Primary data/ information (obtained through semi structured interviews) was collected at the finally selected and agreed study areas from the research proposal. This Primary data/ information was collected to validate the secondary data collected at a national level and to gather perceptions with regards to priorities and needs of the selected groups. These interviews took place in three sessions between November 2012 and July 2013.

The study targeted the population in two distinct groups (grouped by Government / Development Specialists and Non-government/ Private sector) in order to gain a wide sample, although obtaining a fully representative sample may not be the major concern for qualitative research

Firstly, the target population of Government/ Development Specialists had a focus at the central level, which was critical and included three main central Government of Laos (GOL) Ministries. These Ministries were the Ministry of Planning and Investment, (MPI) which is directly in charge of National Planning process, the Office of the Prime Minister (OPM) and the Ministry of Agriculture and Forestry (MAF). All of these bodies play a central role in Development Planning in Lao PDR and in the implementation of the SEP model villages. Government officials were also interviewed at the provincial level.

The second target population focused across all four Provinces to obtain the perspective of “the people”. This group did not include government staff or officials and focused on the private sector, academics, students, monks and the general public.

The selected Provinces for the research were Vientiane, Luang Prabang, Oudomxay and Savannakhet as shown in the Figure which follows (See also Maps in **Appendix 3**). These Provinces were selected to provide a strong indication and diversification of development within the Lao PDR as all Provinces bring different issues and challenges with regards to development. The Provinces ranged from the wealthiest and most developed areas (including Vientiane Capital, Luang Prabang Capital) to the poorer and more vulnerable rural areas of Luang Prabang, Oudomxay and Savannakhet. The Table which follows estimates the poverty rate for urban and rural areas in the Lao PDR.

Table 1: Estimated poverty rate for urban and rural areas in Lao PDR

Table 7. Estimated poverty rate (P_0) for urban and rural areas by province

Code	Province	Rank (1 = poorest)	Overall		Rural		Urban	
			Poverty rate (P_0)	Standard error	Poverty rate (P_0)	Standard error	Poverty rate (P_0)	Standard error
1	Vientiane Capital City	17	0.17	0.026	0.21	0.027	0.16	0.032
2	Phongsaly	9	0.38	0.020	0.40	0.022	0.25	0.024
3	Luangnamtha	13	0.36	0.018	0.40	0.020	0.23	0.039
4	Oudomxay	2	0.46	0.017	0.50	0.019	0.28	0.045
5	Bokeo	11	0.37	0.017	0.39	0.017	0.26	0.056
6	Luangprabang	6	0.40	0.017	0.44	0.018	0.26	0.053
7	Huaphanh	5	0.41	0.020	0.43	0.023	0.26	0.039
8	Xayabury	15	0.27	0.013	0.28	0.013	0.25	0.037
9	Xiengkhuang	10	0.37	0.022	0.43	0.026	0.14	0.024
10	Vientiane Province	14	0.27	0.013	0.29	0.015	0.21	0.024
11	Borikhamxay	12	0.36	0.012	0.41	0.012	0.25	0.031
12	Khammuane	8	0.39	0.016	0.44	0.018	0.20	0.033
13	Savannakhet	4	0.44	0.013	0.51	0.015	0.22	0.024
14	Saravane	7	0.39	0.014	0.41	0.015	0.20	0.021
15	Sekong	1	0.47	0.019	0.53	0.023	0.29	0.022
16	Champasack	16	0.25	0.012	0.27	0.013	0.18	0.025
17	Attapeu	3	0.45	0.018	0.50	0.021	0.20	0.032

Source: Analysis of 2002-03 LECS and 2005 Population and Housing Census data.

Note: The poverty rate refers to proportion of the population that are in households whose per capita expenditure is below the overall poverty line.

The standard error is a measure of the accuracy of the poverty estimate.

The 95 percent confidence interval is approximately ± 2 times the standard error.

Source: (Epprecht, Minot, Dewina, Messerli, & Heinemann, 2008) page 23

Each of the selected Provinces also borders a neighbouring country: Vientiane – bordering Thailand, Luang Prabang bordering Vietnam, Oudomxay bordering China. These provinces are traversed by the North-South Economic Corridor (NSEC) (Oudomxay Province) and Savannakhet (bordering Thailand and Vietnam as well) is traversed by the East-West Economic Corridor (EWEC).

At each Province a limited sample of households were surveyed in the form of semi-structured interviews at the village level.

The target population at the Village, District and Provincial level brought grass-roots' perspectives to the research identifying also any disconnect between central policy level party line policy and rhetoric and the understanding of this by

the general public. It is at these levels that the majority of local development is focused and where the highest number of people live in poverty.

The research fieldwork paid special attention to the local level perspectives while at the same time was able to contrast this data with observations and information from the central level and the urban and rural areas of Luang Prabang Province (Population estimate 455,532), Savannakhet Province (Population estimate 922,210), Oudomxai Province (Population estimate 307,065) and Vientiane Province (Population estimate 493,593) and the Vientiane Prefecture (Population estimate 783,032). These population estimates (citypopulation.de, 2011) are as of July 2011.

The Secondary data was collected from relevant Ministries including the MPI (Department of Statistics (DOS), Department of International Cooperation (DIC), the Poverty Reduction Fund (Office of the Prime Minister), National Economic Research Institute (NERI), the United Nations Development Programme (UNDP), the Asian Development Bank and the World Bank and other relevant data collection bodies within the Lao PDR and in Thailand (for information on the SEP).

As per the research proposal, Sufficiency Economy Model villages (training centres) were also visited and reviewed. The Lao PDR Model Villages were located at Huai Soon Huai Soie (HSHS - ADSC) KM 22, Savannakhet Agriculture Development Centre (SADSC) and Ban Naseankham, (Oudomxay Province). These Model Villages and demonstration centres have been detailed in this study as examples of the application of the SEP.



Figure 1: Lao PDR Study Areas

Source: Map Prepared by Digital Naga (Lao PDR) to highlight locations of research.

1.5 Research Methodology

The research methodology used in this study is illustrated in Section 1.5.1: Figure 2: Research Process and Sequence, which summarizes the components and sequence of the methodology used.

Primary and secondary information was collected at the central level in Lao PDR and also included selected local study areas is based on direct observations and semi structured interviews.

Literature reviews were undertaken of conventional development, neo-liberalism, and on related data and policy on the SEP as well a study of the Lao PDR Development Planning process (Planning, implementation and monitoring) and of the National and International Sustainable Development Policy and its relationship with the SEP. The literature reviewed and referenced is located under REFERENCES adjacent to the Appendices.

General perceptions of Multilateral and Bilateral Development agencies implementing in the Lao PDR were also obtained through semi-structured interviews as well as through direct observations as part of the research.

1.5.1 Field Research

A Qualitative case study approach has been used to unpack the research questions through observations and semi structured interviews as well as the collection and analysis of secondary data from the Department of Statistics, Ministry of Planning and Investment and other data sources (documentary research).

Accordingly, in addition to the documentation review, national data gathering and analysis, the research method adopted in this study involved semi-structured

interviews (on the SEP and also in the case study area – Lao PDR) and direct observations linked to key informants (specific to case study sites – Village – District - Province).

Direct Observations were conducted in the study drawing also on the Author's experience over several years working in the Lao PDR in the development sector (World Food Programme 1996-97, UNDP 2001- 2005, UNDP 2009-10 and MAF/EU 2011-13). The focus of these direct observations however was made against the research questions and specifically in the context of the SEP.

Semi structured interviews involved process-focused questions around the SEP and included addressing issues of perceptions, perspective and the development situation and needs for individuals and the GOL.

The majority of the interviews in Laos were conducted with the assistance of an experienced Lao interpreter¹¹ who accompanied the Author in Vientiane and on all Provincial visits in Laos. Only 6 of the 73 interviews were conducted without the interpreter and these interviews were conducted in English with Lao nationals who had studied abroad and were able and willing for the interviews to be conducted in English. Some interviews required interpretation from Hmong and Khamu to Lao before interpretation to English. The selection of those persons interviewed was done to provide a cross section of the general public, government officials and those directly related to development activities (including farmers). The Table below summarises the number and positions of the persons interviewed.

¹¹ The interpreter for the field interviews was Mr. Boutsady who at the time of conducting the research was a junior staff member from the Ministry of Natural Resources and Environment who had recently returned from studies the United States of America.

Table 2: Summary of Those Interviewed for the Research

Organization or Category	Number of persons Interviewed	Position/s / Level	Interview
Central Government Ministries	18	Numerous	Notes taken
Provincial Government Office (office of the Governor/ Provincial Agriculture and Forestry Office (PAFO), District Agriculture and Forestry Office (DAFO)	8	Director level/ Deputy Director	Recorded Notes taken
Police	2		
International Development Organization (UN/ Bilateral)	8	Representative/ Country Manager/ Deputy Representative/ Assistant Representative/ Senior Staff	Recorded Notes Taken
General Workers (factories, office, casino, restaurants, housewife)	13		Notes Taken
Students	2		Notes Taken
Business Owners	10		Notes Taken
Monks	2		Notes Taken
Farmers	6		Notes Taken
Local CSO	2		Notes Taken
Unemployed/ no specific employment	2		Notes Taken
TOTAL	73		

Source: Prepared by the Author

Individuals from the following organizations and groups were interviewed at the Central and Provincial level on an individual basis and sometimes in groups; Ministry of Agriculture and Forestry (MAF) (at Central and District level), Ministry of Natural Resources and Environment (MONRE), Ministry of Planning and Investment (MPI), Office of the Prime Minister (OPM), Lao Customs Department (LCD), Ministry of Foreign Affairs (MoFA), Ministry of Finance (MOF), Lao Poverty Reduction Fund (LPRF), Participatory Development and Training Centre (PADETC), United Nations Development Programme (UNDP), United Nations Office for Drugs and Crime (UNODC), National Unexploded Ordinance Programme (UXO LAO), National Regulatory Authority for Unexploded Ordinance (UXO NRA), Mekong River Commission (MRC), International development project staff and beneficiaries, private sector (business owners, hotel operators, employees and employers), Farmers, Students, and personnel involved in the Theun-Hinboun Dam, Chaipattana Foundation, Thai Embassy and Thailand International Cooperation Agency (TICA).

The interviews were structured through a interview guideline designed to obtain perceptions and answers against key questions. The checklist included:

- 1) General Background on the person being interviewed,
- 2) Sustainable Development Background
- 3) SEP Overview
- 4) GOL Development Policy and background
- 5) Official Development Assistance (ODA) and Foreign Direct Investment (its focus and impact)
- 6) Opportunities and challenges for Sustainable Development
- 7) Appropriateness of the SEP Pillars in the Lao PDR
- 8) Perception of wellbeing
- 9) Summary/ Review of interview.

The semi-structured interview process gave the flexibility to enable the information needed to be acquired from the interview process and perspectives to enable a correlation and analysis to be made between central and local information.

During the early stages of the in-country research and test interviews it became very evident that the initial language and words that had been prepared for the questions were somewhat too academic for the majority persons that were being interviewed. As a result the language was adjusted to enable the interviewees or informants to better understand the questions and to be better able to respond to the questions with answers that could lead to obtaining clearer perceptions on the SEP and development challenges in the Lao PDR.

The interview logistics and the actual conducting of interviews took longer than was anticipated and would have taken even longer had not third parties kindly made direct introductions to other Laotians (often Government officials) and had not the Author's own network of colleagues and friends within the Lao PDR not willingly made themselves available. It is however noted in a few circumstances that persons did refuse to be interviewed and more than fifty percent of the persons being interviewed did not allow for the interview to be recorded so protecting the confidentiality of their views. This behaviour can be put down to a certain level of suspicion and or paranoia that exists in dealing with foreigners undertaking such research in the Lao PDR. It could also be a result of the political environmental within the Lao PDR where there are real or perceived repercussions for providing information to unknown persons or of offering opinions that are not fully consistent with government policy and views.

In a small number of cases the Author was requested to provide evidence of official Lao Government authorizing documents approving the research and providing clearance for visits or interviews. Yet prior to the start of the interview process the Lao Ministry of Foreign affairs had stated that this was not necessary for the research and that the Author was free to try and arrange meetings and interviews with

whomever he wished. In a very small number of cases persons declined to be interviewed. The full outline for the structure /questions for the semi structured interviews are included as **Appendix 1**; more detailed responses from those interviewed are provided in **Appendix 2**.



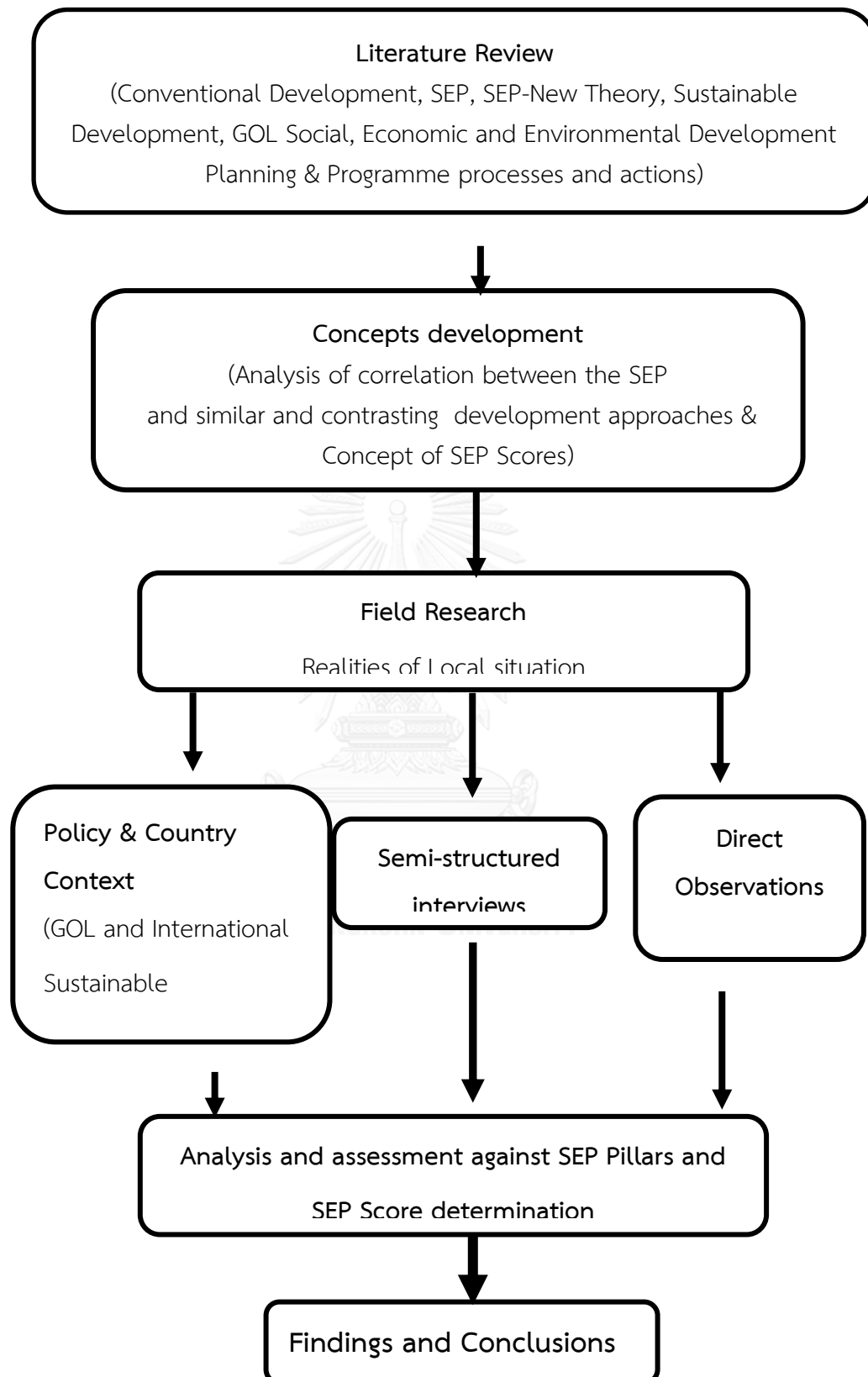


Figure 2: Research Process and Sequence

1.5.2 Analysis of Information.

The analysis comparing the Sufficiency Economy indices and priorities against national development priorities of the Government of the Lao PDR was undertaken based on the pillars and dimensions of the SEP and Government Development pillars.

Specific to the main focus area (Lao PDR) semi-structured interviews and direct observations were conducted at the village and central levels on the Sufficiency Economy and current national development priorities. This provided primary data necessary to confirm secondary information and included:

- 1 Interviews with Government officials and Development Partners (UNDP, ADB, EU, Australia and Thailand) on National Development Planning in the Lao PDR, Sufficiency Economy Policy and individual agencies.
- 2 The collation of perceptions of Development and Development Planning, and the SEP, individual and collective needs, confidence levels in and concerns about current development.
- 3 Analysis of the information detailing perspectives using qualitative methods.

1.6 Research limitations

This research has been limited in scope in the Lao PDR and the implementation of training centres and model villages following the SEP. Additional SEP centres are operational and planned in Lao PDR but fell outside of the scope and timeframe of the research and further investigation of these centres and the impact they are having on those who have been trained could be useful.

Other issues that appear to be limitations to the study include:

- Socio-Political and economic contexts; Thailand and the Lao PDR provide unique environments for socio-political and economic prerogatives to prevail.
- Public Relations Impact of the SEP in Thailand (with lèse-majesté) and in the Lao PDR (with strong central government and party control, socialism and local policy)
- Translations and interpretations.

1.7 Research Outputs

The outputs of this research have been detailed in Chapters 2 to 6 and make the case for an improved SEP-like approach to sustainable development as a departure from current conventional approaches. The outputs include:

- 1) A review of economic theory, conventional development, the SEP and sustainable development (Chapter 2).
- 2) Findings on the compliance and issues with the integration of SEP in National Development Planning (Chapter 3).
- 3) The compilation of lessons learnt from case studies of Sufficiency Economy Model villages in Lao PDR (Chapter 4).
- 4) Analysis of perceptions on SEP in the area of international development and understanding of development planning and implementation of the Lao PDR (Chapter 5).
- 5) Overall findings and conclusions for an improved application of SEP in development planning and implementation for future sustainable development in the Lao PDR and beyond. (Chapter 6).

Chapter 2

Key Issues Examined in the Research and Literature Review

2. Introduction

This literature review has systematically covered key relevant issues including: conventional development, sustainability, sustainable development, sufficiency economics, Buddhist economics and related approaches, capitalism, neo-liberalism, communism/socialism, and inequality, before focussing on those issues more specifically related to the research.

The literature review also drew on country specific documents of Government, International Financial Institutions (IFIs), Multi-lateral and Bilateral development partners' sources as well as specialist agencies' resources relating to the key issues and particular country programmes.

The literature review has provided a comprehensive insight into the SEP and similar and contrasting Development Philosophies and enabled the placement of the SEP in a current and immediate future context.

It has been particularly relevant to identify the clear parallels and commonalities of the SEP with Economic theories, Buddhist Economics, Socialist Ideology, National Happiness, Capacity Approach, Gandhian Economics, Common Pool Resources; and the research and ideas developed and articulated by experts including Robert Kennedy, Elinor Ostrom, H.M. King Jigme Wangchuck, Karl Marx, Mahatma Gandhi, Ernst Friedrich Schumacher, Ajarn Sulak Sivaraksa and Sombath Somphone.

This literature review has revealed that the SEP is not alone as an alternative to conventional development. The SEP and SEP-like approaches also involving

people-centered development ideologies promoting sustainable development and greater holistic well-being and equality, all go a long way to demonstrating and validating this alternative way to conventional development.

It has been particularly important to look at the SEP as a philosophy or a philosophical approach to see what its importance and relevance has been to sustainable development. And while the SEP introduces the concept of the need for a strong ethical basis for development thinking especially in a developing country there can be great difficulties in properly balancing and integrating economic, social/cultural and environmental development interests.

It has also been important to examine the SEP as possibly providing an overarching framework for sustainable development or the “triple bottom line¹²” development approach which involves keeping an account of the three sets of “bottom line” balances: one for profit or economic and financial impact, one for impact on people and society and one for the impact on the planet.

Finally it has been important to investigate how the SEP and its ideals translate into practice and to see how that can be measured equating adequately for negative social and environmental impacts of development and the possibility of a greater role that the SEP can play in a global context.

The schedule of literature examined is shown in REFERENCES and key definitions have been clarified as a result of the review and these have been compiled into a Glossary located immediately prior to Chapter 1.

¹² The phrase “the triple bottom line” was first coined in 1994 by John Elkington, the founder of a British consultancy called SustainAbility.

2.1 Economic Theories on Development

“Economics is a political argument. It is not – and can never be – a science; there are no objective truths in economics that can be established independently of political, and frequently moral, judgements. Therefore, when faced with an economic argument, you must ask the age-old question “Cui Bono? (Who benefits), first made famous by the Roman statesman orator Marcus Tullius Cicero” (Chang, 2014)

2.1.1 Conventional Economic Theory and its Evolution

Following on from the success of the post 1930s depression “New Deal” (Relief-Recovery and Reform) programme under Franklin Delano Roosevelt in the United States of America, Keynesian (Keynes, 1936) economic theory and practice guided the world through the “Golden age” of post-World War II. This period saw the establishment of the successful Marshall Plan to rebuild Europe and the setting up of the Bretton Woods system to govern international economic engagement.

The Keynesian approach to economics was then supplanted by the major global economic powers in the 1980s when neo-liberalism became the economic orthodoxy of the day with a brand of free-market fundamentalism, extreme capitalism and excessive greed. Neo-liberalism also known as monetarism and by other labels was influenced by the work of the Austrian economist and philosopher Friedrich Hayek (Hayek, 1944) and economist Milton Friedman (Friedman, 1962) of the Chicago school of economics.

However neo-liberalism is something of a misnomer as although it started with an enquiry into the conflict between the classical liberalism and collectivist central planning it evolved an approach to economics and development which reverted to neoclassical theory (N/A, 2013c). Neo-classical theory came out of the classical school of economic thought proposed much earlier by Adam Smith, so there is not too much new about it other than its disturbing level of intensification and focus. Likewise there is little that is liberal about Neo-liberalism hence it is often also referred to as Neo-conservatism.

The rise of influential conservative governments in the 1980s (notably the United States, United Kingdom, Japan and Germany) who are also the major donor countries that dominate bi-lateral development aid and the international lending and development agencies (in particular the World Bank, the IMF and the ADB) unfortunately meant that these new economic approaches supplanting the Keynesian way quickly transferred to the developing world as conventional development practices.

These theories (WHO.int, 2013) argue that competitive free markets with the minimum involvement of regulation and government involvement achieve the greatest efficiencies and stable economic growth largely through the recognition of the principles of supply and demand. This approach usually prioritises wealth creation, export and GDP growth over concern for the public interest.

During the 1980s in the USA when President Reagan was in office, what also became known as “supply-side economics” prevailed and this involved tax reductions (but not for the poorest), smaller government spending (yet higher expenditure on the military) more government deregulation and a preoccupation on reducing inflation through money supply control.

At the same in the UK Prime Minister Margaret Thatcher embarked on similar policies and her government also went a further step to accelerate the privatization of key public sector industries and the crushing of the power of the trade unions and workers.

Then followed a series of international financial and economic crises. The then Prime Minister of Australia Kevin Rudd in his famous February 2009 essay “The Global Financial Crisis” (Rudd, 2009) has thoughtfully tracked the path of the neo-liberal approach through several international economic crises. He also discusses the rise of the “Third Way”¹³ (Dickson, 1999) as espoused by the British Labour Party of

¹³ The Third Way is described in many ways as is discussed in the 1999 BBC programme referenced at <http://news.bbc.co.uk/2/hi/458626.stm> . The definition differs from country to country where the idea has been drawn on.

Prime Minister Blair but in particular he exposes the extremism of the neo-liberal approach in practice and the role it has played in the Global Financial Crisis (GFC).

As Rudd says:

“Neo-liberalism and the free-market fundamentalism it has produced has been revealed as little more than personal greed dressed up as economic theory. And ironically, it now falls to social democracy to prevent liberal capitalism from cannibalizing itself”. Rudd also says “Long before the term “Third Way” was popularised in the policy literature of the 1990s, social democrats viewed themselves as presenting a political economy of the “middle way”, which rejected both state socialism and free-market fundamentalism. Instead, social democrats maintain robust support for the market economy but posit that market can only work in a mixed economy, with the role of the state as a regulator and as a funder and provider of public goods. Transparency and competitive neutrality, ensured by a regime of competition and consumer protection law, are essential.” (Rudd, 2009)

When the Global Financial Crisis (GFC) occurred in 2007, the countries worse affected were those which had inadequate regulatory frameworks within which financial markets operated. Many policy-makers reacted by ignoring “neoclassical wisdom” (involving the rule of the market and the survival of the fittest) and to avoid economic meltdown quickly sought corporate welfare sourced from ordinary taxpayers already hurt by the crisis.

Others applied conservative and harsh austerity measures based on already along failed neoclassical recipes. This reversion to failed aspects of neoclassical theory deepened the crisis in those more seriously affected countries of Europe (Greece, Italy, Portugal and Spain, among others).

While it is difficult to explain why any caring government would want to impose harsh economic measures on the majority of its citizens the renowned Harvard economist John Kenneth Galbraith (1908–2006) was however critical of orthodox economics throughout the late twentieth century. In *The Affluent Society* (Galbraith, 1958) he argues that when voters reach a certain material wealth they even begin to vote against the common good. He coined the term "conventional wisdom" to refer to the orthodox ideas that underpin the resulting conservative consensus which is reflected in centre-right and right leaning politician and governments.

Today however despite the prevalence of "conventional wisdom" there is rapidly growing international apprehension that the prevailing and predominant conventional economic thought and development policies for so called sustainable development have economic, social and environmental goals moving out of sync and proper balance with each other.

Neoclassical economic theory simply did not address how to create efficient markets as it focused on already developed markets without explaining the role of ever changing and evolving political markets and social needs in a global economy.

It is therefore clear (particularly with growing inequality) that there is a pressing need for much better composed and where necessary reformed and improved development and regulatory policies, frameworks and programmes to achieve fairer, truly equitable and sustainable development. Emerging from current conventional development approaches and diverging to some extent from neo-classical economic development theories there is already an alternative perspective sometimes referred to as *New Institutional Economics theory (NIE)* (Hodgson, 1998) (Williamson, 2000).

This theory which is relevant to countries without adequate institutional frameworks incorporates institutional social and legal norms related to economic

activity with a set of rules (institutional frameworks) that should govern economic concepts and development as well as social behaviour and interactions. Countries like Australia which already had the necessary regulatory frameworks in place prior to the GFC have obviously weathered that crisis far better than those countries like the United States of America where such frameworks were either then not in place or were entirely inadequate.

This NIE theory is more philosophically and ethically based and considers multi-dimensional indicators for measuring the health and progress of a country rather than simply deferring only to GDP and economic growth. It is also more focussed on the local and regional economies, regulated but open markets and genuinely holistic sustainable development within the global economy.

Interestingly the SEP is entirely compatible with the NIE approach considered as essential for good government and successful sustainable development. This then makes the SEP and SEP-like approaches now an intrinsic part of the United Nations Post 2015 development agenda designed for the “many” and not the “few”. The zero draft of the UN Post 2015 development agenda and goals has been released in mid-2014.

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2.2 Measuring Development

The Gross Domestic Product (GDP) or Gross National Product (GNP) remain the regular conventional instruments for measuring a country’s strength and progress as an economy, as a nation and as a society. However GDP as an indicator of a nation’s overall health and progress is now seen also for its short-comings and as not being entirely appropriate tool for accounting for the negative economic costs on the environment and on the society as a result of development as such.

Indeed it is now well recognised that the persistent pursuit of growing GDP alone and at the high cost to the environment and social well-being is both

unsustainable and it actually fails to make us happier as individuals or genuinely improved as a nation. Even the 'father of GDP', Nobel laureate Simon Kuznets, recognized as far back as 1934 that:

"The welfare of a nation can scarcely be inferred from a measurement of national income as defined by the GDP... GDP is not, and was never designed to be, a measure of a nation's well-being". (Kuznets, 1934)

And 34 years later in March 18, 1968, Robert F. Kennedy addressed the University of Kansas on this very subject observing:

For too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product (GNP), now, is over \$800 billion dollars a year, but that Gross National Product - if we judge the United States of America by that - that Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman's rifle and Speck's knife, and the television programs which glorify violence in order to sell toys to our children. Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile. (Kennedy, 1968)

There can be little wonder then that there is growing international concern in the 21st Century that states need a far more comprehensive set of indicators for the measurement of progress on a nation. One has only to briefly consider the case of the enormous GDP gains in recent years of a country such as China which do not fully account for the costs of widespread and crippling environmental damage and pollution especially to the quality of the air that Chinese nationals breathe each day to realise the deception afforded by measuring GDP alone in assessing a nation's progress and well-being. In China inequality is also growing in parallel with GDP.

Nobel Prize-winning economist Joseph Stiglitz in recognising the shortcomings of accepting GDP as the primary indicator of progress of a nation has proposed alternatives to Gross Domestic Product as a measurement of national economic success and has been as blunt as to say:

"GDP tells you nothing about sustainability".(Stiglitz et al., 2009)

2.3 Shaping and Measuring Sustainable Development

There are currently many alternative approaches for measuring development and sustainability and these include amongst others looking to Buddhist economics, Gandhian based economics, National Happiness and to a somewhat lesser extent Socialist Development Policy. Many of them seem to be closer in many ways to the SEP than to other conventional development theories as they are people-centered development approaches and not based purely on monetary progress and growth in fiscal wealth.

These alternative approaches to development draw on indicators other than GDP to measure the real socio-economic situation of a country and to assess its wellbeing. These alternative indicators include the Gini Coefficient, the Genuine Progress Indicator (GPI), the United Nations Human Development Index (UNHDI), Gross National Happiness (GNHC) and they are associated with more socially

responsible approaches to development such as Ostrom's Common Pool Resource Management design principles and Sen's Capacity Approach to Development which is conceptually close to the SEP.

2.3.1 The Gini Coefficient

The Gini Coefficient developed by Italian statistician and sociologist Corrado Gini in 1912 is widely used and is becoming more frequently quoted for measuring inequality in the levels of income distribution. A Gini coefficient of zero expresses perfect equality, whereas a coefficient of 100 (or sometimes expressed just as 1) would mean one individual controlled 100% of income. The annual Gini indices of selected countries are available on-line from national statistics data and also from the World Bank.

The Gini coefficient is a ready but limited measure of inequality, as the following results show; Lao PDR 36.7 (2008), Thailand 39.4 (2010), China 42.1 (2008) (World Bank, 2014). The countries with the lowest Gini coefficients include the Scandinavian countries which are in the order of 25. However even the expression of the degree of inequality is not enough on its own to understand the causes and complexities of that inequality. (Refer to **Appendix 3** MAPS)

The Diagram (titled figure) which follows is based on GDP per capita estimates per the IMF World Economic Outlook (WEO) dated October 8, 2012, shows the classic dilemma of rapid economic growth being mirrored by rapidly rising inequality in China. For the period 1980 to 2010 the information in this graph is based on World Bank data and for 2010 the data is sourced from the International Institute of Urban Development Beijing.

The China "success story" which has seen the number of households below the poverty line fall has come at a high price of the costs of the concentration of

economic gains being is in the hands of the “few” and it is known that not a small number of these are linked to the ruling “Communist” party. With a more equitable management strategy for this economic growth from 2000 to 2010 many more hundreds of millions in China could have benefited.

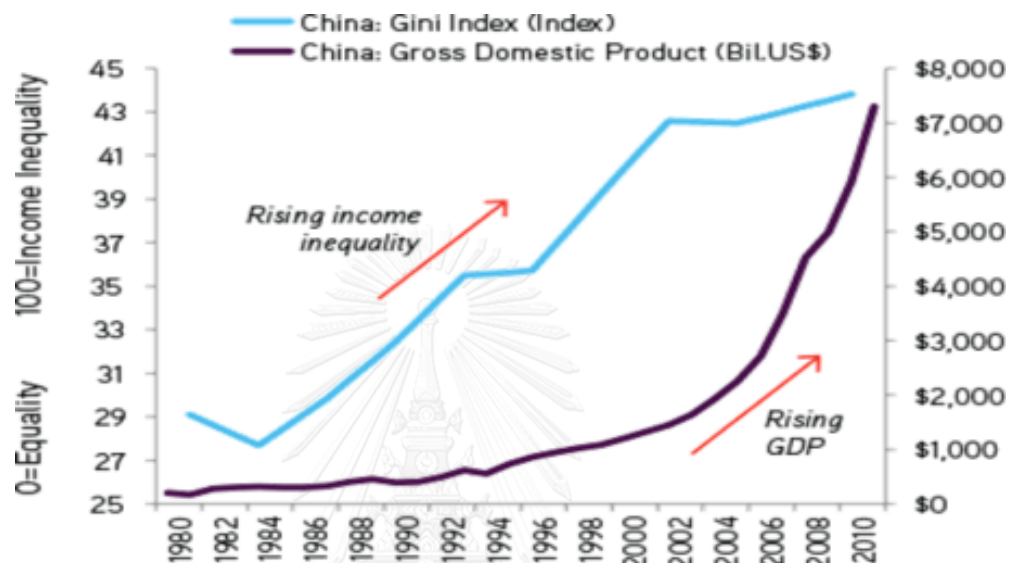


Figure 3: China’s GDP Growth Alongside Income Inequality Growth

Source: <http://www.kkr.com/company/insights/global-macro-trends-14>, based on IMF statistics

2.3.2 The Genuine Progress Indicator (GPI) วิทยาลัย CHULALONGKORN UNIVERSITY

The Genuine Progress Indicator (GPI) (originally known as the Index of Sustainable Economic Welfare (ISEW) is a more comprehensive measure of the state of a nation (GPI, 2013). It incorporates and consolidates critical economic, environmental and social factors not measured by GDP into a single framework in order to give a more comprehensive and accurate picture of progress. The GPI has 26 indicators, from the costs of crime, pollution, commuting and inequality to the value of education, volunteer work, leisure time and infrastructure. As such the GPI helps us better understand the true impacts of policies and enables policy and programme change to arrive at a genuinely sustainable economy. The GPI displaying

positive and negative indicators associated with environmental, social and economic indicators is represented visually is the Diagram (titled figure) below.

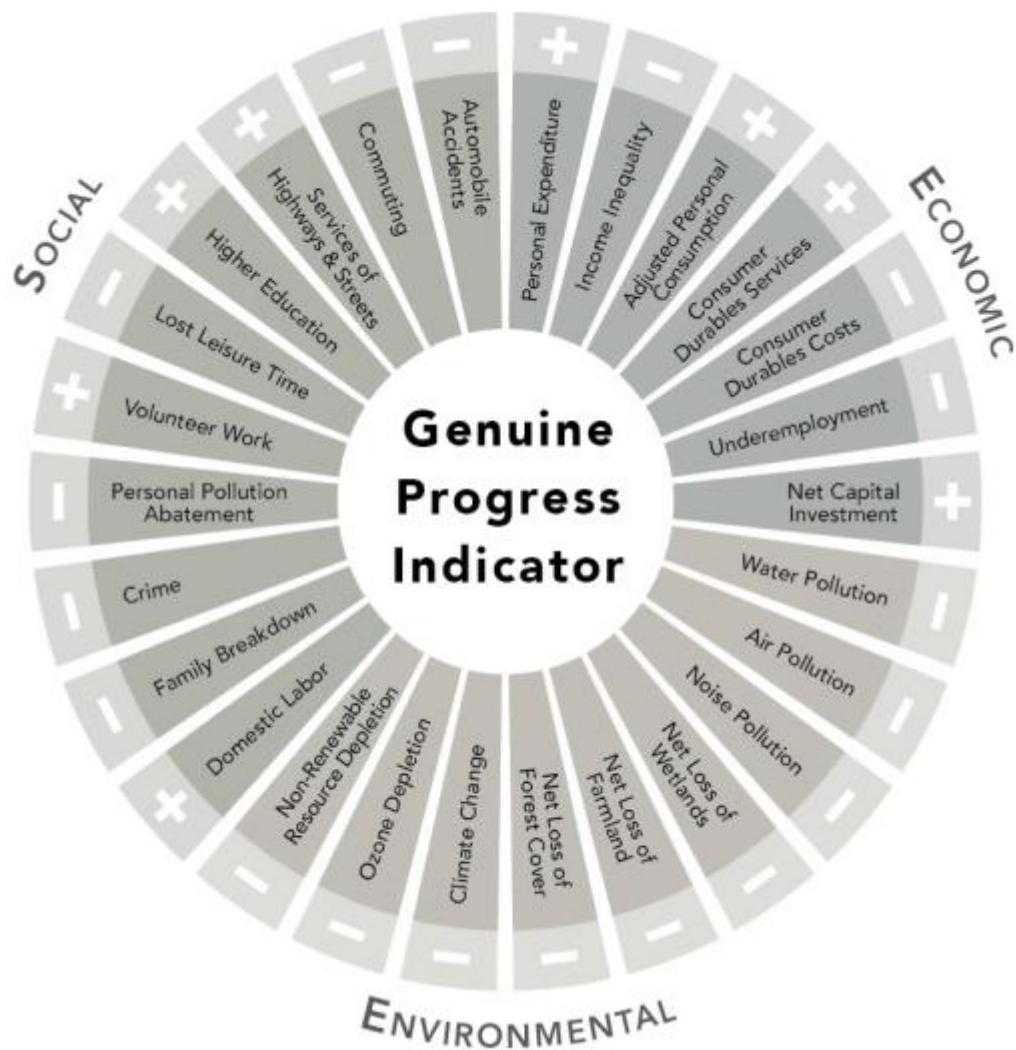


Figure 4: Genuine Progress Indicator

Source: Donella Meadows Institute, 2013.

2.3.3 The Capacity Approach

The work of Amartya Sen on the Capacity Approach (also referred to as the Capabilities Approach) is also of particular interest and relevance to the development planning and challenges of Sustainable Development for the Lao PDR. The approach was initially conceived in the 1980s as an approach to welfare

economics and brings together a range of ideas that were until then excluded from traditional approaches to the economics of welfare. The core focus of the Capacity Approach is on what individuals are able to do.

Sen argued for five components in assessing capability (Sen, 1985):

1. The importance of real freedoms in the assessment of a person's advantage
2. Individual differences in the ability to transform resources into valuable activities
3. The multi-variety nature of activities giving rise to happiness
4. A balance of materialistic and non-materialistic factors in evaluating human welfare
5. Concern for the distribution of opportunities within society

The work that Sen has carried out to make his approach a leading model for policy debate in human development has resulted in development amongst other things of the United Nations Human Development Index (HDI), and its associated reports. (UNDP, 2014b)

"HDI is people-centered ... GDP is commodity-centered" (Sen, 2010)

A correlation between the work of Sen and that of the SEP is shown in the Table which follows. This correlation can also be clearly seen in the 2006 UN Thailand Human Development report which aligns the SEP with relevant components of the Human Development Index.

Table 3: Correlation Between the Capacity Approach of Sen and the SEP

Capacity Approach of Sen	SEP Pillar and Dimensions
Component 1,4,5	Reasonableness
Component 3,4,5	Moderation
Component 2,4,5	Self-reliance
Component 1,2,3,5	Moral and Cultural Dimension (internal and External Well-being)
Component 1,5	Educational Dimension
Component 1,3,5	Social Dimensions
Component 4,5	Management of Public and Private Sectors Dimensions
Component 1,5	Science and Technology Dimension
Component 1,2,4,5	Economic Dimension
Component 1,2,4,5	Resource and Environment Dimension

Source: Prepared by the Author

2.3.4 The United Nations Human Development Indices; (UNHDI and the UNIHDI)

The Human Development Index (HDI) (UNDP, 2014a) was created by the Pakistani economist Mahbub ul Haq and the Indian economist Amartya Sen in 1990 and is now published annually by the United Nations Development Programme and in 2013, 187 countries were covered.

The HDI (UNDP, 2014b) measures potential human development by combining multiple indicators including life expectancy, education attainment, and income. The education component contains two indicators: expected years of schooling and mean years of schooling and the income component is measured by GNI per capita.

In the 2010 UNDP Human Development Report a further expansion of the HDI with an Inequality-adjusted Human Development Index (IHDI) (UNDP, 2010) was introduced to account for the actual level of human development (while recording

and accounting for inequality) to explain the maximum level of HDI that could be achieved if there was no inequality.

2.3.5 Buddhist Economics

The examination of Buddhism as a Philosophy that emphasizes self-reliance, personal effort and taking responsibility is a particularly useful basis for examining the key elements that need to be considered for measuring both personal and national well-being and progress.

Buddhism follows what is known as four noble truths and a Noble Eightfold Path. (Secular Buddhism, 2013)

The Four Noble Truths relates to suffering and our ability to stop the cause of suffering and to have a mindful path that leads to the end of suffering.

The Noble Eightfold Path comprises: (Secular Buddhism, 2013)

Sila: Morality

1. Right speech- speaking in a non-hurtful, truthful way
2. Right actions- avoiding actions that do harm
3. Right livelihood- one's way of life that does not harm any one

Samadhi: Developing mastery over one's mind

4. Right effort-making an effort to improve and encouraging a wholesome state of mind
5. Right awareness/ mindfulness- mental ability to see things for what they are
6. Right concentration- being aware of the present reality and staying focused

Prajna: Wisdom that purifies the mind

7. Right thoughts- change in the pattern of thinking from that which cannot bring satisfaction
8. Right understanding - understanding reality as it is, not as it appears to be and understanding of the four noble truths

The first westerner in the modern era to use the phrase “Buddhist Economics” was Ernst Friedrich ‘Fritz’ Schumacher, in his 1966 essay *Buddhist Economics in Asia: A Handbook*¹⁴,

According to Schumacher

“Buddhist Economics is the Middle way of development; it aims to achieve a maximum level of well-being with a minimum amount of consumption. Accordingly, the function of work should act as educational toward development of skills, a sense of community, and satisfaction through meaningful work. Monotonous or overly specialized work, thus, is a grave indignity to humanity. Labour should instead serve as the individual’s sense of fulfilment and satisfaction”. (Ernst Friedrich Schumacher, 1968)

In his essay Schumacher further recommends the study of Buddhist economics even to those who believe that economic growth is more important than any spiritual or religious values, as he sees it not as a question of choosing between “modern growth” and “traditional stagnation”, but more a question of finding the right path of development, the “middle way” between materialist heedlessness and traditionalist immobility, in short, of finding the “Right Livelihood”. Later in 1973

¹⁴ In the Question & Answer Panel at Great Circle Center, 3/19/77, Schumacher responding to a question from the moderator about whether or not Buddhist Economics can work in the West jested that no one would have read his work if he had labeled it “Christian Economics”. (Peter Gillingham Collection, E. F. Schumacher Library Archives.) (<http://www.youtube.com/watch?v=RebfgHCfrmw>) - Uploaded on 18 Mar 2008

Schumacher published his seminal work *Small is beautiful* which is understood to have been an inspiration for the development of the SEP.

Using the definition of Professor Apichai Punthasen in his 2004 work on Buddhist Economics, Buddhist Economics can be defined as:

“A subject related to economic activities with the goal for both individuals and society to achieve peace and tranquillity in a material world under the condition of resource constraint”. (Apichai Punthasen, 2004)

Arjarn Sulak Sivaraksa, in his work the *Wisdom of Sustainability* (2009) asserted that the use of indigenous models like Buddhism is seen as very appropriate for development in Asia. Inner strength must be cultivated first then compassion and loving kindness toward others. Work is not just to “get ahead” but to enjoy working in harmony for basic needs. A simple life can be satisfying without being exploitive. The Buddhist teachings (Dharma) emphasize personal development that can heal individuals and, by doing so, help transform society.

Direct parallels and synergies clearly exist between the SEP and Buddhist Teachings (Dharma) (Secular Buddhism, 2013) where the Buddhist doctrine of majjhima-patipada or the Path of the Middle Way correlate. These correlations are shown in the Table below.

Table 4: Correlation Between Buddhist Economics and the SEP

Buddhist Economics	SEP Pillars and Dimensions
Buddhist Dhamma -Middle path – All of the eightfold path (<i>Sila, Samachi and Prajna</i>)	Reasonableness
Buddhist Dhamma - Middle path	Moderation
Buddhist Dhamma - Middle path – eightfold path – (Sila)	Self-reliance (the new farming theory – agricultural economics)
Buddhist Dhamma - Eightfold path Sila	Moral and Cultural Dimension (internal and external Well-being)
Buddhist Dhamma – Eightfold path (<i>Prajna</i>)	Educational Dimension
Buddhist Dhamma – Eightfold path	Social Dimensions
Buddhist Dhamma - All Eightfold path	Management of Public and Private Sectors Dimensions
Buddhist Dhamma – Eightfold Path (Samadhi)	Science and Technology Dimension
Buddhist Dhamma - Eightfold Path (Sila (Right Livelihood))	Economic Dimension
Buddhist Dhamma - Preservation of non-renewable resources (Right Understanding/ Right Actions)	Resource and Environment Dimension

Source: Prepared by the Author

2.3.6 National Happiness

A pioneer in the subject of National Happiness was His Majesty Jigme Wangchuck, the fourth King of Bhutan (who maintained close relations with the King of Thailand His Majesty Bhumibol Adulyadej) who is credited with many modern reforms in his country including the development of the notion of “Gross National Happiness” (GNHC).

More than 40 years ago in 1971 Bhutan rejected GDP as the only way to measure progress and in its place has championed a new approach to development which measures prosperity through formal principles of GNH; a holistic and sustainable approach to development which balances between material and non-material values.

The Royal Government of Bhutan has established the GNH Commission (GNHC, 2014) (N/A, 2013a) which continues research of and measurement of GNH. The commission explains that the four pillars of GNH involve the economy, culture, environment and good governance. The four pillars are then broken down into nine areas:

1. Psychological or emotional wellbeing
2. Standard of living
3. Health of an individual
4. Education
5. Eco-system diversity and vitality
6. Cultural diversity and vitality
7. Time use and balance
8. Community vitality
9. Good Governance.

Bhutan on the other hand according to Human Rights Watch, does not have a good record when it comes to respecting the rights of its Nepali minority, many of whom were born in Bhutan.

The following Table shows the correlation between GNH and the SEP Pillars and Dimensions.

Table 5: Correlation Between GNH and the SEP Pillars and Dimensions.

GNH	SEP Pillars/ dimensions
A combination and balance of the four pillars of GNH and Area 8	Reasonableness
A combination and balance of the four pillars of GNH and Area 8	Moderation
A combination and balance of the four pillars of GNH and Area 8	Self-reliance
Area 6 of GNH (Culture diversity and vitality) This unfortunately does not apply to the Nepali ethnic minorities	Moral and Cultural Dimension (internal and External Well-being)
Area 4 of GNH (Education)	Educational Dimension
Related to Area 4 (education), Area 2 (standard of living), Area 4 education and Area 9 (good governance).	Social Dimensions
Area 9 of GNH and the pillar of good governance Again this does not apply to the Nepali ethnic minority.	Management of Public and Private Sectors Dimensions
Area 7 (time use and balance) and Area 2 (Standard of living)	Science and Technology Dimension
One of the pillars of GNH	Economic Dimension
One of the pillars of GNH and Area 5 (Ecosystem diversity and vitality)	Resource and Environment Dimension

Source: Prepared by the Author

The Sustainable Development Solutions Network (Sachs & (SDSN)) a global initiative for the United Nations produces a World Happiness Report to measure wellbeing and economic and social development to assess the progress of nations. Professor Jeffery Sachs a director of SDSN and one of the leading experts involved in the multi-disciplinary team which developed the report has said

“There is now a rising worldwide demand that policy be more closely aligned with what really matters to people as they themselves characterize their wellbeing”. (Sachs & (SDSN), 2013)

The 2013 report (Helliwell, Layard, & Sachs, 2013) incorporates six factors including: real GDP per capita, healthy life expectancy, perceived freedom to make life choices, freedom from corruption and generosity. The 2013 report also shows the major benefits of happiness as being; people having longer and more productive lives, people earning more, and people making better citizens.

2.3.7 Ostrom’s Common Pool Resources Management

With its important and rich natural resource base and land-ownership/tenure and land-use issues influencing Sustainable Development in the Lao PDR, the work of the 2009 Nobel Laureate Elinor Ostrom¹⁵ is of particular relevance. Lao PDR needs to strengthen its resources management practices as a matter of priority. Ostrom argues strongly that in studying social order, we should not restrict our study within the confines of the theoretical frameworks of The State and to theoretical frameworks of The Market. In the Lao PDR these two frameworks have overwhelming influences.

Ostrom explains in her research and writing on common property relations how humans interact with ecosystems to maintain long-term sustainable resource yields. Ostrom identifies eight "design principles" of stable local common pool resource management: (Elinor Ostrom, 1990)

1. Clearly defined boundaries (effective exclusion of external un-entitled parties);

¹⁵ Elinor Ostrom was an American political scientist whose work was associated with the New Institutional Economics and the resurgence of political economy. She shared the Nobel Memorial Prize in Economic Sciences with Oliver E. Williamson for "her analysis of economic governance, especially “the commons”.

2. Rules regarding the appropriation and provision of common resources that are adapted to local conditions;
3. Collective-choice arrangements that allow most resource appropriators to participate in the decision-making process;
4. Effective monitoring by monitors who are part of or accountable to the appropriators;
5. A scale of graduated sanctions for resource appropriators who violate community rules;
6. Mechanisms of conflict resolution that are cheap and of easy access;
7. Self-determination of the community recognized by higher-level authorities;
8. In the case of larger common-pool resources, organization in the form of multiple layers of nested enterprises, with small local CPRs at the base level.

The following Table shows the close correlation between Common Pool management and the SEP Pillars.

Table 6: Correlation Between Common Pool Resource Management and the SEP

Common Pool Resources Institutional Arrangements	SEP Pillars and Dimensions
Design Principle 1	Reasonableness
Design Principle 1	Moderation
Design Principle 1,2	Self-reliance
Design Principle 2, 3, 5, 6	Moral and Cultural Dimension (internal and External Well-being)
Design Principle 1, 3, 4, 6	Educational Dimension
Design Principle 3,7	Social Dimensions
Design Principle 1,2,4,7	Management of Public and Private Sectors Dimensions
Design Principle 1,2	Science and Technology Dimension
Design Principle 1,2,7 (Dickson)(Dickson)(Dickson)	Economic Dimension
Design Principle 1, 2, 5, 6, 7, 8	Resource and Environment Dimension

Source: *Prepared by the Author*

2.4 The Growing Concerns of Inequality

The gap between rich and poor, or economic and income inequality, is growing at an increasing pace globally. Fortunately due to the remarkable and extensive unprecedented level of research recently undertaken to measure inequality and its impacts, this important social issue is now back on the agenda of development agencies and governments in both developed and developing countries.

The preoccupation with economic growth and GDP or GNP in recent times has so often been resulting in workers being dehumanised by being referred to simply as commodities only whenever economic policies and development are discussed. The rapid ascendancy of economic over basic human, social and workers'

rights has been justified in the progress and economic growth “game” where economic interests alone take control. Economic growth which should of course result in “jobs growth” but this is not always the case in the 21st century. Unfortunately the recent Global Financial Crisis (GFC) has shown us there can now be “jobless” economic growth, which of course only benefits the “few”.

The Equality Trust in the United Kingdom has helped bring the issue of inequality to the headlines following the publication of *The Spirit Level: Why more equal societies almost always do better*, in 2010, by Richard Wilkinson and Kate Pickett. The work of the United Kingdom (UK) based Equality Trust (Equity Trust, 2013) has been rightly ground breaking as its research into inequality covers not only the UK but also in the United States of America and is now being expanded into other countries as of 2014.

This book investigates the incidence of health and social problems between different countries, and the relationship between those problems and income inequalities within each country or state. The issues covered include imprisonment, mental health, violence, education, the status of women, and sustainability.

The important message of the book is that “what matters in determining mortality and health in a society is less the overall wealth of that society and more how evenly that wealth is distributed. The more equally wealth is distributed the better the health of that society.” Hence we see that most Scandinavian countries fare very well compared to some of the richer countries like the United States and Australia, not to mention many developing countries like Lao PDR.

In 2014 inequality issues have again achieved further prominence and media attention with the release of the book *Capital in the 21st Century* by Thomas Piketty¹⁶ and his calls for wealth redistribution. Using the US as one example he estimates that the increased inequality of capital income accounts for about a third of the overall rise in US inequality. This is at a time of massive surges in wage income

¹⁶ Professor of Economics at the Paris School of Economics and the EHESS

at the top of the private sector, with wages for the top one percent of earners rising 165 percent, and wages for the top 0.1 percent having risen 362 percent. This is also at a time when those on minimum wages have enjoyed little or no improvement in their income and working conditions over almost a decade.

Piketty explains this dramatic rise in earnings inequality as being based on selfish and pompous perceptions of high income receivers actually thinking that the high incomes they earn are what they are quite rightly and deservedly entitled to. In effect he attributes soaring wage income at the top more to social and political pressures rather than to economic forces. The point being however that he feels there is a much broader world view that inequality is entirely out of place in any democratic society or meritocracy. Currently inequality is growing faster than national economies and this should be seen as grossly unjust as well as unsustainable.

Piketty then proposes a global tax on wealth and income tax rates as high as 80% for the highest earners; a rate higher than in Scandinavian countries (Sweden 56.6%, Denmark 55.4% and Finland 49.2%) and in some other European countries. The chances of this being adopted by developed countries appears very slim but there is a much stronger opportunity for countries in transition to capitalist economies to look more practically at this proposal as it challenges current policies on egalitarianism.

Frank Hoffer (Social-Europe, 2013) of the International Labour Organization wonders why the failed free market narrative which has contributed to inequality was not buried by the Global Economic Crisis and the tide turned against the rule of neoliberalism. He regrets that the opportunity of the GFC to bring in change may be lost and, “instead of decapitating neo-liberalism, the Hydra raised its head in Greece, Spain and Portugal to swallow up the European welfare state”.

Hoffer agrees however that beheading this Hydra is indeed a huge task and that change requires new ideas, new methods, new techniques, new policies and new alliances to win public support for creative and liberating alternatives. And these alternatives he says cannot start with words like re-building, re-gaining or even re-vitalizing.

2.5 Development Thinking and Policies Under Review in the 20th Century.

The 20th century has seen the emergence of important international institutions established to protect human rights and to guide socio-economic development.

2.5.1 *The International Labour Organization (ILO) - 1919 -*

The ILO (ILO, 2014) was established along with the League of Nations in 1919, from the Treaty of Versailles that ended World War I and was built on the great arch of “universal peace based on social justice”. The ILO was established as a uniquely tripartite organization comprising representatives of governments, employers and workers as these bodies were seen as not only being required to keep the peace but in partnership to be able to provide for a better and safer world. However while this tripartite structure is a very progressive initiative the global voice within this organization has its limitations due to the declining numbers of workers now unionized, the rising number of small businesses now in the “informal sector” and a steady number of governments who still do not give voice to their political opponents.

The ILO’s establishment immediately after World War 1 was driven by security, humanitarian, political and economic considerations. Those men and women who had fought and survived the war for “God, King and Country” came

back to their home countries with a very different outlook on the kind of society in which they wished to live. They held a very strong sense of the need for social justice and for change against the exploitative employment conditions in many of their home countries.

This same period in history saw the rise of the trade union movement and of the “Labour” political movement as well as the ideas which resulted in the communist manifesto and eventually a new world order. This period in history also saw a growing awareness among employers and governments of their growing economic inter-dependence and new opportunities for trade and commerce.

Having survived the dissolution of the League of Nations the ILO remains one of the United Nations oldest specialized agencies. However it took 25 years and two World Wars for the ILO to finally define and adopt what is known as the landmark “Declaration of Philadelphia”

The Declaration of Philadelphia clearly restated the ILO’s aims and purposes and laid out its philosophy and principles of the ILO by declaring that:

- *labour is not a commodity;*
- *freedom of expression and of association are essential to sustained progress;*
- *poverty anywhere constitutes a danger to prosperity everywhere;*
- *the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.*

Today the ILO remains an inspiration for the cause of Social Justice and an important catalyst for social progress especially through its unique tripartite structure. Of special interest to this research is the Social Protection mandate of the ILO which along with job creation is possibly the most important instrument for addressing poverty reduction, and achieving better equality globally. Social protection law has an important role in establishing and maintaining stable developing and developed economies and playing a fundamentally essential and complementary to that of the SEP. The ILO and the United Nations launched the Social Protection Floor in 2009 to help lift people out of poverty and to realize basic human rights and its importance and recognition is rapidly growing globally.

2.5.2 The United Nations (UN) – 1945 -

The United Nations (UN) (UN, 2014a) is an intergovernmental organization established in 1945 following World War II "to promote international cooperation and to achieve peace and security." and in effect it replaced the unsuccessful League of Nations. The organization now has 193 member states including the yet to be formally established State of Palestine.

The UN has four main objectives:

- To keep peace throughout the world;
- To develop friendly relations among nations;
- To help nations work together to improve the lives of poor people, to conquer hunger, disease and illiteracy, and to encourage respect for each other's rights and freedoms;
- To be a centre for harmonizing the actions of nations to achieve these

Apart from the landmark 1948 UN Declaration of Human Rights, of special significance to this research is the work of the Brundtland Commission in laying out a

development pathway for global and national development particularly as it proposed an approach which is entirely compatible to that of the SEP.

In the 1987 report “Our common futures” (UN, 1987) of the United Nations World Commission on Environment and Development (WCED) the Chairperson Gro Harlem Brundtland stated that:

When the terms of reference of our Commission were originally being discussed in 1982, there were those who wanted its considerations to be limited to "environmental issues" only. This would have been a grave mistake.

The environment does not exist as a sphere separate from human actions, ambitions, and needs, and attempts to defend it in isolation from human concerns have given the very word "environment" a connotation of naivety in some political circles. The word "development" has also been narrowed by some into a very limited focus, along the lines of "what poor nations should do to become richer", and thus again is automatically dismissed by many in the international arena as being a concern of specialists, of those involved in questions of "development assistance".

But the "environment" is where we all live; and "development" is what we all do in attempting to improve our lot within that abode. The two are inseparable. Further, development issues must be seen as crucial by the political leaders who feel that their countries have reached a plateau towards which other nations must strive. Many of the development paths of the industrialized nations are clearly unsustainable. And the development decisions of these countries, because of their great economic and political power, will have a profound effect upon the ability of all peoples to sustain human progress for generations to come.

Many critical survival issues are related to uneven development, poverty, and population growth. They all place unprecedented pressures on the planet's lands, waters, forests, and other natural resources, not least in the developing countries. The downward spiral of poverty and environmental degradation is a waste of opportunities and of resources. In particular, it is a waste of human resources.

These links between poverty, inequality, and environmental degradation formed a major theme in our analysis and recommendations. What is needed now is a new era of economic growth - growth that is forceful and at the same time socially and environmentally sustainable.
(Brundtland, 1987)

The United Nations Secretariat has several departments including Nations Department of Economic and Social Affairs (UN DESA) which in turn has a Division dedicated to Sustainable Development (DSD). It is this Division which has carried forward the consultative, analytical and coordinating work from the 2012 United Nations Conference on Sustainable Development (Rio+20).

The work of the SD Division includes:

- (1) Support to UN intergovernmental processes on sustainable development;
- (2) Analysis and policy development;
- (3) Capacity development at the country level;
- (4) Inter-agency coordination; and
- (5) Knowledge management, communication and outreach.
- (6) Support for UN Intergovernmental Processes

In July 2014 the DSD was able to release the zero draft (UN, 2014b) of the priorities and goals for the UN development agenda beyond 2015. This draft “Open Working

Group proposal for Sustainable Development Goals” was endorsed by the General Assembly on 10 September 2014 and is included as **Appendix 4**.

2.5.3 The start of the Sufficiency Economy and the SEP

In order to place the Sufficiency Economy in the context of current ‘conventional’ capitalist economic theory has been essential to clarify what the Sufficiency Economy and the Sufficiency Economy Philosophy are in the context of this research:

The Sufficiency Economy is at the centre of the Sufficiency Economy Philosophy (SEP) developed on the real life experience of His Majesty King Bhumibol Adulyadej of Thailand. The SEP stresses an appropriate conduct and a way of life, advocating a middle path in life as the optimal route for personal conduct at all levels.

The SEP recommends as its principles Moderation, Reasonableness and Self-Immunity that lead at all levels to Stability, Balance and Sustainability. The philosophy can be applied at the individual, the family, the community and at national and international levels, as well as with in organisations including the private sector. This then covers the development spectrum right from policy to development programme delivery.

This Author’s understanding is that at the individual and family level the SEP refers to living a simple life, living within one's means, and refraining from taking advantage of other people. At the community level it encompasses working together and joint decision-making, enhancing local knowledge and developing mutually-beneficial knowledge, and applying appropriate technology. Additionally it promotes the "local/ natural principle" whereby one engages and wisely uses natural resources that are local and readily available for the good of the community.

At the national level, it proposes a holistic approach with an emphasis on appropriateness, competitive advantage, low risk, and the avoidance of over-investment. It does not oppose globalisation, but confirms the importance of understanding what is happening at a regional and global level to allow the nation to hedge investments, and where possible reduce imports and dependence on other countries by remaining self-sustainable at a national level.

The SEP as we know it today and the concept of sustainable development may well have been inspired by the texts of ancient Greek philosophers such as Pythagoras, Plato, and Hippocrates. The Greek philosopher Plato (Plato, 2013) 427 to 347 B.C.E stated

“The form of law which I propose would be as follows: In a state which is desirous of being saved from the greatest of all plagues—not faction, but rather distraction—there should exist among the citizens neither extreme poverty nor, again, excessive wealth, for both are productive of great evil . . . Now the legislator should determine what is to be the limit of poverty or of wealth.”(Plato, 2013)

In an even earlier period circa 800 B.C.E. to 200 B.C.E there was close contact and dialogue between those from the Greek philosophy tradition with those from the Buddhist tradition regarding the understanding of man’s place in the world. That inquiry sought a moral structure which would explain how man should live his life to achieve peace and happiness.

But the SEP’s modern day development and championing originates from the 1970s, and the work of His Majesty Bhumibol Adulyadej the King of Thailand who has been clearly influenced by the teachings of Buddha. The SEP as we know it today provides guidance on appropriate conduct covering numerous aspects of life as detailed in the Royal Speech by His Majesty Bhumibol Adulyadej in 1974:

“Economic development must be done step by step. It should begin with the strengthening of our economic foundation, by assuring that the majority of our population has enough to live on. ... Once reasonable progress has been achieved, we should then embark on the next steps, by pursuing more advanced levels of economic development. Here, if one focuses only on rapid economic expansion without making sure that such plan is appropriate for our people and the condition of our country, it will inevitably result in various imbalances and eventually end up as failure or crisis as found in other countries.” (Bhumibol Adulyadej H.M.K., 1974, p. 12)

“If one is moderate in one’s desires, one will have less craving. If one has less craving, one will take less advantage of others. If all nations hold this concept of moderation, without being extreme or insatiable in one’s desire, the world will be a happier place”.(Bhumibol Adulyadej, 1998, p. 12)

2.6 Development Thinking and Policies Under Review in the 21st Century.

Some 20 years after the World Commission on Environment and Development (WCED) - Brundtland Report, the 2007 UNDP Thailand Human Development Report (UNDP Thailand, 2007) details how both the Sufficiency Economy and Human Development put people at the centre of development, and aim to expand peoples’ opportunities to live better lives. The Sufficiency approach adds to human development in two ways: first, by providing a process for analyzing situations, identifying objectives, setting plans, and making decisions; and second, by placing greater emphasis on mental and spiritual development.

The UNDP report (UNDP Thailand, 2007) provides six key messages:

1. *The Sufficiency Economy is central to alleviating poverty and reducing the economic vulnerability of the poor.*

2. *The Sufficiency Economy is a means towards community empowerment and the strengthening of communities as foundations of the local economy.*
3. *The Sufficiency Economy takes corporate responsibility to a new level by raising the strength of commitment to practices conducive to long-term profitability in a competitive environment.*
4. *Sufficiency principles are vital for improving standards of governance in public administration.*
5. *The Sufficiency Economy can guide macroeconomic policy making to immunize a country against shocks and to plan strategies for more equitable and sustainable growth.*
6. *Sufficiency thinking demands a transformation of human values, a “revolution in the mindset”, and necessary for the advancement of human development.*

2.6.1 The Evolution of the Sufficiency Economy Philosophy (SEP)

During the Asian Economic Crisis (AEC) (1997-1998), His Majesty Bhumibol Adulyadej the King of Thailand reemphasized the SEP concept that he had been advocating for the previous 30 years and urged his citizens to practice it to the greatest extent possible. He stressed that the SEP aims to shield the Thai people and the nation from adverse internal and external shocks (as were felt during the AEC) by acknowledging the interdependency among people at all levels.

In 1999 the National Economic and Social Development Board (GoT NESDB (Thailand)) explained the following definition of Sufficiency Economy:

The “Sufficiency Economy” is a philosophy that stresses the middle path as an overriding principle for appropriate conduct by the populace at all levels. This applies to conduct starting from the level of the families,

communities, as well as the level of nation in development and administration so as to modernize in line with the forces of globalization.

“Sufficiency” means moderation, reasonableness, and the need of a self-immunity mechanism for sufficient protection from impact arising from internal and external changes. To achieve this, an application of knowledge with due consideration and prudence is essential. In particular great care is needed in the utilization of theories and methodologies for planning and implementation in every step. At the same time, it is essential to strengthen the moral fibre of the nation, so that everyone, particularly public officials, academics, businessmen at all levels, adhere first and foremost to the principle of honesty and integrity. In addition, a way of life based on patience, perseverance, diligence, wisdom and prudence is indispensable to create balance and be able to cope appropriately with critical challenges arising from extensive and rapid socioeconomic, environmental, and cultural changes in the world.” (His Majesty’s Principal Private Secretary, 1999)

In December 1999 in a changing global economic environment His Majesty Bhumibol Adulyadej further explained the meaning of SEP in order to confirm the intentions of the philosophy as follows:

Sufficiency Economy is the Philosophy that addresses the way of living and practice of the public in general from the family unit and the community, to the national level, in development and management of the country towards the middle path especially in developing the economy to keep up with the world in the era of globalization.

The word “sufficiency” means moderation and reasonableness including the need to have self-immunity to be ready against any internal and external shocks. In addition, the application of theories in planning and implementation requires great care and good judgment at every stage.

At the same time, all members of the nation, especially officials, intellectuals and business people – need to develop their commitment to the importance of knowledge, ethics, integrity and honesty to conduct their lives with perseverance toleration, Sati and Panna and precaution so that the country has the strength and balance to be able to respond to rapid and widespread changes, materialistically, socially, environmentally and culturally from the outside world.” (Bhumibol Adulyadej, 1999)

2.6.2 The New Theory of the SEP

As explained in the ebook of the Thai Government Public Relations Department (Chaipattana Foundation, 2010), His Majesty King Bhumibol Adulyadej, got his inspiration for the New Theory from a visit to the peoples of the North West Thailand in December 1992.

The New Theory is a quite specific example of the application of the SEP to the agriculture sector. The New Theory under the SEP aims at self-sufficiency for farmers to a reasonable extent, in keeping with the overriding SEP principles of moderation and the middle way. Farmers are empowered by being able to produce enough food to sustain themselves, while benefiting from basic trading of produce and production factors to their full potential.

The Theory of the Sufficiency Economy for the Farmers has three main stages (Chaipattana Foundation, 2010):

- First stage: Sufficiency at the individual and household level or the state of self-reliance.
- Second stage: Sufficiency at the community level or group farming. After security has been established at the family level, communities can then move forward as groups to support marketing and production. The aim is the create sufficiency at the community level by diversifying activities to cover various means for making a living.

- Third stage: Sufficiency at the national level and global level. This stage building on the second stage and involves creating networks with outside sources and expanding activities. Communities are expected to ensure that natural resources are conserved, security within the community is maintained and activities conducted under a people based approach using local wisdom and maintaining local traditions and culture.

The social benefits for communities applying the New Theory are shown in the following three Diagrams (titled figures):

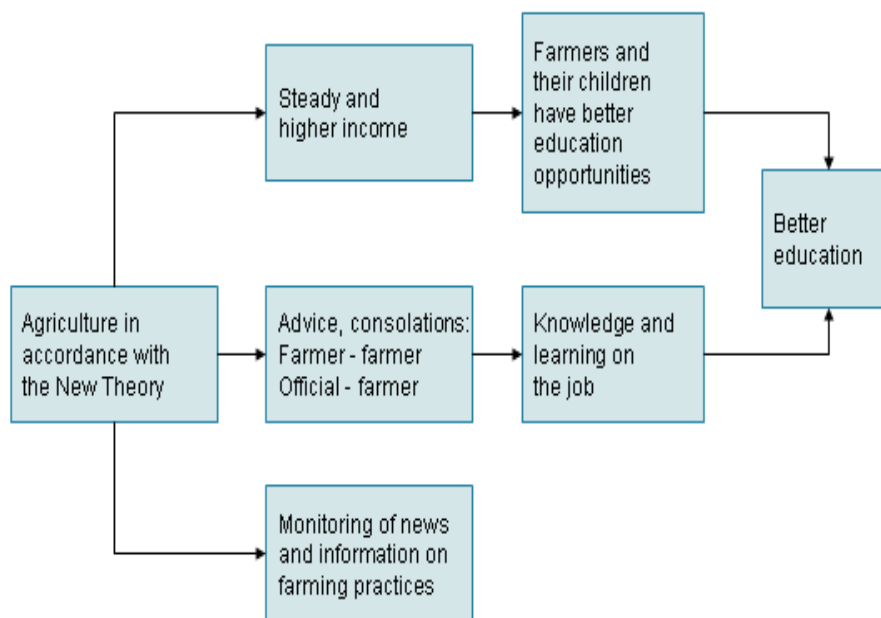


Figure 5: Benefits of the New Theory

Source: (Chaipattana Foundation, 2014)

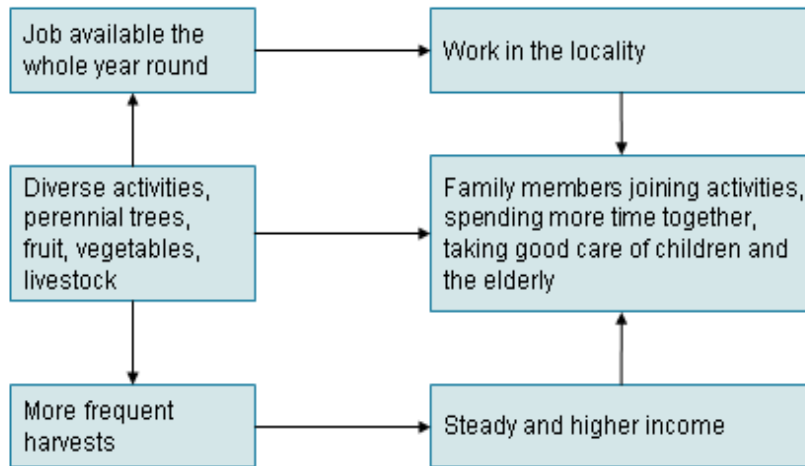


Figure 6: Farm Families and Communities Kept Intact and Content

Source: (Chaipattana Foundation, 2014)

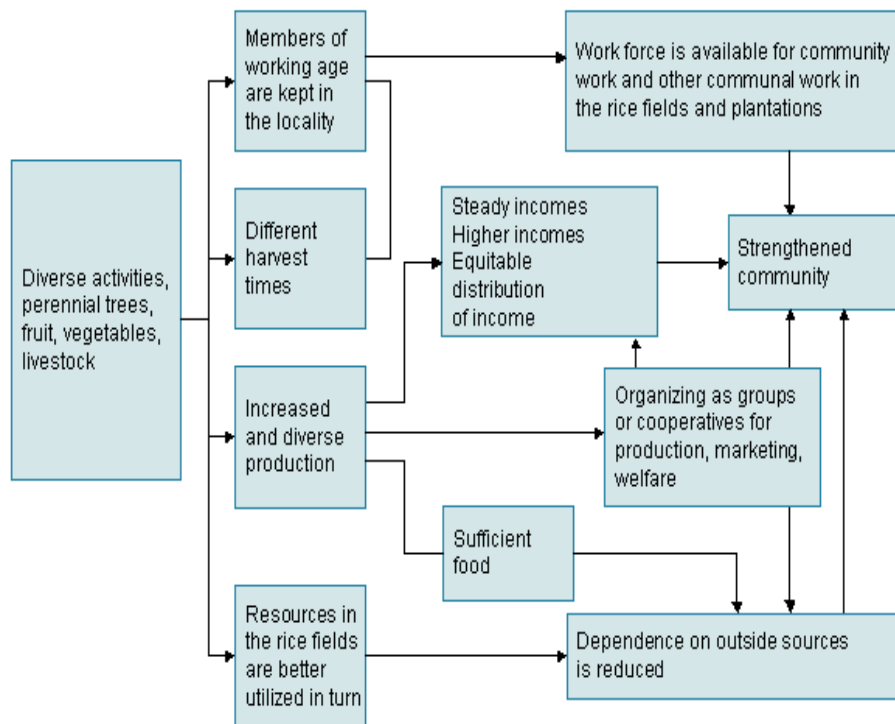


Figure 7: Strengthened Community

Source: (Chaipattana Foundation, 2014)

Ultimately through coordination with other organizations (local, national and international) in capital, marketing, and business operations on a progressively wider scale, farmers are then able to sell value-added products and their incomes gradually increase. At the same time, the environment is respected and protected as well as improved and the family institution and the community are strengthened, resulting in sustainable development, as shown in the Diagram (titled figure) which follows.

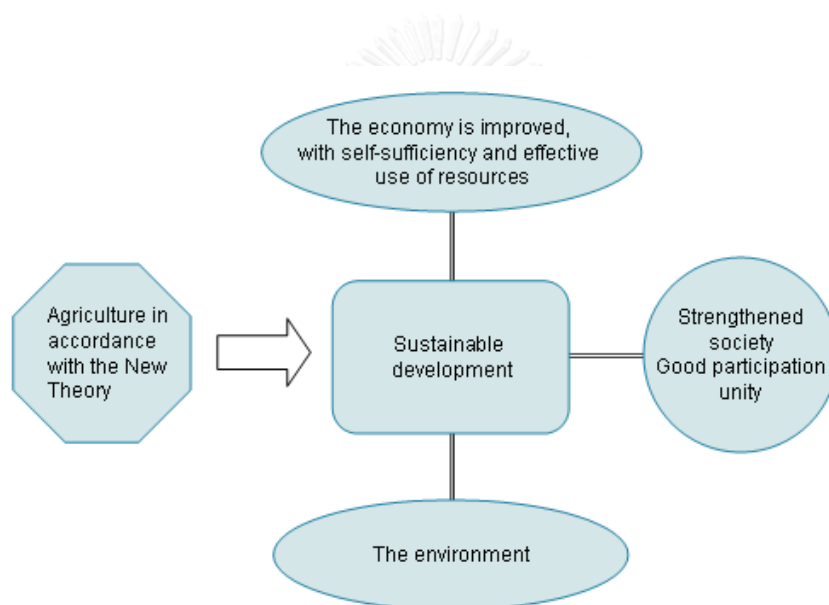


Figure 8: Sustainable Development and the Environment

Source: (Chaipattana Foundation, 2014)

The following key quote on the SEP is from a 1996 speech of His Majesty King Bhumibol Adulyadej in which he provides greater clarity to his thoughts and meaning on SEP.

“To be a tiger or not is of no consequence. The important thing is that we maintain a self-supporting economy. A self-supporting economy means enough to subsist. Moderation does not mean every family has to produce its own

food or weave its own clothing. That would be too extreme.” (Bhumibol Adulyadej H.M.K, 1996)

2.6.3 SEP Model Villages

There are numerous examples and studies of SEP model villages within Thailand including the Royal Development Centres at Kha Hin Son, Phu Phan, Huai Hong Khrai, Huai Sai, Kung Krabaen, Pikun Thong implemented through a variety of initiatives (including Royal initiatives, Government and Private Sector initiatives). As part of this research a visit was made to Doi Tung in Chang Rai Province and Huai Hong Khrai in Chang Mai and it was clear that the SEP model villages in Thailand are seen as training centres and actual working examples of what can be replicated or expanded at Local, District, Provincial and National levels.

The Sufficiency Economy Demonstration Centres and or model villages outside of Thailand include but not limited to: Afghanistan, Cambodia, Myanmar, Kenya, Indonesia and the Lao PDR. These international development initiatives are in general applied under the umbrella of Thailand’s Royal Projects and more specifically Royal Development Projects which are implemented by organisations and agencies such as the Mae Fah Luang Foundation (MFLF), Chipattana Foundation, the Royal Thai Ministry of Foreign Affairs and United Nations Agencies (UNDP and UNODC). All of these projects work in close cooperation and collaboration with the recipient/beneficiary countries and with the local communities.

Community representatives and Government officials from governments from all corners of the world have also undertaken New Theory SEP training and visited Royal Development Centres in Thailand to see firsthand the application of the SEP and to learn where appropriate the replication of similar local agricultural and community development initiatives in their home countries.

One example of a country outside the scope of research yet particularly worth briefly noting is that of Kenya, where the Government of Kenya and UNDP have established a self-sufficiency economy model village with the overall long-term outcome of the project being

“to improve livelihoods of Kenyans through addressing the challenges that face small scale agricultural production and so realize the full potential for food production and food security” (UNDP, 2013).

This project which was due for completion in December 2012, has been implemented following a methodology and focus on capacity building, adoption of appropriate technology, sustainable management, and the use of natural resources. Through innovative water harvesting and land management practices the Kenya initiative will reportedly (UNDP, 2013) endeavour to have small scale parcels of land with all year productivity for subsistence and income.

2.6.4 The 2007 Formulation and Evaluation of the SEP Indicators and National Performance Under the SEP in Thailand

In August 2007 the Working Group on Academic Affairs in Thailand (National Economic and Social Advisory Council) produced a comprehensive report on the *Formulation and Evaluation of the SEP Indicators* and the Economic and Social Report on the National Performance in the Direction of Sufficiency (Ubon Ratchathani University, 2007). This report provides a comprehensive conceptual framework with indicators for each pillar and dimension of the SEP and states that the following pillars and dimensions of the SEP ought to be considered when reviewing the SEP: Reasonableness, Moderation, Self-reliance; Moral and Cultural Dimension (internal and External Well-being), Educational Dimension, Social Dimensions, Management of Public and Private Sectors Dimensions, Science and Technology Dimension, Economic Dimension, Resource and Environmental Dimensions.

The Report includes the two Diagrams (titled figures) which follow, one illustrates the relationship between the major Pillars of the SEP and the balance necessary for the SEP approach and the second Diagram shows the Conceptual Framework in developing the SE Indicators in each Dimension.

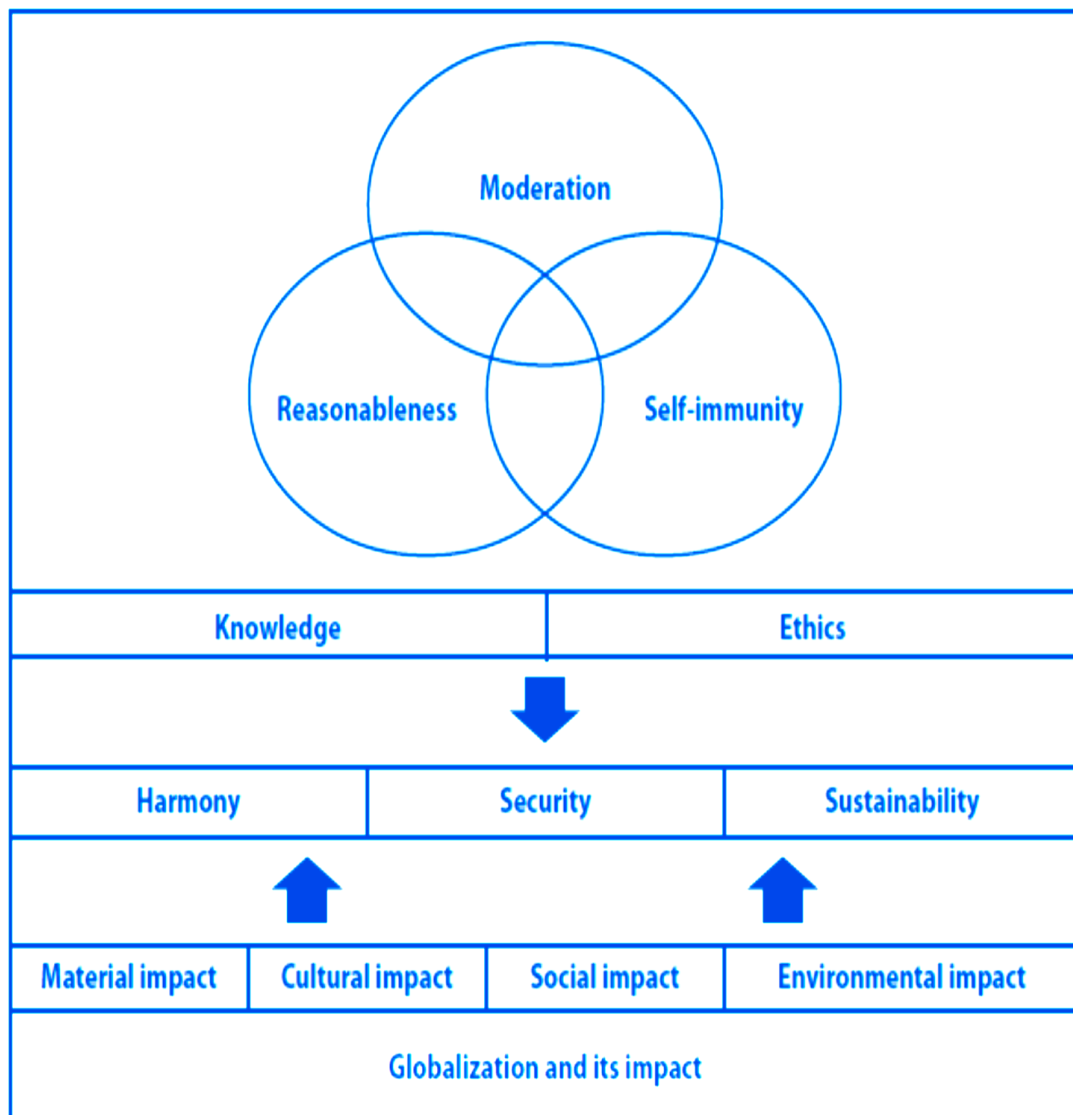


Figure 9: Venn Diagram Showing the Overlaps Between the Pillars of the SEP as an Interconnected Trio.

Source: (UNDP Thailand, 2007, p. 30)

**Conceptual Framework in Developing the Sufficiency Economy
Indicators in Each Dimension**

The Sufficiency Economy Philosophy			
Moderation	Reasonableness	Self-Immunity	
Condition of the Indicators			
Ethics (Honesty and Integrity, Patience Perseverance, Diligence Compassion)		Knowledge (Wisdom, Due Consideration Prudence, Great Care)	
Moral Behavior as Sufficient Basis for Sufficiency Economy Economizing (<i>Reasonableness Moderation</i>), Honesty, Self-Discipline, Consciousness, Patience, Diligence, Gratitude, Cautiousness, Sacrifice, Solidarity, Social-Responsibility			
Conceptual Formulation of Indicators			
Moral and Cultural Dimension (Internal and External Well-beings) <ul style="list-style-type: none"> • Security and safety in life and property. Peace for the country • Physical, emotion, and mental immunity • Adherence to religion and well respected culture of the country 	Educational Dimension (Thorough Knowledge and Self Reliance) <ul style="list-style-type: none"> • Knowledge based society <ul style="list-style-type: none"> - Equal access to knowledge - Learning for self reliance 	Social Dimension (Human Security and the Strength of Social Capital) <ul style="list-style-type: none"> • Access to public service and social welfare • Sharing and compassion within the society • Conflict management through peaceful settlement • Social responsibility 	Management of Public and Private Sectors Dimension <ul style="list-style-type: none"> • Transparency in the public sector • Ability to monitor the performance of the State • Political participation • Decentralization of power to local authorities • Efficient management of the private sector • Corporate social responsibility of the private sector
Science and Technological Dimension <ul style="list-style-type: none"> • Resource allocation for human development • Development of science and technological potential • Development for self reliance in science and technology in the long run • Appropriateness of science and technology to be used in the context of Thailand as a whole and its rural areas in particular 	Economic Dimension <ol style="list-style-type: none"> (1) Sustainability in agriculture (2) Environmental friendly production & food safety (3) Reasonableness and efficiency in using the resources (4) Immunity at the national level. (5) Economic stability (6) Knowledge-based development and improvement on local wisdom (7) Fair economic system 		Resources and Environmental Dimension <ul style="list-style-type: none"> • Minimal use of resource with efficiency, balance, and effectiveness • Quality preservation and increase useful value of the resources • Maintenance of bio-diversity in order to generate immunity and reduction on health risks • Economic activities that has less impact to environment and health • Participation and justice in managing natural resource and environment
Stability	Balance	Sustainability	

Figure 10: The SEP Indicators

Source: (Ubon Rajathanee University, 2007, p. 8)

The following Diagram (titled figure) produced by UNESCO provides a very clear and simple outline of the SEP and its goal, outcome, means and input.

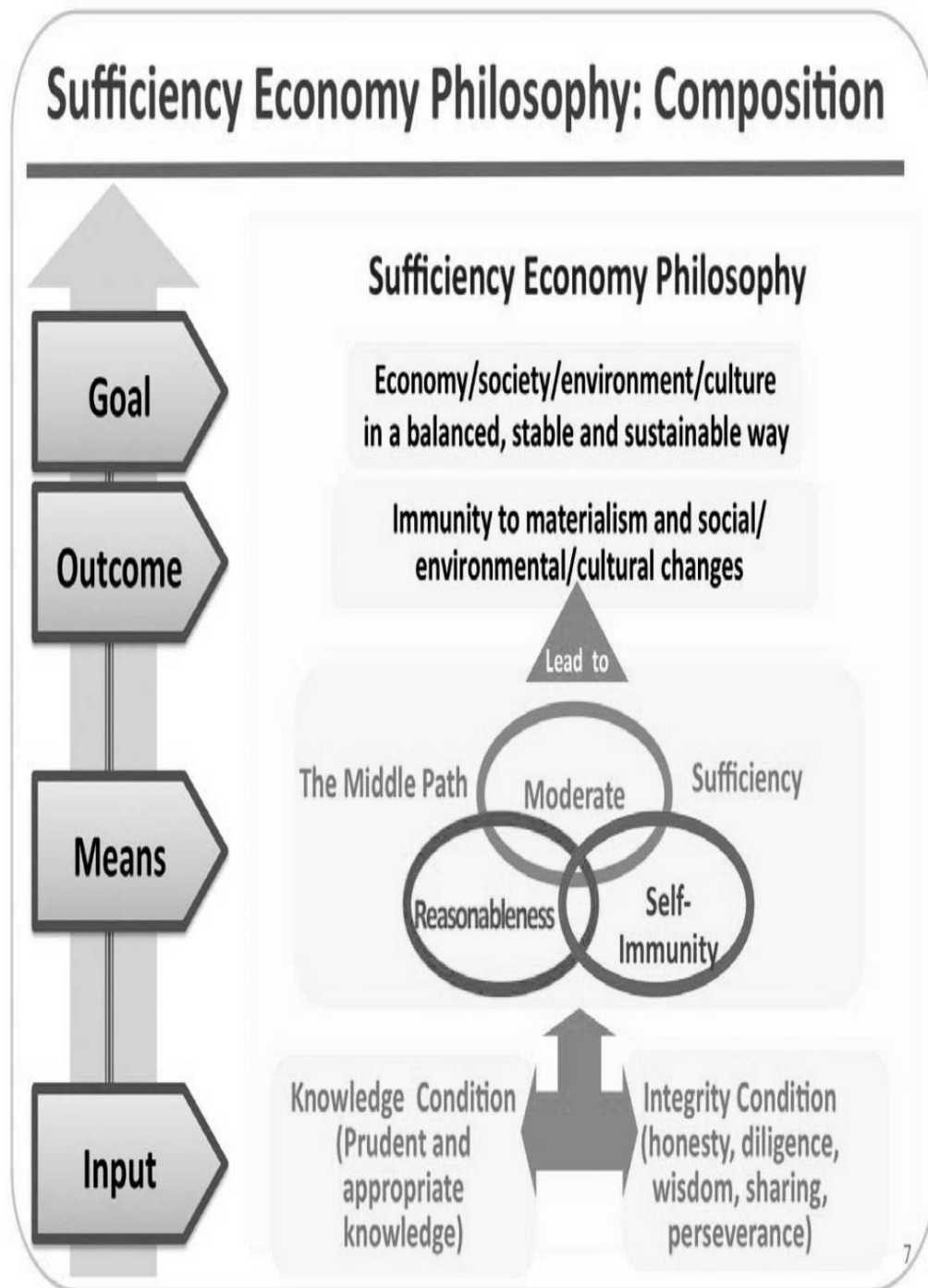


Figure 11: Overview of the Composition of the SEP

Source: (GoL, 2012)

2.6.5 The SEP in Thailand in 2013

While it may be argued that the Thai economy is still largely influenced by conventional international economic policy and practice it is clear that at the national policy level that the SEP is still very much front and centre-stage. As is stated in the adopted Eleventh National Economic and Social Development Plan (2012 – 2016) developed by the National Economic and Social Development Board Office of the Prime Minister in Thailand (GoT NESDB (Thailand), 2012):

Under the guiding principles of the Sufficiency Economy Philosophy, knowledge, science and technology, innovation and creative thinking will become crucial factors to achieve balanced and sustainable development. (GoT NESDB (Thailand), 2012)

The Prologue to the Eleventh Plan also states:

The Philosophy of “Sufficiency Economy” bestowed upon the Thai people by His Majesty King Bhumibol Adulyadej since 1974 is now firmly rooted in our society. The heart of this Philosophy is “human development” toward well-being based on sufficiency, moderation, reasonableness, and resilience. His Majesty the King advises us that the Thai people should be prudent, be aware of step-by-step development principles, and lead a moral life. The doctrine underlying the Philosophy is “to understand, to gain insight and access, and to engage in development.” In practice, this doctrine must be in harmony with a national “social landscape” that respects diversity within geo-ecology, economy, culture and tradition.

Of primary importance, it must serve to benefit all Thai citizens, who must be included in the decision-making process. This aspect of development aims at “self-reliance.” It proceeds with caution, self-evaluation, and prudence, by taking a step-by-step approach, and is tested before being distributed to the public.

Since the Eighth Economic and Social Development Plan (1997-2001),the

Sufficiency Economy has made its mark on Thai society and has become the guiding principle of the country's development strategy. The conventional development approach that narrowly focused on economic growth has generated many social problems and led to the deterioration of natural resources and the environment. Application of the Philosophy in Thailand can now be seen in various sectors. Not only have its Principles become important policy guidelines for the country's strategy toward security and sustainability, they have also proven to be the guiding principles at every level of society from the individual to the family and the community.

At the national level, the Philosophy reinforces our capacity for resilience and risk management, and allows the country to recover from economic crises better than in the past. Nevertheless, structural problems continue to be important sources of vulnerability and obstacles to the future development of the country, particularly in the form of social inequality and weaknesses in public administration.

Thailand must constantly adapt in response to rapid and severe changes that face the nation. These can prove to be both opportunities and challenges. In response, by continually adapting the Philosophy, Thailand will become more resilient and capable of managing risks through the application of knowledge, technology, innovation, creativity, and good governance. (GoT NESDB (Thailand), 2012)

2.7 Other Critiques of the SEP.

Critiques of the SEP are clearly divided between those strongly supportive and those very critical. Within Thailand critiques are expectedly overwhelmingly supportive and especially regarding the direct application of the SEP in many areas which have been quite successful.

On the supportive side, this research has shown sympathetic national, regional and international standing of the SEP through its adoption and application

in foreign countries by foreign governments and international development organisations as well as its recognition through international awards (including awards by the United Nations).

When it comes to criticism of the SEP it is necessary to be aware that the laws within Thailand including *lèse-majesté* prohibit defamation, insults or threats to the King, Queen, or the Heir-apparent and these actions are punishable with imprisonment. The *lèse-majesté* law has been interpreted by a former Supreme Court Justice as a blanket ban against criticism of Royal Development Projects and thus the application of the SEP within Thailand (Streckfuss, 1995).

Never the less, a number of non-supportive critiques of the SEP have however been written outside of Thailand in academic articles, blogs (notably The New Mandala <http://asiapacific.anu.edu.au/newmandala/>) and presented at international conferences. The focus of these non-supportive critiques seems to centre around two arguments and these are:

- The SEP is primarily political rhetoric of the Thai Royal family and the elite supporters of the Royal family with the motivation to retain the supremacy of the Royal family and the elite.
- The SEP does not in reality (in a neo-liberal world) work and is not compatible in today's society (from both a social and or economic perspective).

In reviewing non supportive critiques of the SEP it seems that these do not take into account a number of key understandings in Thailand and beyond; these include recognizing the culture of patronage and family relationships that exist as well the possibility that alternatives could and should develop as better alternatives to the current conventional neo-liberal approach to development and life.

In January 2008 at the 10th International Conference on Thai Studies at Thammasat University, Professor Andrew Walker of the Australia National University presented on the ‘Royal Sufficiency and Elite Misrepresentation of Rural Livelihoods’ in one of the panels, and in an interview with Fah Diew Kan (Pundit, 2008) during that 2008 Thammasat University International Conference went on to further explain his view on the SEP where he is quoted as saying:

“It’s that it doesn’t accept those people’s aspirations. It’s saying to people you should not aspire to have a television. You shouldn’t aspire to send your children off to universities. You should be relatively content with a simple rural life and I think that’s what’s fundamentally undemocratic about the sufficiency economy that it doesn’t accept people’s aspirations. The thing that made me a little bit angry is that this philosophy is promoted by people who are incredibly wealthy. People who have extraordinary wealth are saying to the people who aspire to have television, “it isn’t appropriate.” That’s what makes me a little bit angry about the sufficiency economy. I think it’s hypocrisy of the people who promote it.” (Pundit, 2008)

2.8 Some Misconceptions of the SEP.

A number of general misconceptions exist regarding the SEP and when discussing the SEP and its application it is important to clarify any possible misconceptions so that the Philosophy is not misunderstood:

- a) The SEP is applicable only to the poor and or to poor “developing countries”:

This misconception probably derives from looking at the most well know application of SEP in model villages and training centres for rural farmers in Thailand. While certainly this is the starting place for the SEP among those who are predominantly poor it is however only the first stage of the SEP application under the “New Theory” which is sufficiency/ self-reliance in progressively larger spheres.

These spheres as explained by His Majesty and as detailed in numerous works are equally applicable at the family, community, state and international level. Furthermore the wealth on an individual, family, community and or state is of no relevance as to its application and can be equally applied amongst the poor as it can amongst the wealthy. The SEP is fundamentally about self-sufficiency:

b) The SEP is anti-globalization:

This misconception again probably derives from looking only at the start of the process and not all of the Steps of the New Theory of the SEP. The SEP actually provides for building a strong foundation for the country before progressively proceeding cautiously with an awareness of the challenges involved to the next Step. Following the middle path also clearly implies the importance of proceeding with an awareness of challenges involved and avoiding extreme risks. This is at the core of being better able to cope with the changes and shocks which are an inherent part of the global economy with its increasing greater inter-dependency between complementary economies.

2.9 From the SEP Theory to the SEP Practice.

For any important development philosophy or policy to be realized there are essential steps that need to be taken to optimize the benefits of that policy. In this respect the realization of the SEP is no exception and its optimization depends

on a series of structural steps all of which need to be taken and continually supported for sustainable development to be achieved.

These steps include; having individual and integrated policies in place for economic, social/ cultural and environmental development and an effective enabling environment established making it possible for the public and private sectors to operate in line with the policy.

It also means having and using appropriate delivery tools for good governance, local planning and participation, optimal use of local resources and transparent and fair procurement processes. And in addition to this there must be available and in place adequate resources including for competent personnel in both the public and private sectors with the authority to provide quality assurance and to monitor and remedy program delivery issues. In brief, this means there must be an effective enabling environment established and working well.

The following Diagram (titled figure) illustrates the steps necessary to translate the SEP into sustainable development.

Progression of the SEP to Sustainable Development (SD)		
	Progression Components	Involves
1	The SEP Adopted	Understanding and acceptance of the SEP
↓		
2	Separate SD Policies in place	Well defined SD Policies for Social-Economic & Environmental Sectors (public and private operations)
↓		
3	Integrated SD Policies in Place	Integrated Social-Economic and Environmental Policies for all development
↓		
4	Enabling environment functional for Post 2014 SD Goals	Enabling framework, funding and mechanisms for power to act for the establishment of effective and transparent SD
↓		
5	Delivery tools operational	Appropriate tools available and operational for good governance, local planning & participation & decision making, optimal use of local resources and transparent fair procurement practices
↓		
6	Staffing adequate	All development programs (public and private) adequately staffed with professional and management skills , quality assurance systems and effective monitoring
↓		
7	SD Realization	With all components in place SD realisation is possible

Figure 12: Progression Steps of the SEP to SD

Source: Prepared by the Author

2.10 The Definitions Relating to the SEP as Used in this Research

A set of more concise definitions has been developed by this Author that closely follow those of the 2007 Working Group on Academic Affairs in Thailand (National Economic and Social Advisory Council) report on the “Formulation and Evaluation of SEP Indicators and the Economic and Social Report on the National Performance in the Direction of Sufficiency(Ubon Ratchathani University, 2007). These concise definitions of the SEP pillars and dimensions are included in the Table below and these SEP pillars definitions are also included in the glossary.



Table 7: Concise Definitions of the SEP Pillars and its Dimensions

Principles	SEP Pillars	Concise Definition
	Reasonableness	Decisions concerning the level of sufficiency made rationally with consideration of the factors (Moral, Ethical and Knowledge) involved and in careful anticipation of the outcomes that can be expected from the actions.
	Moderation	Actions of Sufficiency with consideration of the factors (Moral, Ethical and Knowledge) and avoiding deficiency or excess in relation to oneself or others.
	Self-reliance	A livelihoods approach and ability inclusive of Moral, Ethical and Knowledge considerations regarding natural economic activity rather than growth based activity to be able to cope with changes and shocks.
Dimensions		
Key Indicators	Moral and Cultural Dimension	Refers to the importance of peace for both religious and cultural principles for both personal security and safety and physical, emotional and mental immunity as well as for the security and safety of the nation and property and good international relations.
	Educational Dimension	Refers to a knowledge based society with equal access to knowledge and leaning necessary for self-reliance
	Social Dimensions	Refers to Social Responsibility and peaceful conflict settlement through the right of access to Public services and social (protection) welfare and sharing and compassion within the society.
	Management of Public and Private Sectors Dimensions	Refers to the Corporate Social responsibility of individuals through political participation, the private sector through efficient management and good governance and transparency and the State through proper monitoring of performance and decentralization of power to local authorities.
	Science and Technology Dimension	Refers to the need for local appropriateness of science and technology through adequate resource allocation for human development for the Development and self-reliance of science and technology potentials.
	Economic Dimension	Refers to equality-based economic systems and economic stability through Sustainable agriculture, Environmental friendly production and food safety, Reasonableness and efficiency in using resources, Immunity at the national level, knowledge based development and improvement on local wisdom.
	Resource and Environmental Dimensions	Refers to the wise efficient, balanced and effective use of resources and participation and justice in managing natural resource and environment, the avoidance of environmental damage through economic activities that have low impact on environmental health as well as the quality preservation of resources and the maintenance of biodiversity,

Source: Prepared by the Author based on the narrative in the 2007 working group report (NESAC) “Formulation and Evaluation of SEP indicators and the economic and social report on national performance in the direction of Sufficiency”.

2.11 Sustainable Development

For the purpose of this research the term Sustainable Development (SD) needs and limitations are sourced from the United Nations Brundtland (1987) report:

“SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” It contains within it two key concepts:

- *the concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given; and*
- *the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.” (UN, 1987)*

SD is also described and explained visually as shown in the Venn Diagram (titled figure) below as the merging and joining together of three components of development: The Social, Environmental and Economic components. The conjunction of the components as shown in the following Diagram is considered to represent the state of Sustainable Development.

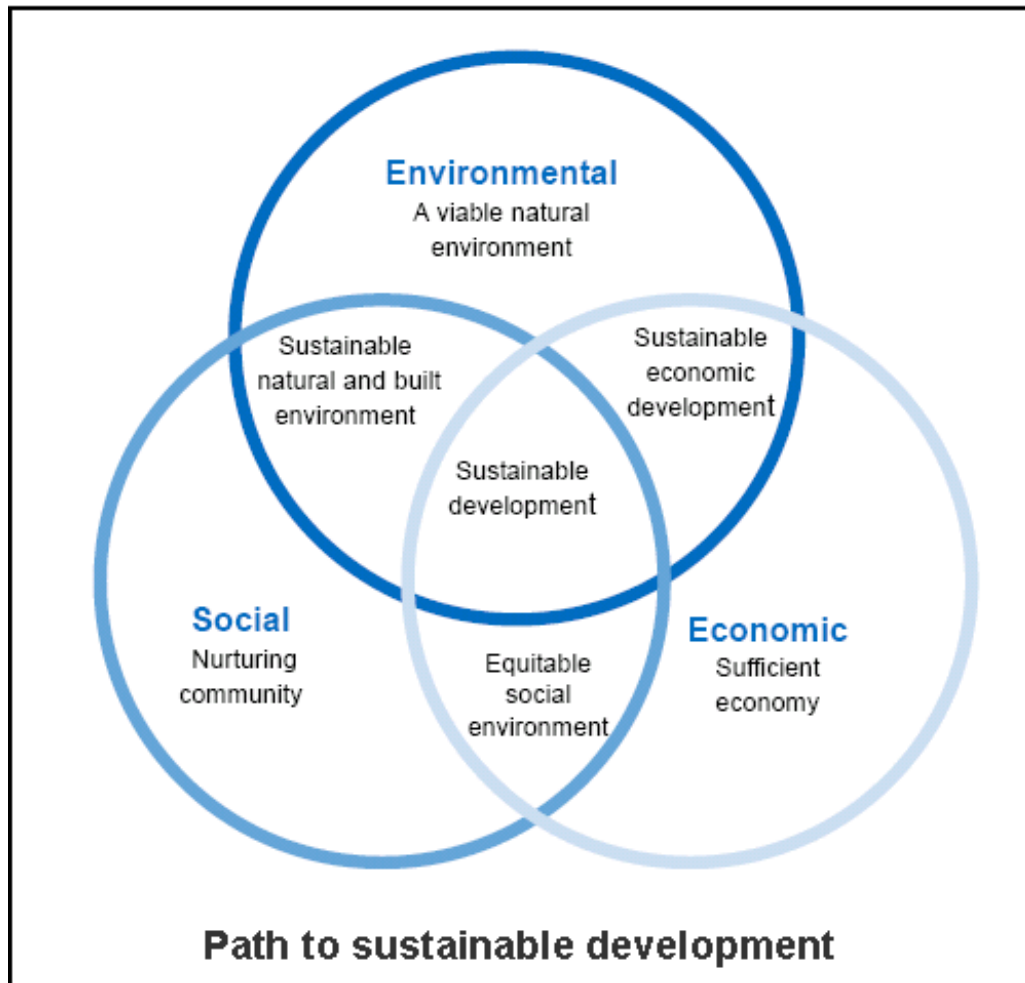


Figure 13: Venn Diagram for Sustainable Development

Source: (Sustainability, 2014)

The Table which follows illustrates the close relationship between the principles of United Nations approach to sustainable development with those of the SEP. (UN, 1987)

Table 8: Correlation Between the United Nations Sustainable Development Approach and the SEP Pillars and Dimensions

U.N. Sustainable Development Approach	SEP Pillars and Dimensions
Meets the needs of the present without compromising the ability of future generations to meet their own needs.	Reasonableness
Meets the needs of the present without compromising the ability of future generations to meet their own needs.	Moderation
Meets the needs of the present without compromising the ability of future generations to meet their own needs...	Self-reliance
Indicators	
The Social Pillar	Social Dimensions
	Educational Dimension
	Moral and Cultural Dimension (internal and External Well-being)
The Economic Pillar	Economic Dimension
	Science and Technology Dimension
	Management of Public and Private Sectors Dimensions
The Environmental Pillar	Resource and Environment Dimension, Moral and Cultural.

Source: (UN, 1987)

2.12 Global economic policy thinking in 2014

2014 is a year in which the global economy is struggling to perform as it has in the past two decades a result of the lasting effect of the GFC and it is a year in which economic growth at the expense of global environmental concerns is more widely discussed by ordinary citizens. Ordinary people also see growing inequality and the argument that “jobs are at risk” as no longer acceptable or rational for not

taking a more responsible position on protecting and caring for one's national environment.

Having people accept that massive inequality is the fair outcome of a competitive process that is ultimately good for all is the ideological foundation of the current capitalist economic system. The GFC has however put an end to the myth of free competitive economic development meaning a shared prosperity including in developing countries.

The devastating impact of the GFC which continues to require Government (taxpayers) bailouts of enterprise, banks and insurance companies “too big to be allowed to fail” has created another higher benchmark for corporate welfare (by the taxpayer). This is not how Capitalism was supposed to work.

Clearly people have become disillusioned about current policies and policy directions and there are now strong demands for both new economic policy directions as well as proper measures to address carbon emissions and climate change. Combating inequality and addressing climate change therefore have the potential for such a unifying common vision. This is as much the case in the western developed world as it is in the Lao PDR.

It has not been surprising that the 2014 World Economic Forum (WEF) experts have identified 10 global trends for 2015 as shown in the following Table and while these are generated from a neo-liberal perspective it is also possible to see them from an SEP point of view.

The fourth edition of the Outlook on the Global Agenda features the insights of the Network of Global Agenda Councils, a community of over 1,500 global experts representing the world's foremost community of thought leaders. It is informed by data from a Survey on the Global Agenda, which polled an extensive sample of

Council Members and also incorporates the views of the next generation, the Young Global Leaders and Global Shapers.



Table 9: Correlation Between the WEF Outlook on the Global Agenda 2015 and a SEP Perspective

The 10 Top Global Trends according to WEF Experts ~2014				
	As seen through the GEF - Neo-liberal economic lens	As seen through an alternative SEP lens		
		Social / Cultural	Economic	Environmental
1	Deepening income inequality			
2	Persistent jobless growth			
3	Lack of leadership			
4	Rising geostrategic competition			
5	The weakening of representative democracy			
6	Rising pollution in the developing world			
7	Increasing occurrence of severe weather events			
8	Intensifying nationalism			
9	Increasing water stress			
10	Growing importance of health in the economy			
Alternative SEP perceived needs and priorities for 2015				
1	Decent governance through the application of universally acceptable Ethical standards for development & greater accountability ~ involving also strengthened and widened democratic processes			
2	Decent development programmes involving carefully and ethically integrated and fairly balanced economic, social/cultural and environmental interests			
3	Decent and stronger basic Human, Political & Social rights universally protected and adopted in practice and not compromised by development self-interests			
4	Decent actions for normalizing wealth and income equality as well as greater Income opportunities with decent working conditions			
5	Decent and stringent environmental protection & safeguards including for Climate change and related environmental catastrophes required of all development works.			

Source: Prepared by the Author from WEF - 2015 Outlook on the Global Agenda, 2014.

And the 2014 G-20 (www.g20.org) meeting of the worlds' most powerful nations has produced a Leaders' communique which while focusing on economic issues with little concerns for the environment has interestingly now called for the strengthening of global institutions and called for support for new "green climate fund".

As John Quiggin¹⁷ says in his book "Zombie Economics" (Duiggin, 2012) the failed dead ideas of neoliberalism "still walk amongst us" His vision for the 21st century is

"more on realism, less on vigor"

"more on equity less on efficiency"

"more on humility, less on hubris"

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2.12.1 Tackling Inequality

One solution to arresting inequality is through the taxation system. Taxing the rich in a progressive manner as proposed by Piketty and already practiced to a degree in some Scandinavian countries is not even expected to create any substantial welfare losses for the rich as the high incomes of the '1%ers' are largely about misplaced status. Taxing the rich is actually the only tax likely to benefit everybody, but introducing fairer progressive taxes in non-Scandinavian western

¹⁷ John Quiggin is an Australian Economist and Laureate fellow in economics at the University of Queensland, Australia.

countries is obviously fraught with political difficulties as it may be in the case of the Lao PDR. One thing the '1%'ers excel at is at knowing how to minimize or avoid taxation.

For democratic societies to function economic-control inequality also has to be limited and private capital's controlling power (over media, political parties and their policies, academic expertise and research and the way the general public thinks about development and investments) needs to change. Freedom and democracy cannot survive where power is in the hands of the wealthy.

Interestingly investor Warren Buffett (one of the world's wealthiest men) refuses to subscribe to 'inherited wealth' and is known to be supportive of a strong and healthy democracy. His support in the United States of America for maintaining democracy extends to his vow that 99% of his wealth will eventually be distributed through charitable organizations and foundations particularly through the Bill and Melinda Gates Foundation established by the richest man in the world and another who does not subscribe to inherited wealth.

Combating inequality is clearly about social and economic justice and it is also about real democracy and meritocracy and just as it about opening up the world for everybody and it is also about supporting those in need especially within ones' own country. The SEP offers a more ethically based framework well worthy of much wider adoption and replication to guide better socio-economic order in the 21st century.

However, global policy direction and thinking in 2014 continues to largely follow the practices of the past several decades and the global economy is still struggling under the impact of the Global Economic Crisis of 2007 at least in terms of pre-crisis levels of economic growth. The global economy is also yet to face up to the need for a binding international agreement on carbon emissions and to accept the economic/ financial consequences of doing what is right for our planet.

In order to throw light on our current trends in inequality Thomas Piketty and colleagues Anthony Atkinson at Oxford University and Emmanuel Saez at Berkley University have now pioneered statistical techniques that make it possible to track the concentration of income and wealth well as far back as the late 18th century in the case of France.

According to Paul Krugman (Krugman, 2014) the recipient of the 2008 Nobel Prize in Economic and columnist for the New York Times, “the big idea in Piketty’s book “Capital in the Twenty-first Century” (Piketty, 2014) is that we haven’t just gone back to the 19th century levels of income inequality we’re also on the path back to “patrimonial capitalism” in which the commanding heights of the economy are controlled not by talented individuals but by family dynasties”. He further adds that

“This is a book that will change both the way we think about society and the way we do economics...and it demolishes the myth that great wealth is earned and deserved”

It may well be that the next level of income earners to be hurt by rampant inequality which will be those hundreds of millions of workers in the service industries now on middle incomes in most developed countries. After all those at the very bottom of the incoming groupings can hardly be exploited any further when they are denied a decent “living wage”.

Piketty concludes (Piketty, 2014) with a call in particular, for wealth taxes, global if possible, to restrain the growing power of inherited wealth. “There’s no pilot on the taxation plane” says Piketty “and we need to put one there tax the rich: 20% on wealth and 80% on high income..”. While the prospects for wealth taxes may be currently slim, Piketty’s masterly diagnosis of where we are and where we’re heading makes such a thing considerably more likely.

There is certainly no solution without a much fairer distribution of wealth (in both developed and under developing countries) which probably means taxing the super-rich and or their financial transactions especially when we now see reports by the IMF and Bundesbank saying a tax on private wealth can be a good way to reduce public debt. Today even the IMF president Christine Lagarde argues that lower inequality is linked to faster and more durable growth and that the redistribution of wealth for example through the tax system appears generally benign in terms of its impact on growth.



2.13 From Millennium Development Goals to Sustainable Development – the Post 2015 Sustainable Development Agenda and Goals

With the work on the Millennium Development Goals concluding at the end of 2015 global representatives have been working through the auspices of UN Department of Economic and Social Affairs Division of ESA in the development of the new goals for the Post 2015 agenda.

While the Millennium Development Goals (MDGs) are considered to have been the most successful global anti-poverty push in history many Asia nations have struggled to achieve their particular country goals defined with poverty, hunger, health, gender equality, education and environmental indicators, and Lao PDR is no exception.

The Post 2015 global development agenda with stated goals of “ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests” was presented to the UN General Assembly in July 2014.

The UN General Assembly adopted on September 10, 2014, a resolution that provides for the incorporation of sustainable development goals into the post-2015 development agenda.

The post-2015 sustainable development agenda is now expected to be adopted by UN Member States at a summit in September 2015. This report will be among the inputs to this synthesis report to be prepared by the UNSG by the end of 2014 to facilitate the General Assembly's further deliberations.

The Post 2015 global sustainable development goals agenda (UN, 2014b) has 17 goals (with 169 targets) covering an integrated approach which considers economic, social and environmental dimensions to improve people's lives and protect the planet for future generations.

The new goals and ambitions for sustainable development are:

Goal 1: End poverty in all its forms everywhere

Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all

Goal 5: Achieve gender equality and empower all women and girls

Goal 6: Ensure availability and sustainable management of water and sanitation for all

Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take urgent action to combat climate change and its impacts

Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

The text (as adopted on 10 September 2014) of the UN Post 2015 development agenda is included as *Appendix 4*. It is clearly evident considering the complexity of this work that not only have the SEP concepts and approach been incorporated into this new global agenda but that the comprehensive treatment of Sustainable Development in a complex yet integrated manner also lifts the SEP to a new dimension. The Table which follows clearly shows the parallels of the proposed new SD goals and alignment with SEP.

Table 10: Correlation Between the UN Sustainable Development Goals by 2030 and the SEP Pillars and Dimensions

List of Proposed UN Sustainable Development Goals to be attained by 2030	Correlation with SEP Pillars/ Dimensions
1. End poverty everywhere	Reasonableness, Moderation and Self-reliance, Moral dimension, Economic dimension, Social Dimension
2. End hunger, improve nutrition and promote sustainable agriculture	Self-reliance, Economic dimension, Education dimension, Social Dimension
3. Attain healthy lives for all	Reasonableness, Moderation and Self-reliance, Social Dimensions, Science and Technology dimension
4. Provide quality education and life-long learning opportunities for all	Self-reliance, Education dimension, Social Dimension
5. Attain gender equality, empower women and girls everywhere	Moral and Cultural dimension, Social dimensions, Economic Dimension, Reasonableness, Moderation and Self-reliance
6. Ensure availability and sustainable use of water and sanitation for all	Moral and Cultural dimension, Social dimensions, Resource and Environmental Dimension, Reasonableness, Moderation and Self-reliance
7. Ensure sustainable energy for all	Resource and Environmental Dimension, Reasonableness, Moderation and Self-reliance
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Reasonableness, Moderation and Self-reliance, Economic dimension, management of public and private dimension,
9. Promote sustainable infrastructure and industrialization and foster innovation	Science and Technology dimensions, Management of public and private dimension,
10. Reduce inequality within and between countries	Economic Dimension, Reasonableness
11. Make cities and human settlements	Moderation, Moral and Cultural dimension,

List of Proposed UN Sustainable Development Goals to be attained by 2030	Correlation with SEP Pillars/ Dimensions
inclusive, safe and sustainable	Social dimensions,
12. Promote sustainable consumption and production patterns	Moral and Cultural dimension, economic dimension.
13. Tackle climate change and its impacts	Resource and Environmental dimensions, Reasonableness and Self-reliance, social dimension.
14. Conserve and promote sustainable use of oceans, seas and marine resources	Resource and Environmental dimensions, Reasonableness and Self-reliance, moral and cultural dimension.
15. Protect and promote sustainable use of terrestrial ecosystems, halt desertification, land degradation and biodiversity loss	Resource and Environmental dimensions, Reasonableness and Self-reliance, moral and cultural dimension.
16. Achieve peaceful and inclusive societies, access to justice for all, and effective and capable institutions	Reasonableness, Moderation and Self-reliance, Moral dimension, Economic dimension, Social Dimension, education dimension
17. Strengthen the means of implementation and the global partnership for development.	Reasonableness, Moderation and Self-reliance,

Source: Prepared by the Author

2.14 Chapter Findings and Conclusions

As a philosophy or philosophical approach, the SEP is important and relevant is to sustainable development and its potential quite profound. This is largely because it reinforces the need for a currently absent universal code of ethics in development thinking especially in a developing country where there can be great difficulties in integrating economic, social/cultural and environmental development interests.

The SEP is able to provide an overarching framework for sustainable development or the “triple bottom line” development concept which involves keeping economic, social and environmental factors properly in balance and well accounted for. It has been particularly relevant to identify the clear parallels and commonalities of the SEP with economic theories, as well as Buddhist Economics, Gross National Happiness, Capacity Approach, Gandhian Economics, Common Pool Resources; and the research and ideas developed and articulated by Robert Kennedy, Elinor Ostrom, H.M. King Jigme Wangchuck, Karl Marx, Mahatma Gandhi, Ernst Friedrich Schumacher, Ajarn Sulak Sivaraksa and Sombath Somphone.

Likewise it has been important to see the SEP in the context of other major development initiatives of the United Nations and its agencies and to see common understanding in the steps which need to be taken for the achievement of sustainable development through the realization of the UN Post 2015 global development agenda and goals

This literature review has revealed that the SEP is not alone as an alternative to conventional economically and financially driven development and that the SEP-like approaches also involving people-centered development ideologies promoting sustainable development, greater holistic well-being and equality go as long way to validating this alternative way of approaching and realizing sustainable development.

The difficulty however lies in translating policy to practice and then measuring the SEP and equating adequately for negative social and environmental impacts of development. GNP or GDP alone are inadequate and misleading indicators of progress especially where they track in parallel with increasing inequality. Clearly there has to be a combination of a comprehensive and better inter-related economic, social/cultural and environmental indicators to measure holistically real overall progress.

This review has also made it very clear that it is critical to recognize the complexities of development and development approaches in a world where especially for smaller developing countries, external influences and economic prerogatives can be very powerful and difficult to negotiate with, particularly when the short term benefits of these external approaches outside of the SEP can be irresistible.

Finally it can be observed in the goals of the UN Post 2015 global development agenda and the FAO's initiative for global eco-agriculture which stress genuinely Sustainable Development that this UN agenda draws on many of the concepts and ideals of the SEP and as such this philosophy and approach initiated and refined in Thailand now has both global recognition and application.

The 2014 G20 and GEF meetings have however retained a primary focus on economic growth issues while acknowledging the difficulties with growing inequality and inaction over climate change.

Chapter 3

Lao PDR country context for research

3.1 Country Context

The Lao PDR, is an independent state governed by a single party communist politburo dominated by top ranked military. Although the term ‘socialist’ can refer to reform socialism as found in many industrialized countries, as well as revolutionary socialism, the term as used by the GOL is interchangeable with ‘communism.’ For this reason, the two terms (Socialism and Communism) are also used in the text without differentiation. The only legal political party in Lao is the Lao People's Revolutionary Party (LPRP).

From the late 18th century until the late 19th century Laos actually came under the domination of Thailand (Siam) after which it became part of French Indochina. The Franco-Siamese Treaty of 1907 defined the current Lao border with Thailand. In 1975, after the Indo-China war of the 1960s and 70s, the communist Pathet Lao took control of the government ending a six-century-old monarchy and instituting a strict socialist regime closely aligned to Vietnam.

The political system in the Lao PDR contrasts markedly with that of nearby Thailand’s constitutional monarchy. As of early June 2014 Thailand is however under martial law and curfews exist in parts of the country including in Bangkok. The fragile Thai economy has not been maintaining its 2001-2006 growth trends.

Geographically, Laos is a mountainous and landlocked country which borders with Cambodia, China, Burma, Thailand, and Vietnam (reference **Appendix 3 Maps** of Lao PDR) and has a large land area compared with its population in relation to that of its neighbours in the region. It is also a country rich in natural resources having tin, Gold, gemstones as well as water resources for hydro energy and forests. Indeed Laos has the highest amount of forest area per population in the region and has the

Mekong River running most of its western boundary with Thailand, but Lao PDR's forest area is rapidly declining.

Laos has a population of approximately 6.5 million people (DOS MPI, 2012) and as a low income country with high poverty levels based in a rapidly growing region remains highly dependent on both Official Development Assistance (ODA) and to an even greater extent from support and investment interest from outside its ODA.

In 2009-2010, per capita income was USD 986 per annum. The poverty survey, which was conducted in 2007, estimated that 25% of the population lived below the dollar-a-day level which continues to represent the international poverty line, and that 74% of the population lived below the two-dollar-a-day threshold. (GoL, 2011). Further information on poverty distribution is shown in **Appendix 3**.

After gaining independence in 1975, the Government of the Lao PDR (GOL) initially implemented a command economy system, replacing the private sector with state enterprises and cooperatives, centralizing investment, production, trade, and pricing, and imposing restrictions on internal and foreign trade. (GoL, 2011) In 1986, under its second five year development plan the GOL adopted a new programme of structural reform called the New Economic Mechanism (NEM). The main objective of this mechanism was to bring about the transition to a market-oriented economy (under state regulation) or to introduce State Capitalism.

Since 1986, ODA has played an ever increasing role by funding both the Government's overall public expenditures and its Public Investment Programmes (PIP). The ODA share of PIP has now risen to 85% after a period of around 60-70% (GoL, 2010a). It is important to note that for unconfirmed reasons non-traditional development partners (including Thailand, Vietnam and China who are the three largest donors) operate outside of the officially reported system of the other development partners and coordination systems; and while exact numbers are

difficult to calculate, it is widely accepted that these three development partners are by far the largest providers of development assistance and investment to Laos providing an estimated 70% of the total overall development assistance.

Due to the country's land-locked location and underdeveloped communications infrastructure, the economic policies of the 1980s under the NEM took time to establish, the reintegration into the regional economy and globalization. Since 1990 there has been some large increases in investment, infrastructure, health, GDP growth and some reductions in poverty levels. (Mekong Economics, 2009) Laos became a member of ASEAN in 1997 and the WTO in 2013. Key development indicators of the Lao PDR are shown in the Table below:



Table 11: Lao PDR Key Country and Economic Indicators:

Key Country Indicators (Lao PDR)					
Development Indicators		Year			
Population (<i>millions</i>)	6.89	2014 (World Population Review)			
Surface Area (thousand sq. km)	236,800	2014(CIA, 2014)			
Population Growth (%)	12.1	2010 - 2012			
Adult Literacy rate (%)	72.7	2005			
Population in Urban Areas (%)	34.2	2011			
Population living on less than \$1.25 per day (%)	33.9	2008			
Population living below the national poverty line (%)	27.6	2008			
Under 5 (U5) mortality rate per 1,000 live births	42	2011			
Population using an improved drinking water source (%)	67	2010			
Distribution of family income – Gini index	36.7	2008 (CIA 2014)			
Economic Indicators (by year)					
	2008	2009	2010	2011	2012
GNI Per Capita (Atlas method \$)	760	900	1,010	1,130	
GDP growth	7.2	7.3	7.5	7.8	7.9
CPI (% change per year)	7.6	0.0	6.0	7.6	4.3
Fiscal balance (% of GDP)	(5.9)	(5.8)	(8.9)	(7.9)	(7.9)
Export growth (% change per year)	21.8	(5.5)	44.4	42.0	9.0
Import growth (% change per year)	31.5	2.0	23.5	29.7	16.8
Current account balance (% of GDP)	(18.5)	(21.0)	(18.3)	(21.4)	(22.6)
External Debt (% of GNI)	56.6	49.0	45.0	42.1	

Source: Lao PDR Key Country and Economic Indicators (ADB, 2013)(CIA 2014)

3.2 Political Ideology – Communist/Socialist Ideals

Political ideologies are particularly relevant and important to this study of the Lao PDR and the SEP in the context of sustainable development. Although Laos remains one of only five countries in the world that today remain on paper a Marxist-Leninist Socialist Republic, the reality is that the GOL now more closely follows what

can be referred to as state socialism or state capitalism with a strong external and internal influence from both the private and state sector from foreign countries.

It is useful to briefly consider communism/socialism from a theoretical perspective and to examine what links there may be if at all to the SEP. Karl Marx's Communist Manifesto (Marx & Engels, 1888) is a call for social justice and equality in society which at a theoretical level is a noble aim with direct relevance to sustainable development and the SEP. Marx used the term Social Justice to explain the creation of a society where everyone is equal and his concept of Egalitarianism was for people to be treated as equals in all aspects of life including in social status, religion, race and culture. His original plan also provides for the political structure and details issues with capitalism and it provides information on the transition from capitalism to socialism then later to communism.

While the political ideology of Marxist-Leninism has been discredited, this is not the case for the reformed socialism as we know it today in many democratic socialist countries, which do not label themselves as socialist states (e.g. Sweden and Finland).

In Laos today there are still some (but not all) principles of Marxist-Leninism (e.g. relating to land ownership) which are used as justification for state control of land and property. These are derived from Section 2 of the Communist Manifesto "Proletarians and Communists" which includes what is more commonly referred to as the 10 "planks" in the establishment of socialism. (See Glossary)

On the other hand the Lao PDR has repositioned itself in other areas with regards to some of the 10 'planks' (e.g. with respect to tax).

Very broadly Socialism and the SEP at a philosophical level in the Lao PDR still have some parallels and relate to each in different ways for respective SEP Pillars. In the following Table the SEP score represents the perception of the Author with respect to the degree of alignment between the Socialist doctrine as practiced in Lao PDR and the SEP Pillars and components.

Table 12: Parallels and Dimensions Between Socialism as Practiced in the Lao PDR and the SEP Pillars and Dimensions

Socialism in Lao PDR	SEP Pillars and Dimensions	SEP Score					
		Low		to		High	
Equity for all	Reasonableness						
Equity for all – abolishment of the inheritance	Moderation						
Equity for all - agriculture focus (gradual abolishment of distinction between town and country)	Self-reliance – The New Theory						
Supports the Thammasat Way	Moral and Cultural Dimension (internal and External Well-being)						
Free education for all	Educational Dimension						
Social justice has been recognised in part through the ratification of only eight core International Labour Organization Conventions ¹⁸	Social Dimensions						
Major foreign development assistance and investment is made directly with the State or State-Owned Entities	Management of Public and Private Sectors Dimensions						
Emphasis on higher education overseas is mainly for selected Government staff and those with	Science and Technology Dimension						

¹⁸ Including five of the eight core conventions covering labour, equality of access to employment, discrimination and child labour. The NESDP also addresses, employment creation, social dialogue, improving social security and expanding social protection and safe labour migration

Socialism in Lao PDR	SEP Pillars and Dimensions	SEP Score					
		Low		to		High	
strong connection to the Government. Research and Training centres include those for SEP							
Centralisation of credit in the hands of the State	Economic Dimension						
Combination of agriculture and manufacturing industries. Rapid exploitation of water, forestry and mineral resources with minimal concern for the environment and openness	Resource and Environment Dimension						

Source: Prepared by the Author

3.3 The Lao Thammasat Way (The Natural Way)

The *Thammasat Way* or the *natural way* may well have its origins in the traditional development practices based on Buddhist Philosophy prior to the colonial influences of the French in Laos. However it came very much into public prominence after the GOL, Committee for Planning and Investment (CPI and JICA) which in now MPI, and the Japanese Government through its development agency JICA presented a joint report (CPI and JICA, 2002) in 2002 on preferred development alternatives.

The following relevant excerpts are taken from the 2002 joint report *The Thammasat Way of Development in Laos* (CPI and JICA, 2002) used in this research and they show very close alignment with the SEP Pillars:

The development strategy and path depend on the circumstances and the historical conditions. The unique situation of the Lao PDR, its circumstances and the role of government determine the direction of development. This implies that the development strategy and path will be very unique. It is not correct to follow the development path of neighbouring countries, because the conditions are different. (CPI and JICA, 2002, p. 2)

Development is neither a competition for higher economic growth nor for higher per capita GDP. To join such a competition will endanger the stability of the Lao economy... Even if the per capita income of the Lao PDR is low and belongs to the Less Developed Countries (LDCs), this does not hurt the dignity of an independent country, because this is not an indicator of development in its intrinsic sense.(CPI and JICA, 2002, pp. 2 -3)

To strengthen the capability of people and strengthen the comparative advantage of the Lao PDR, research and development should be strengthened especially in the fields of agriculture, forestry, medicinal herbs, etc. Since Lao people know how to use natural resources such as medicinal herbs much more than modern sciences, ethnological research is also important to collect the wisdom [indigenous knowledge] of the Lao people. (CPI and JICA, 2002, p. 4)

When economic growth rate is set as the only target of development, we are unintentionally obsessed with the notion of “competition of high economic growth”. In this competition a country will face problems if they follow the “success story” in the region such as the export-oriented industrialization strategy. This is one way how globalization effects and changes the values of people. (CPI and JICA, 2002, p. 5)

Everyday life of local people relies on diversified ways of cultivation and collection of natural products. People grow a variety of crops and useful plants and collect various kinds of non-timber forest products to sustain their household economy... Such a life style is called Thammasat way (or nature-friendly way) ... People are living in harmony with the natural environment. (CPI and JICA, 2002, p. 11)

The mistakes are caused by the misunderstanding that our final goal is income. Our real goal must be to make our life “rich” in its proper sense. The richness should be measured not only by the consequences but also the process of how to achieve it, or the way to participate in the process. Participation is not just a means to achieve a goal but has its own intrinsic value... Even though people need not feel inferior because their income is low, the ranking by income makes people feel inferior and lose self-respect. Income is in no way an accurate index of richness. (CPI and JICA, 2002, p. 18)

Poverty may be measured by income level, but poverty is not necessarily alleviated by increasing incomes... Poverty alleviation policy that concentrates on income and neglects human capability may worsen the well-being. (CPI and JICA, 2002, p. 24)

The *Thammasat Way* is still being presented as an appropriate GOL approach and was recently discussed in the Lao PDR MAF workshop on Resource Management best practices in the Lao PDR on 19th November 2012 – Session 13:45 – 14:15 – The Thammasat Way Development of Laos (CPI and JICA, 2002; GoL, 2002).

This research notes that while neither the Thammasat Way nor the SEP are currently directly mentioned in the 6th or the current 7th NSEDP the concept of the Thammasat Way is still of great relevance to the government and development planners alike in Lao. The NGPES has previously specifically referred to its importance

and value in the development of Lao and it is seen as a guiding document in the development of current NSEDPs.

3.4 Participatory Development and Training Centre (PADETC)

Originally a Rice-based Integrated Farming System (RIFS) Project in 1980, the now Participatory Development and Training Centre (PADETC) was established by Mr. Sombath Somphone¹⁹ a leading Lao community development worker who disappeared on 15 December 2012. A month prior to his disappearance he made the keynote address at the 9th Meeting of the Asia-Europe People's Forum (AEPF) held with the Asia-Europe Meeting in Vientiane at which the subject of land and natural resource exploitation was raised. It has been suggested that certain groups did not wish this topic to be raised in such an open forum and this may well be the key reason behind his disappearance. Whatever the reason behind his disappearance that fact remains that a locally and internationally recognized leader in development who promotes holistic people-centred development (representing grassroots people) is no longer on the local scene²⁰ and Laos remains quite unprepared to openly discuss its controversial resettlement schemes, land concessions, and natural resources exploitation issues as its economy moves selectively from state socialism to a market economy.

¹⁹ Mr. Somphone is considered widely as one of the most respected and influential voices for sustainable people-centered and just economic and social development in Laos. For his efforts he received the Human Resource Development Award for empowering the rural poor in Laos from the United Nations Economic and Social Commission for Asia and the Pacific in 2001 and the Ramon Magsaysay Award for Community Leadership in 2005.

²⁰ Note: Numerous requests by letter and in person from the United Nations, European Union, other countries and International organizations (both government and non-governmental) for further investigation into the disappearance have taken place, however no additional information has been provided and the disappearance and status of Sombath Somphone remains unknown.

In 2013, PADETC developed to a staff of 47, with 1000 volunteers supporting all those willing to enable change towards a 'Liveable Society' through holistic education development and is the leading local non-government entity promoting holistic sustainable development in the Lao PDR. PADETC follows Buddhist principles in the implementation and direction of its activities.

During the process of the research it was possible to interview the current Director Mr. Khamphoui Saythalat and to observe the very encouraging and progressive activities of the centre. Mr. Saythalat has a clear understanding of both conventional and traditional approaches to development in the Lao PDR by the traditional development partners and understands the gaps that are missing in the conventional approaches. PADETC tries to fill these gaps by being people-centered and by pursuing holistic development that promotes with environmental harmony and the preservation of culture and the spiritual well-being of the people.

With specific reference to Gross National Happiness (GNHC) and the Sufficiency Economy Philosophy (SEP) Mr. Saythalat believes both approaches provide sound people-centered holistic approaches to development and have many commonalities with the Lao Traditional ways. He considers that they are appropriate for the Lao PDR and that PADETC is and has been implementing similar actions and activities as those described by GNH and SEP since its pre-inception.

PADETC is an excellent example of a local organization providing support and undertaking independent activities that, while using different terms, have a direct correlation with the SEP and the implementation of SEP model villages and training centres.

Recent and current examples of the activities undertaken by PADETC include: (PADETC, 2012, 2013)

- Liveable Laos Project; an initiative mapping Happiness. (2009),

- Lao Lane Xiang – The Land of a Million Voices (2012); a video documentary presented at the AEF in 2012, delivering key messages from people addressing some of the challenges they face.
- SuanMaiLao Eco-Forest Learning Centre; an ecological training centre addressing holistic education and development.
- Youth Volunteer Network; An initiative in community service in the formal education sector.
- Development Monks Network; An initiative which supports monks with the education of youth through explaining how to apply Buddhist life skills.
- SomPanya School; a private but not-for-profit school providing holistic teaching and learning for children to reach their full potential of wisdom.
- DokLao Media Service Center; A training centre which promotes participatory media production recognising sustainable development.
- Thateng Integrated Organic Farm; a training centre/farm located in Chammpassak Province which provides training and technical assistance on appropriate technologies for food production, resource management and income generation.
- PanyaNiveg Eco-Rice Fish Farm; a training centre to educate people about integrated rice-based farming systems.
- SaoBan Crafts; A “Social Business” that works with traditional handicrafts workers (especially women).

The following Table shows the alignment of the work of PADETC with the SEP Pillars.

Table 13: Perception of the Alignment of the Work of PADETC with the SEP Pillars and Dimensions

SEP Pillars and Dimensions	Perception of Importance							Comments on PADETC activities against the SEP
	Low to High							
Reasonableness								Direct link to vision of PADETC and Buddhist principles within PADETC
Moderation								Direct link to vision of PADETC and Buddhist principles within PADETC
Self-reliance								Direct link to vision of PADETC and Buddhist principles within PADETC (examples in the education of youth , training of farmers and model farms)
Moral and Cultural Dimension (internal and External Well-being)								Encourages “balanced development” not only economic focus but focus on environmental harmony, promotion and preservation of culture, and the spiritual well-being and heart of the people
Educational Dimension								Activities focus on capacity building/ development and training (example Sompanya School, Development Monks’ Network and farm training centres)
Social Dimensions								Youth Volunteer Network, Sompanya School
Management of Public and Private Sectors Dimensions								Training in Holistic Development (Heart, Head and Hands), and development services.
Science and Technology Dimension								Agriculture training for farmers and the use of local technologies following the <i>Thammasat Way</i> .
Economic Dimension								Farming training centres and SaoBan handicrafts
Resource and Environment Dimension								SuanMaiLao eco-forest center, ThatEng Organic Farm

Source: Prepared by the Author

3.5 The Development Planning Process in the Lao PDR

At the highest level of development planning policy, the Long Term Strategy of Socio Economic Development to the year 2020 (LTSSSED) is the overriding guiding development policy of Lao PDR. This strategy is supported by the ten year Socio Economic Development Strategy 2001-2010, the National Growth and Poverty Reduction Eradication Strategy (NGPES) (2004) which also covers a period to 2020, and the five year National Socio Economic Development Plans (NSED2011-2015) which are coordinated with the National Budgeting Framework and the National Public Investment Program.

The NSED of the GOL is the guiding framework for national economic development of the Lao PDR which aims at achieving sustainable and equitable growth for the Lao PDR. These development plans are supported by various Government Decrees and Politburo Directives to assist and ensure the implementation of the plans.

The 7th NSED(GoL, 2011) was endorsed by the 9th Party Congress in May 2011 and approved by the National Assembly in June 2011. It builds on the achievements of the 6th NSED (2006-2010), incorporating endeavors, deficiencies, and lessons learned, while continuing to pursue the objective of achieving the MDGs and making substantial progress towards graduation from the current United Nations (UN) classification of Least Development Country (LDC) status by the year 2020..

The following Table shows the historical progression of successive National Plans since 1976 and the changing focus of these Plans.

Table 14: Historical Review of the GOLs 1st to 7th National Socio-Economic Development Plans (1976-2015)

National Plans	Description	Focus
1976-1977 First Annual One year plan	The First Plan involved the rehabilitation of country (including areas damaged by war) – and the securing of National Defense.	<ul style="list-style-type: none"> ● Preparation of guidelines and major targets with a focus on the recovery of the agriculture and industrial sectors with the aim of moving from subsistence based economy to that of a commodity based system. ● A focus in addition to security/ defense, targets aimed to improve living standards and create enabling environments for people to make a living.
1978-1980 First Three year plan	Reconstruction of the economy and improving living standards.	<ul style="list-style-type: none"> ● A framework for the country to build major infrastructure and increase production. The focus was on providing housing, farm land and employment.
1981-1985 First five year plan	Strengthening of the socio-economy development base. This plan was prepared as a preparatory document for opening up the country	<ul style="list-style-type: none"> ● Encouraging Agriculture and food production/ security. ● Construction of industry plants. ● Large scale infrastructure (Highway 13 and Highway 9).
1986-1990 Second five year	Transition from a central command system to open cooperation with other countries – Introduction of the New Economic Mechanism (NEM).	<ul style="list-style-type: none"> ● This is the introductory plan for new market mechanism (NEM) involving: ● Preparation and improvement of laws and regulations for the private sector. ● Introduction of an open door policy for foreign cooperation. ● Privatization of for state enterprises. ● Focus on education, health sectors ● Introduction of State Capitalism
1991-1995 Third five year plan	Continuation of the NEM Broader cooperation and investment promotion	<ul style="list-style-type: none"> ● Continuation of improving infrastructure. ● Promotion of foreign cooperation and foreign investment ● Improving peoples living standards ● Transformation from the natural economy to a

National Plans	Description	Focus
		commodity production economy. <ul style="list-style-type: none"> ● Preparation for joining ASEAN
1996-2000 Fourth five year plan	Enhancement of unity within the party and stability and security of the nation. Promotion of open door policy with countries. Introduction of national priorities. Introduction of clear targets with regards to GDP.	<ul style="list-style-type: none"> ● Implementation of the 8 National Priority Programs. ● Promotion of savings for the national balance and self-reliance ● Provision of social welfare and increase in number of citizens participating in the national economy. ● Capacity development/ building at all levels.
2001-2005 Fifth five year plan	Merging national goals with global frameworks within the context of globalization	<ul style="list-style-type: none"> ● This is the first five year plan to operationalize a 10 year strategy prepared after the Millennium Summit
2006-2010 Sixth five year plan	A Shared common goal of the country's socio economic development through balancing the country's economy and the introduction of poverty reduction areas under the National Growth and Poverty Eradication Strategy (NGPRS) Strategy.	<ul style="list-style-type: none"> ● Introduction of poverty reduction areas for operationalizing the long-term strategy toward 2020 graduation from LDC status. ● Encouragement of economic growth rates and meeting MDGs ● Continued expansion of projects and programs through the NGPRS implementation plan.
2011- 2015 Seventh five year plan	Accelerating the achievements of national goals which are in-line with MDGs. The 7th plan is a continuation of the 6th Plan. This plan in its first year of implementation was referred to as the "breakthrough strategy" by the 9th Lao PDR Party Congress (2011). This approach has four elements: <u>1. Thinking:</u> Remove bureaucratic centralism and state subsidies for a more competitive market economy under state	<ul style="list-style-type: none"> ● MDGs became the main focus of the plan in order to meet the 2015 target. ● Goal of graduation from LDC status by 2020. ● New issues identified include enterprise development. Economic balancing, special economic zones, priority focus areas, regional and global integration and transformation from industrialization and modernization.

National Plans	Description	Focus
	<p>management.</p> <p>2. <u>Human resources:</u> Invest efficiently and effectively in high-quality education and health.</p> <p>3. <u>Administrative reform:</u> Consolidate and make transparent the mechanisms, procedures and rules of administration for equal competitiveness under the law.</p> <p>4. <u>Poverty reduction:</u> Mobilize funds, strengthen special promotion policies, and invest in infrastructure for disadvantaged areas.</p>	

Source: Prepared by the Author based on MPI – GOL NSEDP Development Plans (GoL, 2001, 2006, 2010b, 2013)

3.6 The National Growth and Poverty Eradication Strategy (NGPES)

The NGPES remains central to the national development agenda of the Lao PDR. The NGPES was developed as a comprehensive framework for growth and development with an emphasis on addressing the poverty situation and is the operational response to the historic 5 year development plans and other higher level medium and long term development plans.

The NGPES was finalized in 2004 and covers the period to 2020 and its development and implementation has led to the development of more comprehensive NSEDPs, under which the 6th and 7th draw guidance and direction from that provided in the NGPES as a higher-level document.

The NGPES emphasis is on the promotion of sustainable growth, coupled with continuous social progress and equity. (GoL, 2004)

The comprehensive strategy was developed based on a nationwide consultation and participation process and highlighted five interlinked components': (GoL, 2004, p. 2)

- An in-depth assessment of the poverty situation in the country, together with its causes, with a focus on poor districts (Part 2 of the NGPES)
- The Environment for sustainable economic growth (Part 3 of the NGPES)
- National Action plans for the main strategic sectors and trans-sector areas, as well as for specific national programmes, in response to poverty eradication priorities (Part 4 of the NGPES)
- Mobilising resources for optimal use consistent with the national expenditure framework (Part 5 of the NGPES)
- A Participation and implementation strategy (Part 6 of the NGPES).

Part 1 of the NGPES provides Seven Chapters that summarize the main tenants of the national development framework by following the five listed components above. While all Chapters of the NGPES provide details on addressing poverty and development which have synergies with the SEP, of particular interest to this research is Chapter 6: The Thammasat Way of Development (GoL, 2004, p. 11).

Chapter 6 of the NGPES explains how the Thammasat Way is described as “harmonious tripod” approach to development balance depending on three mutually supportive legs: economic growth, social / cultural development, and the conservation of natural resources. As is clearly evident the following Figure the Thammasat Way can also described though the Laos Rice Kettle which cannot stand on less than three “correctly balanced” legs.

This is a very similar but more graphic concept to the description often used from the Brundtland Report referred to in Chapter 2 of this research which uses a Venn Diagram with three overlapping circles representing economic, social and environmental spheres and their intersection representing optimum sustainable

development. The Thammasat Way in the form of a Laos Rice Kettle can be visualised in the Diagram (titled figure) which follows.

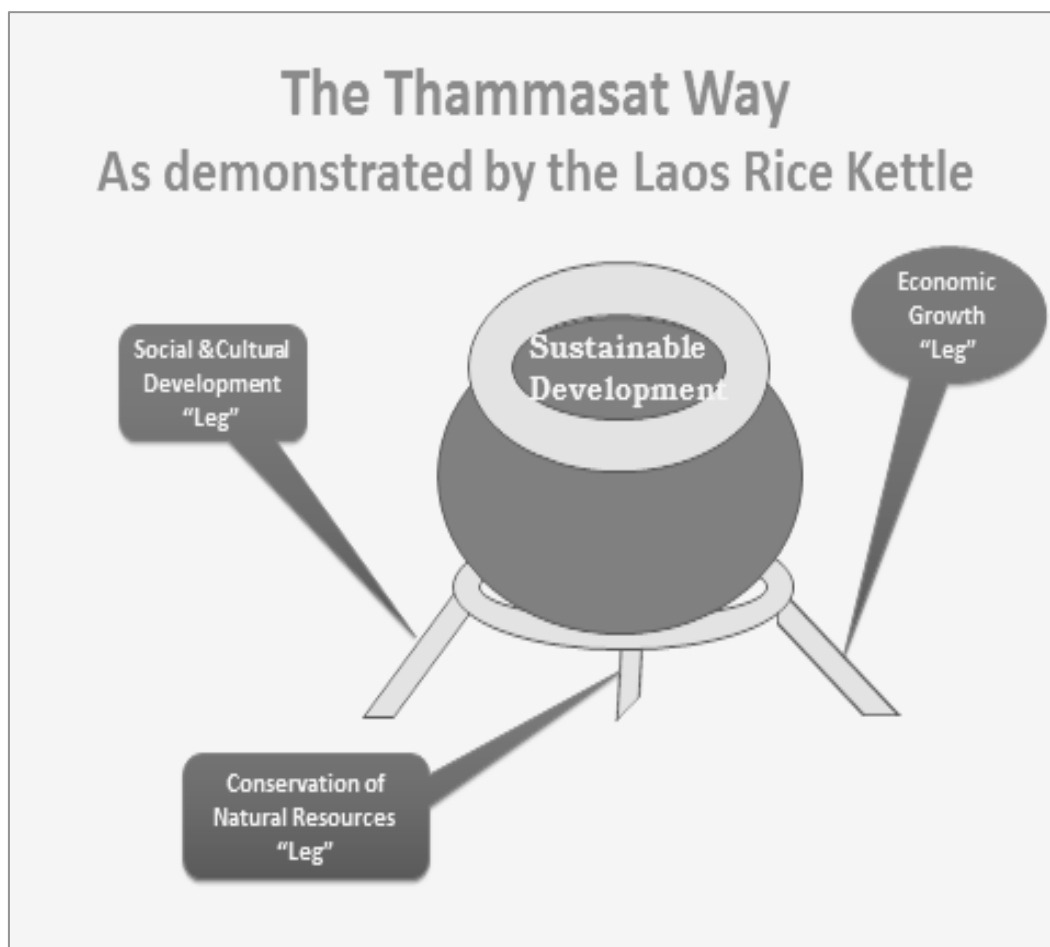


Figure 14: The Thammasat Way for Sustainable Development

Source: Visualization prepared by the Author

With respect to the Thammasat Way, Chapter 6 of the NPGES states:

“The Lao PDR’s approach has much in common with the Thammasat way of development where local solutions are to be found respecting the natural context, productive forces, technology, values and traditions on which the country’s future is built”.

“The task is to ensure that all people have access to sufficient food to meet their basic needs throughout the year. Food vulnerability has to be reduced if agriculture diversification is to be encouraged, if children are to be sent to school, and if opportunities for self-development are to be acted on.”

“... to address food insecurity at the household, village and district level”...(GoL, 2004, p. 11)

3.7 The GOL 7th Five-Year National Socio-Economic Development Plan (2011-2015)

The 7th Five-Year NSEDP was presented and approved by the 9th Party Congress of the Lao People’s Revolutionary Party and sets out targets and overall directions focusing on the four high level “breakthroughs”. These breakthroughs address:

- 1) Imagination,
- 2) Human resources development,
- 3) Improving management and governance regulations and;
- 4) Poverty reduction through mobilizing resources and providing special incentives, building social-economic infrastructure in a focused manner.

The 7th NSEDP overall targets (GoL, 2011, p. 79) set out to:

1. Maintain stable economic growth with security, peace and stability, and maintain an annual GDP growth rate of not less than 8% annually and GDP per capita to be at least USD 1,700
2. Achieve the Millennium Development Goals (including poverty reduction) by 2015, Establish a diverse economic foundation and adopt appropriate technology and skills and create favourable conditions for graduating the country from LDC status by 2020

3. Ensure sustainable development by emphasising the links and balances between economic development, cultural and social progress, natural resources preservation, and environmental protection to the nations advantage
4. Ensure political stability, fairness, peace and an orderly society.

The 7th NSEDP proposes to achieve these goals by focusing on seven implementation directions, that is:

- By developing all aspects of the national economy for sustained growth;
- Making dynamic changes to rural development and poverty eradication to reduce inequalities;
- Promoting socio-cultural development especially human resource development;
- Increasing the effectiveness of public administration from central to grass roots level;
- Maintaining national security, political stability and social order;
- Promoting an open economy integrated into the regional and world economy with skill upgrading and sustainable use of natural resources;
- Implementing industrialisation and modernisation policies through large scale projects and promotion of small and medium enterprises.

The 7th NSEDP highlights specific directions, targets, and measures for each sector although little is provided on ODA and FDI not included in the official GOL reporting system. Successful implementation of development assistance both within and outside of reporting systems being vital for the realisation of the goals set out above. The 7th NSEDP furthermore identifies 21 mega projects to be implemented as part of the 5-year NSEDP and most of these are in the transport, infrastructure, and natural resource sectors (energy and mining remain key high priority strategic sectors).

To operationalize the 7th NSEDP, annual NSEDP documents will be prepared, focusing on short-term annual national development goals, targets and plans.

The Direction and Main tasks of the 7th Five year socio economic development plan (GoL, 2011) cover those sectors as described in the Table below.

Table 15: The GOL 7th Five Year Development Plan Main Focus

7 th National Plan Focus Area:	Description
Economic Sector Development	Agriculture and Forestry
	Industry and Commerce
	Energy and Mining
	Public Works and Transport
	Public finance and banking
Social Sector Development	Education and human resource development
	Health and nutrition
	Labour and Social Welfare
	Information and Tourism
	Justice Sector
	Population, gender equality, women's advancement
	Development education of teens and youths
	Science and technology
	Building solidarity among people
Environment Protection, Natural Resource Management and Sustainable Development	Environmental protection, natural resource management
	Land Management and development
Enterprise Development	State owned enterprises
	Small and medium Enterprises
Regional Development	Grouped by North, Central and South
	Establishment of development villages and target areas
	Development of special economic zones

7 th National Plan Focus Area:	Description
Public Sector Management	Legislation organization
	Public administrative organization
	Judicial organization
National Defense and Security	National Defense and security
International and regional cooperation	Covers ODA, ASEAN, GMS, Mekong agreement, WTO accession

Source: Prepared by the Author from (GOL, 2011)

When reviewing the GOL 7th Five year National Socio Economic Development at Policy level against the Pillars of the SEP many similarities can be drawn as shown in Table below.



Table 16: Alignment of Targets of the GOLs 7th, Five Year NSEDP and the SEP Pillars and Dimensions

NSEDP (GoL, 2011) Page Reference	Examples within 7th Five Year NSEDP	SEP Pillars and Dimensions
79, 88, 136, 180 to 194	<p>At a higher level the targets of the plan include rural development, poverty reduction and the graduation from LDC status and include generating religious tolerance (Decree No 92/PM), a social environment for gender equality and in encouraging professional groups to establish association (Decree 115/PM) to assist in;</p> <ul style="list-style-type: none"> ● Maintaining stable economic growth with security, peace and stability; ● Finding solutions to endemic poverty ● Expanding human resources and strengthening public administration ● Ensuring defense and security nationwide ● Mobilizing social forces for development including regenerating natural resources, expanding friendship and (Mekong Economics) cooperation with countries in the region and ● Promoting industrialization and modernization <p>The Plan also seeks to ensure sustainable development by emphasising the links and balances between economic development, cultural and social progress, natural resources preservation, and environmental protection to the nation's advantage. With respect to international and regional cooperation the Plan recognizes the importance of a foreign policy based on peace, independence, friendship and cooperation especially with Vietnam and China.</p>	Reasonableness, Moderation and Self-Reliance.
81, 83, 110, 136 and 180 to 194	<p>The Plan links National Defense and Security and the Social Sector Development (education of youth “developing young people to be physically and mentally strong and healthy for them to become the next generations workforce and backbone of the country) and the promotion of Gender Equality. Specifically there is a call to build solidarity among people to enhance harmony between ethnic groups, economic groups, sexes and religions and moving towards a greater solidarity in population as well as country development. There is also a call for generating religious tolerance by campaigning, education unifying and encouraging religion to conduct activities openly and in compliance with rules and Government decrees and there is recognition of the need to expand and develop social safety nets and early warning systems to enable reliance against disasters.</p>	Moral and Cultural Dimension (internal and External Well-being)
83, 110	Education is afforded high priority within Plan and is covered under	Educational

NSED (GoL, 2011) Page Reference	Examples within 7th Five Year NSED	SEP Pillars and Dimensions
	<p>the Social Sector Development priority. The Social Sector includes both Education (kindergarten to technical and higher education) and human resource development and incorporates the Establishment of model villages.</p> <p>Develop education is seen as to be a core pillar of society</p>	Dimension
83, 110 to 137	<p>The Social Sector Development priority addresses</p> <p>Health and nutrition, Labour and Social Welfare, Information, Culture and tourism, Justice, Population policy, Promotion of gender equality,, Women’s advancement, mothers and children, the development of teens, Science and technology, Building solidarity and Solutions to social drawback in addition to addressing Education.</p> <p>There is particular focus on improving conditions for people to be physically and mentally healthy – construction of new health centres and improvements in existing health centres training and education for health professionals. It is further recognized that importance needs to be given to the development of a well-founded Social Welfare system.</p>	Social Dimensions
81 and 172	<p>Macro-economic targets include GDP growth, inflation control and increasing exports, and the Public Sector Development priority addresses both the public administration organization as well as the Judicial organization. The Plan aims to enhance people’s democracy; ensure enforcement of legislation by and for the people in accordance economic development along with market mechanisms” and “Implement a three builds policy (Sam Sung) of decentralization.</p>	Management of Public and Private Sectors Dimensions
135 and 191	<p>Science and technology is addressed under Social Sector Development and the promotion of science and technology is aimed at by applying a policy on industrialization and modernization. This is seen as developing science and advanced technology and selecting the necessary and appropriate technologies for the existing economic conditions of the country.</p>	Science and Technology Dimension
81, 82 and 92 to 109	<p>The Economic Sector development covers:</p> <p>Agriculture and Forestry (for food security and for income generation and export)</p> <p>Industry and Commerce (develop both quality and quantity of industry and commerce)</p>	Economic Dimension

NSED (GoL, 2011) Page Reference	Examples within 7th Five Year NSED	SEP Pillars and Dimensions
	<p>Energy and Mining: identified as a strategic sector in both short and long run. Aim to serve society and generate income – increase construction of hydro dams, expansion of transmission lines, and mining areas)</p> <p>Public Works and Transport the driving force of industrialization and modernization to facilitate movement of people and goods. (page 102) – includes EW corridor and NS corridor expansion and regional integration through transport links.</p> <p>Public Finances (page 108) Focus on strengthening of financial sector increasing foreign exchange – aim of increasing revenues and reducing budget deficit.</p> <p>Importance is given to achieving the MDGs, establishing a diverse economic foundation and adopting appropriate technology and skills for the creation of favourable conditions for graduating the country from LDC status.</p>	
81, 84 and 139 to 144	<p>Macro-economic targets include growth being environmentally sustainable and adhering to standards and where possible job creation. Under Social Sector Development the directions are seen to involve the reasonable and efficient use of natural resources to ensure that there is balance between socio-economic developments on one hand and environmental protection on the other so that “Lao PDR should be a “green economy”.</p> <p>Clear targets and measures are established (including the development of new laws, improved organizations and technical strength and the introduction of an environmental component into education curricula at all levels. The implementation of international and local environmental agreements are seen as necessary for;</p> <ul style="list-style-type: none"> - Ensuring that forest area covers 65% of the total land area, -establishment of a clean development mechanism (CDM) and carbon credit to ensure maximum benefit for Lao. <p>The Plan promotes the use and maintenance of the land and natural resources in a way that ensures sustainability, effective use of land surface and underground and minimizes the effect on environment and society.</p>	Resource and Environment Dimension

Source: Compiled by the Author

The National Economic Research Institute (NERI) “Macroeconomy in 2013 and outlook for 2014” Report released in March 2014 (page 32) shows that of the seven key MDG Goals that the Lao PDR is not likely to achieve all of its environmental

sustainability, education, gender equality and health goals. The following Table from this NERI report details the findings:



Table 17: GOL Progress Against the MDGs as Reported by NERI March 2014

Millennium Development Goals	Indicators	Baseline	Progress	Target in 2015
Goal 1: Eradicate Extreme Poverty and Hunger	1.1 Proportion of population below the poverty line (%)	46 (1992)	20.5 (2012/13)*	24
	1.8 Prevalence of underweight children under five years of age (%)	44 (1993)	27 (2011/2012)	22
	1.9 Prevalence of stunted children under five years of age (%)	48 (1993)	38 (2011/2012)	34
Goal 2: Achieve Universal Primary Education	2.1 Net enrolment ratio in primary education (%)	58.8 (1992)	95.2 (2012)	98
	2.3 Proportion of pupils starting grade 1 who reach grade 5 of primary (%)	47.7 (1992)	70 (2012)	95
	2.4 Literacy rate of 15-24 year-olds (%)	71.1 (1995)	73.1 (2011)	99
Goal 3: Promote Gender Equality and Empower Women	3.1 Ratios of girls to 100 boys enrolled in			
	Primary	0.79 (1990)	0.91 (2012)	1
	Lower secondary	0.70 (1990)	0.89 (2012)	1
	Upper secondary	0.67 (1990)	0.83 (2012)	1
Goal 4: Reduce Child Mortality	4.1 Under-five mortality rate (per 1,000 live births)	170 (1993)	79 (2011)	70
	4.2 Infant (Under-one) mortality rate (per 1,000 live births)	114 (1993)	68 (2011)	45
	4.3 Proportion of one year-old children immunized against measles (%)	67 (1995)	72 (2011)	90
Goal 5: Improve Maternal Health	5.1 Maternal mortality ratio (per 100,000 live births)	796 (1995)	357 (2009)	260
	5.2 Proportion of births attended by skilled health personnel (%)	14 (2000)	42 (2011)	50
	5.3 Contraceptive prevalence rate (%)	13 (1990)	50 (2011)	55
	5.5 Antenatal care coverage (%)	21 (2000)	78.5 (2005)	60
Goal 6: Combat HIV/AIDS, Malaria and other diseases	6.1 HIV prevalence among population aged 15-49 years	0.1	0.28 (2012)	<1
	6.5 Death rate associated with malaria (per 100,000)	7.1 (2000)	0.3 (2011)	0.2
	6.8 Tuberculosis (per 100,000)	492 (1990)	213 (2011)	240
Goal 7: Ensure Environmental Sustainability	7.1 Proportion of land area covered by forest (%)	49.1 (1982)	40.34 (2010)	65
	7.8 Proportion of population using an improved drinking water source (%)	28 (1990)	70 (2011)	80
	7.9 Proportion of population using improved sanitation facility (%)	17 (1995)	57 (2011)	60
Goal 9: Reduce the Impact of Unexploded Ordnance (UXO) in Lao PDR	9.1 Number of hectares released from UXO contamination (Hectare/year)	580.77 (1999)	6,034 (2011)	20,000
	9.2 Number of casualties reported as result of UXO incidents (casualties per year)	257 (1999)	99 (2011)	< 75

Source: The Millennium Development Goals Progress Report for the Lao PDR 2013
 * Mid-Term Review of 7th Five-Year National Socio-Economic Development Plan (2011-2015), 2013.

The following Table represents the Author's perceptions with regards to the likely realisation of the SEP pillars the 7th NSEDP (2011 – 2015). It is noted that the realisation of SEP pillars with regards to the NSEDP are constrained by a lack of

resources (both financial and human). Progress with regards to implementation is detailed in numerous reports by the GOL and other governments organisations including the MDG progress report 2013 and Mid-term review of the NSEDP 2013.

Table 18: Perception with Regards to the Realization of the SEP Pillars and Dimensions in Components of the NSEDP (2011- 2015)

SEP Pillars and Dimensions	Perception of Importance						
	Low		to		High		
Reasonableness	■	■	■	■	■	■	■
Moderation	■	■	■	■	■	■	■
Self-Reliance.	■	■	■	■	■	■	■
Moral and Cultural Dimension (internal and External Well-being)	■	■	■	■	■	■	■
Educational Dimension	■	■	■	■	■	■	■
Social Dimensions	■	■	■	■	■	■	■
Management of Public and Private Sectors Dimensions	■	■	■	■	■	■	■
Science and Technology Dimension	■	■	■	■	■	■	■
Economic Dimension	■	■	■	■	■	■	■
Resource and Environment Dimension	■	■	■	■	■	■	■

Source: Prepared by the Author

3.8 Poverty and Development

In 2009 of the Office of the Prime Minister published the Decree on Poverty and Development Criteria (No. 285/PM) for the period 2010-2015. Decree 285/PM is a particularly important Decree as it provides clear instruction to all levels of Government by defining the poverty criteria²¹, development criteria and

²¹ These Poverty and Development Criteria are based on the work of the International Labour Organization (ILO) and the GOL in the implementation of the National Integrated Rural Accessibility Plan (IRAP) from 1995 to 2002 (which also addressed natural resources) as

implementation process and methodology. It also defines the responsible organizations, the procedure and the request and approval for the status of Non-poor and development households, village and district, in order to facilitate the uniformly implementation of various sectors and authorities, national as well as local throughout the country (GoL, 2009) see also Poverty Maps in **Appendix 3.**

The Sam Sang (Directive Number 03/CCP/Vientiane, 15/02/12) is a resolution of the politburo which reinforces and accelerates the intent of the Prime Ministers Decree 285. It is understood that this decree was introduced when it was considered that progress on poverty reduction had been unsatisfactory.

3.8.1 Decree 285 on Poverty and Development

The PM Decree 285 (2009) defines Poverty and Development as:

Poverty is the deprivation of basic needs for daily livelihood such as shortage of food that cannot provide the energy of 2100Kcal/day/person; deprivation of clothes and durable shelter, inability to afford for health care in case of sickness, inability to afford for the elementary education; inability to the access to public services.

Development is the integrated success in development such as strong and firm institutional system, well developed political awareness of people, firm social order and security, continuously well-developed socio-economic infrastructure, people's access to the public services and living out of poverty.

The Decree further details development criteria at a household, village, sub district and district level, interestingly the decrees articulates under this criteria the need for:

- Social order and security
- Political awareness, internal and external solidarity
- Established productive collectives and revolving funds
- Permanent and stable living resources
- Access to electricity and all weather roads
- Education, technical and health centres
- Cultural centres

Although the Decree directs implementation through detailed regulations from the MOPI supporting the Decree with the involvement of the line Ministries the Decree addresses most of the issues to be tackled with the notable exception of natural resources and the environment.

The following Table shows the correlation between poverty and development Decree 285 and the SEP pillars.

Table 19: Correlation Between the Poverty and Development PM Decree 285 and the SEP Pillars and Dimensions

Decree No 285 (2009) Poverty and Development	Decree Reference	SEP Pillars and Dimensions
Criteria rectification and change if required	Part IV, Article II	Reasonableness
Social Order and criteria for “developed” status for Households, Villages, Kumbans and Districts	Part III	Moderation
Focus on Rural Population to be self-reliant at Household, Village, Kumban and District level	Part III	Self-reliance
Development Criteria (covering household,	Part III	Moral and Cultural

Decree No 285 (2009) Poverty and Development	Decree Reference	SEP Pillars and Dimensions
village, sub district and district levels for development. Focus on social order (drug free households, internal solidarity, political awareness, cultural, infrastructure (health centres, cultural centres and schools) : and stable living resources		Dimension (internal and External Well-being)
Promotion and development of schools, cultural centres, political awareness	Part III	Educational Dimension
Promotion and development of schools, sports-yards, cultural centres, political awareness. Respect of law and both internal and external solidarity.	Part III	Social Dimensions
Provides a governance structure for development from Village to District.	Part III	Management of Public and Private Sectors Dimensions
Defines Developed Khumban's criteria as including a technical and communications centre and a good urban plan. Priority is given to education and training centres	Part III, Article 9	Science and Technology Dimension
Establishes clear Poverty Criteria and the basis for stable living conditions, productive collectives and production services as well as revolving funds established at sub-district level markets	Part II, Article 5	Economic Dimension
While permanent and stable living resources are mentioned no specific reference is made to the natural resources and to environmental management except by way of noting Line-Ministries obligations to implement the Decree.	Not Specifically Referenced	Resource and Environment Dimension

Source: Prepared by the Author

The following Table represents the Author's perception of the level of alignment of the Decree on Poverty and Development (No. 285/PM).

Table 20: Perception of the Degree of Correlation Between the Decree on Poverty and Development Criteria (No 285/PM) with the SEP

SEP Pillar	Perception of Importance						Comments
	Low	Low	High	High	High	High	
Reasonableness							No particular focus
Moderation							Strict social structure and order
Self-Reliance.							Strong focus on self-reliance
Moral and Cultural Dimension (internal and External Well-being)							Strong emphasis on social order (drug free households, internal solidarity, political awareness, cultural, infrastructure (health centres, cultural centres and schools) : and stable living resources subject to firm political control.
Educational Dimension							Development of schools, cultural centres and political awareness restricted by budget constraints
Social Dimensions							Emphasis on promotion and development of schools, sports-yards and cultural centres. as well as respect for law and both internal and external solidarity.
Management of Public and Private Sectors Dimensions							Decree provides structure from Village to Province with little autonomy.
Science and Technology							Basic education and training centres provide for appropriate technology and skills but

SEP Pillar	Perception of Importance						Comments
	Low			High			
Dimension	■	■	■	■	■	■	under budgeted.
Economic Dimension	■	■	■	■	■	■	Promotes stable living conditions, productive collectives and production services with revolving funds but excludes linkage to natural resources.
Resource and Environment Dimension	■	■	■	■	■	■	The key element for development especially in rural population is the environment / natural resources but these are excluded from the decree.

Source: Prepared by the Author

3.8.2 Sam Sang ~ The Three Build Politburo Resolution

During the period of field research in the Lao PDR the most talked about policy / resolution was that of Sam Sang which is not a Decree of the GOL but a Resolution of the Politburo. The Sam Sang resolution (No.03/CPP Vientiane 15/02/2012) (GoL, 2012) received prominent mention at all meetings undertaken during this research, and Sam Sang remains a focal point for discussions at most development meetings both internal within government and also in meetings with Development Partners.

The aim of the Sam Sang resolution has been at accelerating the reduction of poverty and providing more opportunities for those in rural areas which do not generally have access to the same opportunities as those in the larger centres or cities.

The Sam Sang directive has been followed up with further instructions from numerous Ministries on the establishment and operationalisation of the Resolution. This is part of a wide ranging reform process that aims at re-establishing central control and coordination over economic and social development at the Provincial level while at the same time empowering economic and social programmes at the local level.

In a practical sense it has facilitated the clustering and coordination of both local and existing international development assistance around three or more poor villages and has encouraged other poor villages to relocate to these new focus clusters to be able to benefit from the synergies of focused strengthening of local economies.

The Politburo resolution aims at the formulation of Provinces as Strategic Units, Districts as Comprehensively Strong Units and Villages as Development Units. The resolution and associated ministerial instructions sit between decentralisation policies aiming at empowering local authorities to develop themselves and ones which empower central government management to ensure implementation of this local empowerment. The following directions are given in the resolution:

- 1) Ministries-organizations at the central level must play a comprehensive and strict role at macro-level administration as defined in the Resolutions of IX Party Congress.
- 2) Continue to formulate Provinces as strategic units
- 3) Formulate Districts as comprehensively strong units
- 4) Formulate Villages as development units

The Sam Sang directive is seen in Laos as reinforcing the GOL's Policy for Poverty Reduction, with the Prime Minister also promoting Sam Sang in the field as noted in the following press report.

“Prime Minister Thongsing Thammavong welcomed the new development at Suang village. However, he urged the local authorities to work harder in the implementation of the three-build directive so that the village can further improve their outlook. He said that to achieve success in village development, Party members and officials in the village should play their part as good role models for local villagers. The village leadership body should also have a better understanding of the Party and government policy and aspirations of the villagers so that they can put the policy into practice effectively. One of the important tasks which the village authorities must pay attention to is to create conditions for the villagers to maintain unity, take part in preserving security and promote future economic development. He also urged the local authorities to identify its development potentials, which will in turn enable the people to raise their income levels. He also stressed the importance of education and health care services in the village, adding that children should be encouraged to attend school while villagers should maintain hygiene as part of efforts to prevent disease outbreaks” (Vientiane Times, 2013).

The reality of the Sam Sang directive has been and continues to be a refocusing of financial and human resources from existing development activities (including those of development partners) and realignment to implement activities in the poorest districts and Provinces. This refocusing of activities much at the grassroots levels is intended to assist the very poorest communities to reduce poverty through better accessing or being included in focused local development.

Table 21: GOL's "Sam Sang -3-build" framework in the area of Planning and Investment

No.	Criteria	Provincial Level	District Level	Village Level
I Planning and Management of Public Investment		4	3	3
1	Be able to formulate annual and five-year Socio-Economic Plans that incorporate balancing various dimensions such as capital, labor, and fiscal budget.	✓	✓	-
2	Be able to formulate plans that can promote commercial production and address poverty at village and household level	-	-	✓
3	Be able to get funding or access to fund to implement each project (task) effectively.	✓	✓	✓
4	Be able to monitor, compile, calculate and analyze exchange rates, inflation, GDP, fiscal revenue-expenditure and sources of fund (4 main sources).	✓	-	-
5	Be able to implement, assess and summarize annual and five-year socio-economic development plans; manage execution of investment projects that have been authorized by the government (bidding, procurement, monitoring and reporting on progress of project implementation on a regular basis)	✓	✓	-
6	Be able to summarize and report the village or village group development progress on a regular basis	-	-	✓
II Evaluation		2	2	0
1	Be able to draft a proposal of public investment project that is compliant with Ministry of Planning and Investment's guidelines and formats	✓	✓	-
2	Be able to evaluate category III public investment.	✓	✓	-
III Private Investment Promotion		5	4	1
1	Be able to promote investment at their local level by (1) having promoting tools: pamphlet, manual, magazine and other media channels, and (2) having a private investment calling list.	✓	✓	-
2	Be able to organize meeting to disseminate investment promotion law and regulations and annual public-private consultation meeting, and provide facilitating services to investor as to fulfill a role of a one-stop investment service or local coordination center.	✓	✓	-
3	Be able to provide basic statistics and data of the villages that are under their authority and provide investment services.	-	-	✓
4	Be able to evaluate an investment proposal against potentials, needs and priorities in their local community.	✓	✓	-
5	Be able to draft Memorandum of Understanding, contract, and other legislations under their responsibility and management, monitor, promote and examine implementation of each project	✓	-	-
6	Be able to compile and summarize execution of investment projects in local communities that are under their responsibility on a regular basis	✓	✓	-
IV International Cooperation		4	3	0
1	Be able to draft document and prioritize investment projects in their community that need ODA funding.	✓	✓	-
2	Be able to organize annual meeting to review implementation of ODA projects with relevant agencies and donors that have projects in their community	✓	-	-
3	Be able to manage and monitor implementation of ODA projects by coordinating with relevant agencies at the local level	✓	✓	-
4	Be able to summarize and report the implementation of ODA projects at their community on a regular basis	✓	✓	-
V Statistics		3	3	1
1	Make available basic socio-economic statistics and data base using advance tools	✓	✓	-
2	Make available bi-annual and annual statistics books	✓	✓	-
3	Have reporting system as defined in the Article 22 of Law on Statistics and Article 8 of the Decree to implement the law	✓	✓	-
4	Have village statistics record books to collect and report, and have people in charge of this task	-	-	✓
VI Personnel		2	2	0
1	Have a clear description of roles and responsibilities and an adequate number of staff according to the organization structure and duties	✓	✓	-
2	Be able to manage staff and coordinate well vertically and horizontally	✓	✓	-
Total:		20	17	5

Source: NERI Macroeconomic Report 2013 (NERI 2014)

3.8.3 Poverty Reduction Fund (PRF)

The Poverty Reduction Fund (PRF) was established by Ministerial Decree 073/PM in 2002 and resulted in the establishment of a new Government Unit of the National Committee for Rural Development and Poverty Reduction. Since 2002 it has received donor (World Bank, Swiss, Global Fund for DRR, AusAID, Japan) support amounting to US\$ 110 million dollars for Phase I and Phase II with Lao communities providing US\$ 6 million dollars and the Government of Lao US\$ 10 million dollars. The objective of the PRF is to improve access to and utilization of basic infrastructure and services in priority poor communities, sustainably through socially inclusive community and locally focused development process.

From the interview with Director Vilayhong of the PRF for this research it is clear that the work of the PRF has in its current 2nd phase moved from a community participatory model to more of a community-driven development approach where communities now take a greater role in assessing development needs, setting priorities, developing, implementing and managing the activities.

The PRF however has all the hallmarks of a regular World Bank designed Social Fund Project (World Bank (WB), 2013) to benefit the rural poor, and its template has been used internationally over the past three decades. The PRF sub-projects focus largely on the creation of local assets. These multi-sector assets are usually delivered by contract for such works as providing or improving local access, community electricity, primary health care facilities, domestic water access, education facilities and public infrastructure as well as for some small scale agricultural infrastructure. All projects funded by the PRF follow six core principles for implementation, monitoring and evaluation: *Simplicity, Social inclusivity and gender equality, transparency and accountability, siding with the poor, wise investments and community participation and sustainability.*

The SEP is well known and understood by Mr. Vilayhong, and while he finds no contradiction in the SEP approach for sustainable development he notes that while the PRF does not openly follow the SEP he can see clear correlations between the objectives of the PRF and those of the SEP at a philosophical and policy level. He also noted the importance of following the Thammasat (natural) way of living especially for the rural population.

This Author has had drawn to his attention by the ILO²² that some aspects of the PRF activities are cause for concern and these are the expectation that villagers (usually the poorest) should provide free or “voluntary” labour, and also until recently there has been little if any involvement of persons with disabilities (clearly likely to be the most disadvantaged) in the programme. While technical Line Ministries are expected to take over completed Public Infrastructure there seems to be a lack of clarity in what can be defined as a “Community asset” and what is defined as a “Public asset” and therefore associated with a line Ministry. This lack of clarity has led to the neglect of some completed assets.

The following table shows the alignment of the principles and practice of the PRF with SEP pillars.

Table 22: The Alignment of the Principles and Practices of the GOLs PRF with the SEP Pillars and Dimensions

PRF	SEP Pillars and Dimensions	Comments
Focus on reducing poverty and insiding with the poor	Reasonableness	No specific reference in the Six Core principles of the PRF
Aims at providing basic needs for the poorest but with an emphasis on simplicity of approach	Moderation	No specific reference in the Six Core principles of the PRF

²² Chris Donnges, ILO Regional Specialist based in Bangkok and who worked in the Lao PDR in the 1990's on Integrated Rural Accessibility Planning; a national programme.

PRF	SEP Pillars and Dimensions	Comments
The concept behind poverty alleviation being to enable the poor to be self-reliant but the PRF focus seems to be in infrastructure and not livelihoods creation and skills development for self-reliance even if natural - resources based	Self-reliance	Sustainability of the completed works including financial inputs is however expected to be undertaken by poor villagers and this is not always possible
Follows one of the PRF six core principles Social inclusive and gender equality principles for implementation of activities	Moral and Cultural Dimension (internal and External Well-being)	There could be a greater role for persons with disabilities and payment for labour undertaken by the poorest villagers who may not necessarily be able to afford being able to utilise the assets being established
Specific project interventions	Educational Dimension	The focus on education infrastructure should also be matched with the provision of good teachers and support for the poorest children (especially girls) to be able to access education
Social inclusive and gender equality principles for implementation of activities and community participation	Social Dimensions	There appears to be an outstanding need for access to credit or skills development as necessary for local economic development
Specific project interventions and investments including transparency and accountability as one of the Core PRF principles	Management of Public and Private Sectors Dimensions	Unfortunately the procurement processes involve little community involvement in decision making and implementation with contractors often coming from other locations
Promotes the use of appropriate technology and science that is sustainable with Sustainability being one of the core PRF principles.	Science and Technology Dimension	Some capacity building is involved but technical Line Ministries are usually expected to take over public assets but this is reportedly not always done
Overall aim with regards to access	Economic	Assets maintenance plans and funding are needed and this raises

PRF	SEP Pillars and Dimensions	Comments
to markets, education, agricultural interventions	Dimension	questions over real sustainability of the work so far if work is not taken over by Technical; Line Ministries
Specific focus on agricultural intervention	Resource and Environment Dimension	Environmental protection and access to natural resources are not highlighted. The opening up of access to natural resources as a result of local road development does not necessarily mean that the exploitation of the natural resources will benefit local communities.

Source: Prepared by the Author

The following Table represents the Author's perception of the degree of alignment of the PRF with the Pillars of the SEP.

Table 23: Perception of the Degree of Alignment of the GOLs PRF with the Pillars and Dimensions of the SEP

SEP Pillars and Dimensions	Perception of Importance						
	Low					High	
Reasonableness							
Moderation							
Self-Reliance.							
Moral and Cultural Dimension (internal and External Well-being)							
Educational Dimension							
Social Dimensions							
Management of Public and Private Sectors Dimensions							
Science and Technology Dimension							
Economic Dimension							
Resource and Environment Dimension							

Source: Prepared by the Author

With lead support from the World Bank, the Poverty Reduction Fund programmes measure their success by having completed more than 3000 sub-projects over the past 5 years there has been no discerning improvement in levels of poverty or in overall improved livelihoods. While improved access undoubtedly assists local communities it has also enabled easier access to and exploitation of local pristine natural resources

This World Bank focus on local assets related to access, education and health built by contractors with an expectation that locals should provide free labour and then look after the assets themselves. Important as these assets are, inevitably few of these assets will be able to be maintained by the rural poor and in a decade or so these assets will no longer function and again the World Bank will line up to propose the replacement of these assets.

3.8.4 Soum Son Seun Jai – Ministry of Agriculture and Forestry (MAF) Project

The Soum Son Seun Jai, Ministry of Agriculture and Forestry (MAF), International Fund for Agricultural Development (IFAD) and World Food Programme (WFP) supported programme is a particularly successful development initiative in Laos that the Author found of interest and importance. While not designed to be a SEP New Theory activity the programme can be seen to have some quite specific correlations with the SEP New Theory. Soum Son Seun Jai translates as “Happy community” and is a Community-based Food Security and Economic Opportunities Programme with a budget of some US\$ 19.3 million of which 72 per cent has been provided by the IFAD, 19.4 per cent by the WFP and 8.6 per cent by the GOL. (KPL, 2013)

This programme (IFAD, 2013) targets approximately 17,000 households in 225 villages where the incidence of poverty is greater than 30 per cent and operates in Sayabouly and Oudomxay provinces. The goal of the programme is to contribute to

the reduction of extreme poverty and hunger in these two provinces. The programme's development objective is to ensure sustainable food security and income generation for the rural poor in the target villages. This is a departure from the approach of the PRF in that it concentrates on actually providing improved livelihoods for the poor to be able to move out of poverty. The programme has two components:

- (A) Integrated farming systems: (i) improving upland conservation and production systems; (ii) livestock development; and (iii) water management;
- (B) Links to markets: (i) village-access roads; (ii) improving access to markets.

From discussion with staff within the programme as well as with expert international development practitioners in agriculture extension, the programme can be seen to be well focused and successful (while also being expensive) and has achieved a balance in its approach between providing self-reliance (through food security), natural resource management, education and capacity building, while also positioning itself to support cultural, moral and social aspects of the communities it is working with.

The following Table shows the relationship between the Soum Son Seun Jai programme and the perceived level of closeness to the SEP Pillars.

Table 24: Correlation and Level of Alignment Between the Soum Son Seun Jai “Happy Community” Programme and the SEP Pillars and Dimensions

SEP Pillars and dimensions	Perception of Importance						Comments on Soum Son Seun Jai “Happy Community” programme and the SEP Pillars
	Low		to		High		
Reasonableness							Focuses on improving basic needs to communities and on reducing poverty

SEP Pillars and dimensions	Perception of Importance						Comments on Soum Son Seun Jai “Happy Community” programme and the SEP Pillars
	Low		to		High		
							and hunger
Moderation							Contributes to providing basic needs at the household and community level
Self-reliance							Aims to ensure sustainable food security and income generation for the rural poor in the target villages.
Moral and Cultural Dimension (internal and External Well- being)							Community development plans elaborated including both productive and non-productive activities are promoted at community level Plans include indicators of well-being and means to measure result and sustainability of proposed initiatives
Educational Dimension							Strong focus on training and capacity development
Social Dimensions							Focus on areas of high poverty and with ethnic minorities
Management of Public and Private Sectors Dimensions							Links between Government, community and Private sector strengthened. Community based development plans to be elaborated and both productive and non-productive activities are promoted at community level
Science and Technology Dimension							Target group farmers in the uplands use improved and sustainable integrated production and conservation systems
Economic Dimension							Links to markets are functioning effectively and farmers have sustainable access to markets Village drinking water supply schemes put in place

SEP Pillars and dimensions	Perception of Importance							Comments on Soum Son Seun Jai “Happy Community” programme and the SEP Pillars
	Low						High	
Resource and Environment Dimension								Target group farmers in the uplands will use improved and sustainable integrated production and conservation systems

Source: Compiled by the Author

3.9 Official as Well as Undisclosed/Unpublished Development Assistance

Development Assistance plays a crucial role in the development of the Lao PDR and as such the efficiency and effectiveness of the Development Assistance is also of the utmost importance. The Round Table Process (RTP) which is the platform for aid effectiveness in the Lao PDR is chaired by the GOL and co-chaired by the United Nations Development Programme (UNDP). The RTP and its associated Round Table mechanisms facilitate dialogue on ODA, aid effectiveness, strategic planning and alignment.

The RTP builds on the work of Sector Working Groups (SWGs) and Sub-Sector Working Groups established to coordinate all activities within the corresponding sectors. This is intended to ensure Ownership, Alignment, Harmonization, Managing for Results and Mutual Accountability from the Development Partners (DPs) and the GOL in accordance with the principles of international aid effectiveness agreements. These aid effectiveness agreements include those of Paris, Accra and Busan as well as the local agreement, ‘the Vientiane Declaration’, and Country action plans and local standard operating procedures for development interventions.

Unfortunately donors in Laos still continue to provide assistance on their terms following their procedures, standards and priorities and without proper regard for aid effectiveness agreements and obligations. The focus of coordination and documentation of ODA from “traditional donors” only, while excluding non-traditional donors also results in a huge amount of resources being officially unaccounted for.

These unaccounted resources represent an estimated 70%²³ of what would be the total of overall development assistance if support and investment from others (including for example the People’s Republic of China, Thailand and Vietnam) who operate outside the traditional coordination was recorded in published ODA reports. Due to the special relationships and low levels of transparency that the GOL has with support from the nontraditional development partners, limited information is publically available from or regarding their support and details remain politically sensitive.

Compounding the issue of transparency with development assistance is the separate implementation and reporting requirement of each donor which is inefficient and makes the work load for the GOL very time consuming and results in wastage in total ODA and wastage in precious government staffing resources in managing and implementing and reporting on ODA activities. While highly inefficient this situation is unfortunately not unique to a country in transition and still defining its economic policies and relationships with its neighbours and development partners.

²³ According to the International consultant who prepared the Ministry of Planning the 2010 Foreign Aid Report which was still posted on the GOL website as the latest official report on development assistance in June 2014.

3.10 Current Key Challenges for the SEP and Sustainable Development in the Lao PDR.

This section has been prepared based on this research and the personal experience and observations of the Author in Lao PDR. The current and particularly sensitive development issues facing Lao PDR relate often to the manner in which the drive for improved GDP is being made through the rapid and sometimes careless exploitation of natural resources. A high price is being paid for this rapid development by way of the widespread environmental damage and social pain. Forests are being stripped, large tracts of land being made available for palm-oil concessions, minerals extracted and water resources utilized for hydro-energy without strict and comprehensive environmental impact assessments to recognized international standards. In the process Lao people are being displaced from their lands and inadequately provided for especially when they are removed from their access to the local natural resources on which they have depended for generations.

The 22nd May 2014 issue of Focus on the Global South(N. IRIN, 2014) *Laos land grabs drive subsistence farmers into deeper poverty* published by IRIN News (Humanitarian News and Analysis) stated that poor farmers, including ethnic minorities (who make up some 10% of the population and live mostly in resource-rich upland areas), are being pushed off their land, away from their livelihoods and into greater poverty. These large-scale land leases are driven by foreign investment projects brokered between the Government and private companies. The article quotes Shalmali Guttal a Senior Analyst with the Bangkok based NGO Focus on the Global South as saying:

“when these lands (are given) to companies and converted to industrial agriculture or other uses, it destroys the foundation of rural people’s lives, livelihoods and knowledge systems, as well as their access to food, nutrition, medicines and incomes”(N. IRIN, 2014).

Land lease concessions also rated a special mention in the October 26th 2013 article on the Lao PDR in The Economist which describes concerns over the quality for foreign direct investment (FDI) and the migration of workers in from neighboring countries. Serious concerns were expressed over ownership and in this Economist article there is a frank and thought-provoking quote from an unnamed Lao government spokesman on this issue:

“A senior government spokesman says, with a hint of regret, that Laos has given concessions on 30% of its land to foreigners. He says he loves his country and his people, but, asked what will happen if Laos continues on the current path, he takes out a pen and writes “Lenin 1917 Revolution”. Why such candour? “Imagine you and me and our sons were in a boat that sprang a leak,” he replies. “Would we jump up and plug the leak? Or would we watch the boat go under?”(Economist, 2013)

Clearly the development challenges in Laos PDR are many and complex. From among the many complex issues challenging the SEP and sustainable development in the Lao PDR the following key issues have arisen in this research as a result of the literature reviews and observations and are seen as hindering sustainable development; have been observed as:

- Serious levels of poverty
- Land issues and environmental protection
- Growing inequality
- The culture of patronage
- Governance needs

3.10.1 Serious Levels of Poverty, Hunger and Malnutrition

Much work is being done to address this serious issue; however despite these initiatives and commitments, Laos remains seriously off-target for achieving MDG goal No.1 Eliminating Poverty and Hunger - hence its continued prominence at the 2013 RTM. Rapid economic growth over the last ten years has still left large groups of poor, malnourished and with many stunted growth.

The statistics are disturbing with at a national level, approximately 270,000 persons or 37 percent of children under 5 (CU5) remaining underweight and over the past ten years and this rate has not declined. Chronic malnutrition remains the biggest problem with nearly 300,000 persons or 40 percent of CU5 stunted. Sustainable development can only occur if this issue is addressed.

It seems that one of the key difficulties is one of coordination and the use of stronger and more universal programmes, not that of political will. The fact that this issue of nutrition involves multiple government Ministries confuses and complicates the issue adding complexity to addressing the nutrition challenge and the role of whether the Ministry of Health or Agriculture or Education or the PRF (all stand-alone entities) should lead. This programme design and coordination challenge of the past 10 years has been perceived as poorly managed and today remain as complexing as ever. As such this provides an excuse for the buck-passing and procrastination and limited ongoing progress in addressing this fundamental issue.

Apart from the need for improved programme management there remain questions also about the design of the poverty reduction initiatives especially the concern is the over-reliance on conservative targeting of poverty and poverty mapping and indeed targeting generally. The international development community is now very conscious of the shortcoming of poverty targeting as it is invariably “off-target” and it is usually the poorest who are missed. The use of targeting sends the wrong message to the Government about the size and scope needed for a national programme to address poverty concerns. With modest programmes the “Poverty Box” can however be ticked but in reality the addressing of the problem is simply postponed. The work of UK based social protection expert Dr. Stephen Kidd (Kidd,

2013) “Rethinking targeting” is very relevant to the Lao PDR where he has worked as an AusAID consultant and this work should be taken into account in the design of future poverty reduction country programmes and associated social protection programmes²⁴ for vulnerable families.

3.10.2 Land Issues and Environmental Protection:

As was raised in the 2013 RTM land tenure and ownership remain for many a core issue for poverty reduction. It is a very sensitive political issue especially with regards to land concessions made at Government to Government level. Likewise the issuing of land to individuals, as this can generate much wealth for those involved in the procurement process. Thus strong governance around this process needs to be ensured. Land and natural resources are the main source of food, incomes, livelihoods, as well being an essential natural social safety net in the Lao PDR and this is especially so for the poor subsistence farmers. Land title and tenure is viewed by traditional DPs as a priority area for open discussion and poverty sensitive titling is required both to achieve sustainable development, the aim of most DPs. DP concerns expressed often about this issue have however received little attention from the government, and those who repeatedly raise this issue publicly are reprimanded by the Government.

Unlike its neighbour Thailand, the Lao PDR still suffers from UXO contamination from the carpet bombing of its territory adjoining Vietnam during the Second Indo-China War (1964 – 1973) (Ingram, 2013). There is a vast area contaminated by UXOs especially from cluster bombs today and they continue to cause harm and death to the rural population and contribute to poverty levels. UXO contamination also remains a major hindrance to development, restricting access to rich fertile agriculture land in rural communities (again noting these rural

²⁴ See reference in Social Protection design document for Laos Australia Rural Livelihood Programme (2012 – 2016) dated 20 March 2013, Australian Government).

communities more often being the poorest of the poor). The cost of clearance is also very high at approximately USD 1900 (IRIN, 2010) per hectare and is particularly dangerous and time consuming and this contamination will require decades to remedy.

The rapid depletion of forests especially those with easy access to neighbouring countries is resulting in immense environmental damage to say nothing of the impact on local communities. Likewise the rapid development of hydro-electricity has meant the displacement of local populations and the taking of unnecessary risks with the local environment and indeed with that of the whole ecosystem of the Mekong basin.

The GOL however seems to be well aware of the shortfalls of its energy development programmes and is making some efforts to improve its social and environmental activities as for example in the Theun-Hinboun expansion project. That project's social and environmental division is implementing an improved relocation and livelihood program that supports affected communities with the development of schools, medical centres, and with training provided in improved agriculture so that they are not so badly impacted as a result of being dispossessed of their traditional lands. But there are examples of when this support has not been evident.

3.10.3 Growing Inequality

While equality for all remains a key development goal, the reality is that a very high level of inequality has crept in since the New Economic Mechanism was introduced in the Lao PDR in the late 1980s and through the more recent push for FDI. This inequality is very evident in Provincial capitals with large expensive houses and vehicles in abundance for a select few, while the government does not have the

mechanisms to monitor the growth and collect appropriate revenue. Most of this gain in affluence can be attributed to the exploitation of land and natural resources benefiting a select few and the existence of weak governance mechanisms.

There are also many complex and far-reaching national and regional issues associated with the development of hydro-electricity (mainly for export) in Lao PDR. While the environmental consequences of any dam on the Mekong should involve consensus among the Mekong countries (both upstream and downstream) affected by such development this is regrettably not always the case. The GOL continues its expansion of this program which will generate more energy than needed for national consumption while the majority of the people cannot afford to connect to the National grid let alone pay the current tariffs necessary for consumption.

3.10.4 The Culture of Patronage

An insightful study by the renowned Australian academic on Lao PDR, Martin Stuart-Fox, on *The Political Culture of Corruption in the Lao PDR* (Stuart-Fox, 2006) observes that this culture, depending as it does on patronage relationships between politically powerful figures and their extended “clans” of dependents and supporters, actually has deep historical roots going back to the personal politics of the Royals. A similar political culture also prevailed during the Royal Lao regime, when graft and corruption were about as widespread as they are now. Any hope that the Lao People’s Revolutionary Party might replace the politics of patronage and corruption with modern political institutions and procedures has proved fanciful.

The Stuart-Fox article concludes (Stuart-Fox, 2006, p. 73) that the outlook for any reduction of corruption in the Lao PDR is not encouraging, despite the new anti-corruption law. Political patronage is deeply engrained in the political culture of the

Lao PDR, and in particular in its political institutions and their functioning. The Lao government has shown itself adept in the way it has deflected pressures for reform.

The GOL has to date been remarkably successful in securing adequate foreign aid and investment without great transparency. From the perspective of the Party, therefore, a radical overhaul seems unnecessary which means the prevailing political culture with its associated corruption seems set to continue.

The definition of Corruption by Transparency International (TI) is “The abuse of entrusted power for private gain. It hurts everyone whose life, livelihood or happiness depends on the integrity of people in a position of authority.” Based on the TI definition, corruption can be seen to be deeply entrenched in Lao political and governmental culture.

Transparency also remains essential to avoiding the ‘Dutch Disease’ or the “resource curse” and achieving a “resource blessing” for the Lao people and the country. Transparency is also essential in the FDI decision making-process and the land transactions decision-making process. It is understandable therefore that the SEP approaches will likely be at risk unless transparency and accountability reforms involve an official expectation that the indicators of progress for SEP including transparency must be measured and reported on a regular basis and that such reports will be taken seriously and acted upon.

The 2013 Transparency International (International, 2014) Corruption Perceptions Index ranks countries on how corrupt their public sector is perceived to be.²⁵ A country's rank indicates its position relative to the other countries and territories included in the Index. This year's index includes 177 countries and

²⁵ A country's score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean

territories. Lao scored a low 26 and was ranked among the most corrupt at 140 out of 177 (most corrupt) countries. Neighbouring countries fared somewhat better than Laos with China ranked 80 with a score of 40, Thailand ranked 102 with a score of 35 and Vietnam ranked 116 with a score of 31.

By way of contrast it is noted that New Zealand and Denmark were ranked as the least corrupt with a score of 91.

3.11 Governance Needs

Lao PDR remains a Communist state administered under a single party platform. Debate remains over whether a particular type of political governance structure better supports sustainable development than another - whether an open democracy with multi parties provides a better basis for development, stability and sustainable development or if a one party state actually can provide greater certainty and medium to long term development stability than others. While examples of good governance can be seen in democratic countries, examples of highly efficient development under one party states can be seen in both Vietnam and China, as well as virtually one party states like Malaysia and Singapore.

Good governance starts at the macro level where open and transparent methods are needed for ongoing and new projects to ensure the proper SEP balance of social, environment and economic goals. This means that more and better assessments need to be undertaken in order to determine the feasibility and real impact on the environment and people of the area before they are simply bypassed for financial gains. It is also important to accept that the financial assessments alone can also hide truths. One example being that the sale of electricity from Lao PDR to Thailand also involves repurchasing of the electricity at higher costs by the GOL as a result of limited transmission lines on the Lao side. Determining the real impact of

the projects therefore needs to ensure a holistic approach inclusive of costs and risks associated with the social and environmental and financial implications.

There is a pressing need to therefore ensure that FDI contributes to development in a sustainable way and at a minimum does not harm a country's development. Mining and land concessions are of great concern because of their impact on the environment and because their financial size can easily result in unequal benefits derived from these concessions

The energy and mining sectors never the less remain highly important in generating revenues for national development as well as serving local needs and production. The Lao PDR aim at developing the energy sector to become the “battery of ASEAN” (GoL, 2013) could come at high environmental and social costs, without improved and strong governance.

3.11.1 Better Development and Retention of Human Resource Capacity:

For good governance to be actioned capacity development for both the public and private sectors is an area deserving of high priority and is a pre-cursor to the GOL better aligning with the SEP. The development of and appropriate use of these human resources must also be matched also with sound governance structures and a regulatory framework.

Low levels of public and local private sector capacity prevail in the Lao PDR. The SEP can only flourish when there is a sufficient local critical mass of local expertise to design and implement and maintain effective development programmes according to local strategies and priorities. Capacity development fortunately remains a priority in the 7th NSEDP as it has been for previous plans. The

development of its human resources should reduce exploitation and the domination of development directions by external influences.

There are often examples of Government personnel returning from overseas study in which they have obtained a Master's degree and or Doctorate to be placed in positions within government that do not align or utilize with their newly acquired expertise. One reason for this is that higher education is often seen as a threat to others within the organization who have not studied abroad or to the same level within country. Others may feel they do not have the expertise that recently returned students have – as such these relatively new graduates are perceived as threats to current structures within ministries and departments and are often sidelined. The whole human resources development strategy needs to be better designed, less patronage based and tied to real needs assessments and known and attractive career opportunities for those who receive higher education.

3.11.2 Better Management and Best use of Foreign Direct Investment (FDI):

The 7th NSEDP relies heavily on FDI to achieve its targets. Foreign investment expenditure is programmed in the NSEDP at the high rate of 18% rise of GDP per annum for the next five years (GoL, 2011). This investment can be very positive as FDI can be a catalyst in stimulating higher levels of development. However, poorly managed, poorly negotiated and poor quality FDI can also be a great threat to sustainable development and in the medium to long run can short change the Government and people of the Lao PDR. This is a key area in need of improvement for better governance outcomes.

3.11.3 Better Management and Implementation of ODA:

While all traditional DPs are party to international aid effectiveness agreements such as the Paris Declaration, Accra Agenda for Action and the 2011 Busan agreement which aim to enhance aid efficiency and effectiveness, few respect

these agreements and most DPs continue to promote their own interests without giving GOL ownership and leadership in the implementation.

Non-traditional DPs (including the People's Republic of China, Thailand, Singapore, India, Vietnam and others) are estimated to provide approximately 70% of all ODA. However these non-traditional DPs remain outside of the aid coordination and management process.

The PRF is no exception and here the World Bank has even set up a parallel GOL structure to deliver the programme which the fund has adopted and all those accessing the fund must use. It is little wonder then that sectoral investments made by the PRF often have little interest from the sectoral line Ministries. Better governance in this area is needed in the public interest of transparency and accountability.

3.11.4 New Methodologies and Tools Needed for Development and SEP Realization

In addition to basic mechanisms for proper and comprehensive financial accountability and project management as well as, monitoring and evaluation for which there are models of best practice available from the United Nations, the IFIs and major Bilateral programmes, the key area which would benefit from reform are those associated with procurement.

Currently the basic procurement models utilized by the IFIs and often the major bilateral organizations reflect the interests of the IFIs and or the bilateral agencies and pay little concern for the special interests of the recipient country. Most major procurement processes of the IFIs default to International Competitive Bidding (ICB) as it is simply easier for the IFI to manage one large or even one mega-project involving a single tender than it is to have to manage several tenders involving smaller entities which could be engaged if Local Competitive Bidding (LVB) was provided for.

Currently any discussions on the use of LCB over ICB are short-lived as the IFIs will demand no exceptions to their current practices. Such pressure from IFIs is unreasonable and not in the best interests of developing local capacities and in achieving sustainable development.

The other area of reform from which Developing Countries would benefit would be to switch from the current standard contract documentation to those recently developed from the South African Public Works experience and now established as an ISO 10845 (ISO, 2014) for fairer and more transparent procurement of construction works.

This new ISO gives consideration to the optimization of local resources and to the social offer by tenders including the number of local jobs to be generated using different technologies and the number of local enterprises to be engaged. There are also other areas where improved programme delivery systems need to be considered if the upstream SEP policy and philosophy is to be realized on the ground. All of these will require appropriate training and management frameworks to be able to result in better governance outcomes.

3.12 Chapter Findings and Conclusions

The contextual positioning of the Lao PDR as described in this chapter provides an insight into the complex development, political and planning situation in the Lao PDR and enables for the positioning of the SEP in its broader context.

The background information of the Lao PDR from a variety of official and unofficial sources has also enabled the realization of the uniqueness and the complexity of development in the Lao cultural and political context as a nation and in the ever-present reality of globalisation. At a national level within the Lao PDR

the review shows that with numerous important development instruments in place: National Socio Economic Development Plans, Prime Minister Decrees, A National Growth and Poverty Eradication Strategy, Localized Millennium Development Goals, the PRF, Localized Aid Effectiveness Indicators and a donor coordination process (Round Table Process), the Lao PDR has a strong development framework in place to achieve development and reduce poverty.

These combined with the political ideology of socialism, a strong stable political regime, a devoutly Buddhist population with an understanding of the Thammasat Way should provide if implemented, viable plans and programmes for sustainable development and development following SEP principles and indicators.

The direct and specific reference to the Thammasat Way of development in very high level government documents is of particular relevance because of its clear links with SEP.

Key issues around sustainable development in Lao as noted above are numerous and complex, covering issues such as land access (UXO) and land tenure and ownership, quality of FDI, growing inequality, management, implementation and effectiveness of ODA, UXO, Human Resources, Corruption and the long standing battle against under-nutrition especially with the rural poor.

Even closer synergies with the pillars of the SEP can however be realized from the policy level with strengthened high level documents such as the NGPES and NESDP and with expanded activities of the SEP training centres and through organisations such as PADTEC.

But the main challenges facing the GOL are translating the SEP-like policies and strategies into actual practice and here this research has perceived a serious disconnect. This disconnect is compounded by many complex political and good governance issues all of which will require resolution for genuinely sustainable development and the wellbeing of the people of the Lao PDR.

Chapter 4

The Implementation and Application of the SEP “New Theory” through Model Villages and Training Centres in the Lao PDR.

4.1. Introduction

This chapter looks at the application, implementation and replicability of the SEP New Theory which was more formally introduced as a theory in Thailand in the late 1990s (although had been implemented in different ways since the 1970's) to support self-reliance for farmers who had been affected by the impacts of natural disasters and economic crises. The emphasis on the farmers has been and continues to be a priority in rural populations which within Thailand and this region more often than not represent the poorest and most vulnerable population.

The New Theory as described in Chapter 2 of this research proposes that farmers apply the essential pillars of the SEP (moderation, reasonableness and self-reliance) in the implementation of their farming. Applying the pillars of the SEP to farming aims to achieve self-sufficiency and resilience for the farming population and rural people as well as protect them from the risks and impacts associated with globalization and other externalities while providing a sound social safety net for the population.(Chaipattana Foundation, 2010, p. 41)

As part of this research model villages/ research centres were visited in the Lao PDR. The key findings from the SEP Model Villages covered by this research are based on observations and a series of interviews with key informants and other persons living in these villages and those associated with the implementation of the SEP. These are outlined in Section 4.2 and 4.3.

4.2 Application of SEP New Theory in the Lao PDR

The Laos SEP Centres originate from a visit to Hua Hong Khrai Royal Development Centre in Chang Mai, Thailand by the former late Lao President

Khaisone Phomvihane and his direct request to His Majesty the King of Thailand to establish a similar SEP centre in the Lao PDR.

The direct application and implementation of SEP model villages has now been operational for more than twenty years in the Lao PDR.

4.2.1 Vientiane Province, Lao PDR; Huai Sonn Huai Soie (HSHS) Agriculture Development and Service Centre at KM 22 (HSHS - ADSC)

The review of the Huai Sonn Huai Soie (HSHS), Agriculture Development and Service Centre (ADSC) / model SEP village is based on direct observations during four visits to the project site which took place during 2012 and 2013. These visits included a series of interviews which followed a semi-structured format.

As is described in the booklet (Royal Development Projects Board) produced by the Office of the Royal Development Projects Board, the Agriculture Development and Service Centre at Huai Soon Huai Soie (HSHS-ADSC) 22 km north of Vientiane was officially opened by His Majesty the King of Thailand and her Majesty the Queen together with Her Royal Highness Princess Maha Chakri Sirindhorn on the 8th April 1994.

The HSHS Agriculture Development and Service centre is located in the Na Sai Thong district, and is part of the Lao Ministry of Agriculture and Forestry (MAF). It was established to serve as a model and place for the transfer of agricultural knowledge and techniques to Lao farmers based on the SEP and able to be replicated on a larger scale.

Modeled on Royal Development Centres in Thailand, the objectives of the ADSC have been to (Royal Development Projects Board):

- Promote and upgrade the standard of living of the Laotians who live in the project area and the neighboring area;

- Serve as a demonstration site for various agriculture- related activities by organizing both formal and hands-on training.

The ADSC is located on over 325 *rai* of land (approximately 52 hectares) and this experimental and demonstration centre achievements were initially shared with the local people when it became operational in 1994. The ADSC focus then expanded to bring people from other provinces in the Lao PDR to the centre with more than 200 training sessions and more than 5000 persons being trained between 1994 and 2013.



Figure 15: HSHS-ADSC KM 22 - Chicken Farm Over Fish Pond (June 2013)

Source: The Author

During the Authors visits to HSHS- ADSC, interviews were conducted with the Director, Mr. Anouloum and Deputy Director, Mr. Narong Apachai at the centre, as well as with workers and locals at the ADSC and with two farmers (now based in Oudomxay Provinces) who had undertaken training from the centre.

The understanding of the SEP by the informants was unmistakably very high and the value that those interviewed at the centre associated with SEP pillars was also high for all pillars. Both the Director and Deputy Director who are long term staff of the MAF had attended multiple training on the SEP in Thailand and were also leaders and resource persons within the centre on the SEP and more specifically the New Theory - having worked at the Centre for more than 15 years. The Director and Deputy Director believed that following the SEP provided an excellent model for Lao, particularly for the rural poor as it provided the way to self-reliance through a practice of reasonableness and moderation and this was very appropriate for the natural resource dependent rural population.

Following the SEP approach in the Lao PDR it has seen an increased income for the poor as well as improved wellbeing. The Director and Deputy Director both described the approach as being people-centered and an approach that confirmed that it was also environmentally friendly.

The idea of the SEP which both the Director and Deputy Director believed was well conceived by His Majesty the King of Thailand was not however an entirely new approach for the people of Lao; a country like Thailand which is predominantly Buddhist. As such they saw parallels between Buddhism and the philosophical level of the SEP as the Lao rural population had been implementing “traditional or natural” agriculture for hundreds of years.

Both the Director and the Deputy referred to the natural way of farming or the “Thammasat” way of farming and how this was very similar to New Theory. They explained that the Thammasat Way was not as structured and developed as that of the SEP’s New Theory and as such was difficult to train and teach from.

The Deputy Director referred to what he understood as a well-known Lao saying

“Yang Yearn Bor Men Yearn Yong” ~ a step by step approach to sustainability following the Lao way

This was referred to on the issue of self-reliance, moderation and reasonableness when discussing the issue of sustainable development in the Lao context. This Lao saying was explained as meaning Lao sustainability with regards to a process of steps “step by step ensuring that once basic self-sustaining needs are met you move to the next step”

The first step should be to provide basic food and basic clothing and basic shelter, once this is achieved you can then together move to the next step which could be better food, warmer clothing and more permanent shelter and so on while ensuring that each step is solid and robust before moving forward (up) to the next step.

This approach, they explained provided development in a sustainable and resilient manner. They further explained that Sustainability also was not just about staying the same but that one should progress through different steps.

Following further investigation into the saying “Yang Yearn Bor Men Yearn Yong” it was found that it was also considered by many to be part of the public policy of the Lao Communist Party which was to advance, step by step, to socialism, without going through the stage of capitalist development, to progress together with each other with resilience and to have equality amongst all.

It is further understood that this saying was used by President Suphanuvong and Prime Minister Kaison Phomvihan in 1976 and even today several Politburo and Party members when talking to people about development and sustainability use these or very similar words.

The Lao Communist Party political rhetoric seems to accept that “Yang Yearn Bor Men Yearn Yong”, the step by step process, should also apply reasonableness, resilience, moderation and self-reliance and the best working example being its application with rural populations involved in agriculture.

Ms. Sone a worker at HSHS-ADSC when asked about the centre and the SEP and HSHS-ADSC knew that it followed the King of Thailand’s ideas on farming and how to live and explained:

“is was like a school for people to learn how to better grow food and make themselves more self-supporting for both food and income”.

A local farmer who had undergone training at the centre some 12 years earlier, Mr. Phet explained:

“the training and learning of agriculture production had helped me and my family move forward and without this training I would not be in as good a position today”

When asked about his understanding of the SEP he said that he already knew that it was about:

“being able to provide for yourself and your family and that once this has been done moving forward and doing other things, in Lao this is “Ha leang goom toon eng” meaning to provide for yourself and this had been a direction of the government since 1975 until the early 1980s”

The following Table summarizes the values and importance associated with the SEP Pillars as expressed/perceived by research centre staff/workers and beneficiaries at the HSHS-ADSC, Lao PRD.

Table 25: Value and Importance Associated with the SEP Pillars and Dimensions as Perceived by the Research Centre Staff at the HSHS - ADSC

SEP Pillars and dimensions	Perception of Importance						
	Low					High	
Reasonableness	■	■	■	■	■	■	■
Moderation	■	■	■	■	■	■	■
Self-reliance	■	■	■	■	■	■	■
Moral and Cultural Dimension	■	■	■	■	■	■	■
Educational Dimension	■	■	■	■	■	■	■
Social Dimensions	■	■	■	■	■	■	■
Management of Public and Private Sectors Dimensions	■	■	■	■	■	■	■
Science and Technology Dimension	■	■	■	■	■	■	■
Economic Dimension	■	■	■	■	■	■	■
Resource and Environment Dimension	■	■	■	■	■	■	■
The SEP Understanding and Opinions							
General understanding of the SEP	■	■	■	■	■	■	■
Appropriateness of the SEP in Laos	■	■	■	■	■	■	■
Correlation between the SEP and Lao PDR Govt Policy/ ideology	■	■	■	■	■	■	■
Application of the SEP through Development Centres providing resilience, self-reliance, moderation and reasonableness	■	■	■	■	■	■	■
Value of the SEP activities	■	■	■	■	■	■	■

Source: Prepared by the Author

The Key issues raised/ identified with the application of the SEP at HSHS-ADSC included:

- High level of local appreciation for the work of ADSC
- Villagers who had attended the SEP training and implemented their acquired knowledge on return, considered themselves more self-sufficient than they were prior to undertaking the training.
- The need for continued funding and support from Thailand or other development partners for trainers and the cost of Training as the Lao Government budget allocation for ADSC remains very modest and as such

and with other priorities the GOL does not provide the funding that is required to run the centre to its maximum potential.

- A curricula review was considered by some as now being necessary to reduce the focus on existing traditional training activities at the center as people now wanted to move more quickly to the next “higher” steps and this was seen as requiring the more modern (but not however always the most appropriate) technologies and these were not necessarily those taught by the centre. It was however recognized that moving too quickly into unknown areas would have its associated risks.
- As was also observed there were also challenges with the application of the SEP in the field outside of the centre and these included, land allocation, the temptation to adopt non-traditional farming practices for short term and less sustainable gains as encouraged by poor quality FDI.
- Local farmers and trainers were also concerned about the challenges of both regionalization and globalization with regards to their current farming practices and access to markets but seemed to be unaware of pending difficulties with regards to climate change.

4.2.2 Reflections/ Lessons

The HSHS-ADSC is an exemplary model of a training facility and implementation of the New Theory under the SEP. Taken as a development initiative it is also rather unique in that it is still operational, in demand and appropriate some 20 years after it was first developed.

The perception of HSHS-ADSC is one of a center with a clear and appropriate alignment of the SEP with Government of Lao ideology as was evident through their specific reference to the *Thammasat Way, Yang Yearn Bor Men Yearn Yong and Ha Leang goom toon eng* approach in the context of the SEP discussions.

The implementation of HSHS - ADSC is seen to have been highly successful and within the Lao PDR has been and continues to be replicated in other regions of the country and with other development partners. Because of the training they

have received trainees say are now “more independent” and they believe they are better able to provide for themselves and their families.

It is noted that the HSHS - ADSC is not currently operating at optimal efficiency as there still remains a need for continued external funding support to fund trainees attending the SEP courses. The GOL budget currently covers only basic recurrent costs for the operation of the centre with a very limited budget for actual training programmes as such. This funding difficulty at present may need to be addressed by Thailand and or through other new donors.

4.2.3 Savannakhet Province, Lao PDR; Savannakhet Agriculture Development and Service Centre (S-ADSC)

Savannakhet was selected as one of the research Provinces as part of the wider interview process providing a diversification of sample areas for collecting information, as it is a major growth center in the Lao PDR which borders with the Thai city of Mukdaharn, across the Mekong river.

During the process of conducting the semi structured interviews with the Thai Embassy Office in Vientiane, in the Thai consulate in Savannakhet and with the Provincial Office for Agriculture and Forestry (Ministry of Agriculture and Forestry) this Author was informed of a very large new GOL initiative under development that was to follow the SEP approach.

This development was requested by the Provincial Governor based on his understanding of the importance and success of the HSHS-ADSC initiative near Vientiane and his awareness of the centres that have been developed in Thailand.

The newly established Savannakhet Agriculture Development and Service Centre (S-ADSC) is an initiative of the Province of Savannakhet with support from the

Office of Royal Development Projects and the Chaipattana Foundation.²⁶ The physical establishment of S-ADSC as of June 2013 was approximately 80% completed with buildings and a farming area. Some of the farming area was under cultivation and irrigation systems had been fully established. In late May and June 2013 S-ADSC staff had already been trained by Thai experts on the SEP and the New Theory.

The size of the S-ADSC is 106 hectares, almost double the size of HSHS - ADSC and at scale will closely follow the design and workings of the HSHS - ADSC. The centre will implement training and research as well as act as a resource centre. Activities will include soil development and demonstration sites for crops and fruits, rice, livestock and fisheries, irrigation and forestry

During the Author's visit to the S-ADSC a meeting was held with its Director Mr. Rattana who is a government official from the Provincial Agricultural and Forestry Office (PAFO) of the Ministry of Agriculture and Forestry, and a briefing was provided on the current progress and future plans for S-ADSC. Mr. Rattana was fluent in the "language of the SEP" and had undertaken multiple training within Lao as well as in Thailand over the previous 15 years and had also visited numerous Royal projects in Thailand.

Mr. Rattana, a long term staffer of the MAF with a background in irrigation works, believed that this S-ADSC like the other centres could be an excellent resource for the Province and neighboring Provinces in providing solid examples for farmers on how to:

²⁶ The Chaipattana foundation has been working closely with a research centre following SEP in Chammpasak Province at the local University and Lao government staff and academics who were aware of the initiative, highly praised this work.

”be more self-sufficient in their lives as well as how to bring greater resilience in natural farming techniques and an approach that was sustainable for the individual as well as community and country”

Mr. Rattana explained that he considered the S-ADSC provided a *“form of social protection”* for the people as they provided trainees with education on more productive and resilient farming techniques as well as at a higher level beyond agricultural production on how to actually live a better natural life”

Mr. Rattana believed that the approach of the training centres was unique in its application but that what they were teaching and demonstrating was very much in accordance with how Lao had previously lived with their natural environment, which some had more recently forgotten.

“The Agriculture Development Service Centres teach the farmers how to provide for themselves using the natural environment..... what is taught follows a structured design which follows very closely the traditional Lao ways of agriculture which had been lost or forgotten by the people over the last 50 years..... the approach of the SEP provides the farmers with food and other sources of income which enables them to be self-sufficient with regards to initially basic needs and after time to be able to meeting more than basic needs”



Figure 16: Director Rattana of the S-ADSC (Savannakhet) Together with the Author.

Source: The Author

The recent establishment of the S-ADSC as a replication and amplification of the HSHS-ADSC supports the high esteem that the SEP, the New Theory and its application in the HSHS-ADSC is held in amongst Government officials and recipients of the training. As the S-ADSC will be considerably larger in scale it will not only be able to provide a location for training on the SEP for Lao living in the Southern Provinces of Lao but also support and expand on work which has been done on the SEP in Champassak Province at the National University.

The lessons from the HSHS-ADSC and its current constraints should be taken into account for its longer term sustainability and the roll-out of S-ADSC. The S-ADSC needs to focus around the essential level of adequate financial support for training and trainees as a recurrent expenditure and meet the demands and wants of modern day farmers with regards to a changing balance between sustainable resilient farming and quick and profitable cash cropping.

4.2.4 Oudomxay Province, Lao PD; Ban NaSeankham Model Village

The application of the SEP with specific reference to the “New Theory” is currently being implemented in Oudomxay Province under the German funded (US\$ 2.5 million), United Nations Office for Drugs and Crime (UNODC) project *“Increasing Food Security and Promoting Licit Crop Production and Small Farmer Enterprise Development in Lao PDR and Myanmar (Nov 2009 – Dec 2013)”* and the *“Alternative Development Project”* of UNODC.

The implementation of activities under this UNODC/ GOL project are also being supported by the Thailand Royal Project Foundation (TRPF). The project falls under the UNODC Regional Programme outcomes (UNODC, 2012) which includes:

- Alternative Livelihoods: Illicit crop cultivating communities having access to alternative livelihood programmes
- Sustainability and Integration: Illicit crop elimination efforts are sustained and integrated into the mainstream of development

The UNODC Project documents and 2012 annual progress report explain that the project focuses on poverty alleviation through improving food security levels in selected communities in Oudomxay Province. It targets interventions in the areas of:

- Food security and increasing legal production of agriculture for food security and income generation;
- Development of small farmer associations and cooperatives; and
- Prevention of opium production, consumption and treatment.

Significant progress has been reported by UNODC towards the achievements of its objectives in the 47 target villages in three districts with total of 4,646 households.

The coordination with and support from the Thailand Royal Project Foundation (TRPF) and Thai Highland Research and Development Institute (THRDI) has been particularly significant in making the activities successful. Reports by the communities and local authorities indicate that the target groups' annual income from agricultural production (fruit trees, vegetables, rice and livestock production) has on average increased by more than 100% after inputs from the project.

In June 2012 in cooperation with the Thai Royal Project Foundation (TRPF) and Highland Research and Development Institute (HRDI) 144 participants including farmers, government counterparts and project staff participated in the field day on vegetables and fruit trees cultivation in the 2 villages (Naseankham and Houayou (a relocated ethnic Khamu village). Moreover 10 farmers and district counterpart staff have also attended the training and study visit on vegetables and fruit trees production at the Royal Project and HRDI project stations in Chiangmai, Thailand in August and October 2012.

The TRPF has provided technical support, training and the supply of seedlings to support the establishment of model farms as well supporting other farmers under the project. This support follows the SEP approach and to date 21 farmers have been to Thailand to visit and learn from Royal Projects and Agriculture extension under the SEP.

The success of small farmer enterprises to grow organic vegetables using greenhouse technology from and supported by the Thai Royal Project Foundation and the HRDI has inspired farmers from other provinces and UNODC projects. The project aims to serve as a knowledge centre for transferring this new improved technology initially to other UNODC projects in the Provinces of Phongsaly and Houaphan and eventually to further Provinces of the Lao PDR. The construction of a village learning center is ongoing and aims to provide knowledge to other farmers in the area.

Interviews were conducted with the Vientiane based UNODC office, Oudomxay based National Project Director, Provincial MPI staff, International Project Advisor, other Project staff as well as project recipients (farmers). During visits to the project sites a series of translations were necessary from Hmong and Khamu to Lao and then from Lao (with which the Author is reasonably familiar) to English and UNODC provided the interpreter for the Hmong and Khamu to Lao interpretations.

In the interviews with UNODC staff there was a clear understanding and knowledge of both the SEP and the New Theory, especially at a higher level with regards to the “middle path” and the pillars of reasonableness, moderation and self-reliance, a strong belief was evident on the appropriateness of the application of the SEP and positive impact it is having.

Interestingly it was noted that two farmers had stopped producing what at the time was seen as the “most sustainable” way forward (producing Chinese bananas) to return to vegetables for themselves and for sale in the local markets. This change has resulted in a return that has already provided the two farmers with greater self-reliance, resilience and income.

In a visit escorted by UNODC staff it was possible to meet with beneficiaries of the support (the majority of whom were ethnic Hmong) which followed the implementation of the SEP approach. The area had previously been a high opium-producing region, which has been changing its agriculture base to licit crops which the farmers were often able to sell for higher prices than they had previously received for opium.

The village/ house head of Ban NaSeankham, Mr. Toua (second from the right in the reference photo below) was very pleased to be able to show his crops and the developments that had taken place under the UNODC project. Mr. Toua’s extended family (14 persons) had had the farm for the last 10 years and had with support from the project changed from limited upland rice (one crop per year as

well as opium growing) to diversified crops on land provided by the local authority. He had moved to this location in 2003 and today his farm has a variety of crops and fruit trees, chickens, fish and 2 cows.



Figure 17: UNODC Project site Ban NaSeanKham, OudomXai lao PDR (with UNODC Hmong to Lao and Lao to English Interpreters with Farmer Mr. Toua (in hat).

Source: The Author

Mr. Toua explained how he and his family were now able to produce enough food to eat and were able to sell produce for additional income to purchase other supplies as were needed. His family perceived themselves as now being self-reliant and their production as sustainable and his grandchildren were able to attend local schools.

Another family interviewed in the same area had also received substantial support from the project had developed a fish farm, crops, vegetables, and greenhouses (vegetables and grapes) Mr. Kwalee (from Ban NaSeanKham), a Hmong

proudly showed greenhouses which had been developed on 2 hectares for 8 local families. Prior to moving to the new village area in 2003 this farmer also grew opium and confirmed that now with the income from the new crops he no longer needed to grow opium for the market. Under the project UNODC had built more than 65 greenhouses.

Mr. Kwalee described growing opium as hard work and not always good money and work in the green houses under the UNODC project was less labour-intensive and provided greater income and options for his family.



Figure 18: Mr. Kwalee UNODC Project Site with Greenhouses in OudomXai Province, Lao PDR, (July 2013)

Source: The Author

The UNODC work within the village, and the gardens were established following the design of the SEP Royal Thai Projects. The gardens were perceived to be self-sustaining and provided both food and good levels of income. Mr. Kwalee

had recently returned from SEP agricultural training in Chang Rai, Thailand. He explained if he could position his family and work like those he saw in Thailand he would be extremely lucky and able to fully provide for himself and even his extended family. Mr. Kwalee said:

“The village developed following the SEP and it has helped us to be able to provide for our family, it has taught us how to grow products and provided us with materials and seeds. Our life is much better today because of this than it was before the Model Village was developed”

Ms. Mee another farmer from the area under the project had a greenhouse which was set up next to Mr. Kwalee. Having previously grown corn Ms. Mee explained that the greenhouses provided her and her family with a variety of different vegetables at a high level of productivity resulting in them being able to sell more and earn more for her family.

The following photo shows the UNODC project and the conditions of access to the project site.



Figure 19: The Author Travelling to UNODC Project Site – OudomXai, Lao PDR (July 2013)

Source: The Author

The Tables which follow show the value and importance of the UNODC project work with respect to the SEP Pillars, as perceived by the farmers supported by the UNODC project.

Table 26: Value and Importance Associated with the SEP Pillars and Dimensions as Perceived by the Farmer Beneficiaries of Work Being Implemented on the Oudomxay UNODC and MAF Project, Lao PDR.

SEP Pillars and dimensions	Perception of Importance						
	Low to High						
Reasonableness	■	■	■	■	■	■	■
Moderation	■	■	■	■	■	■	■
Self-reliance	■	■	■	■	■	■	■
Moral and Cultural Dimension (Internal and External Well-being)	■	■	■	■	■	■	■
Educational Dimension	■	■	■	■	■	■	■
Social Dimensions	■	■	■	■	■	■	■
Management of Public and Private Sectors Dimensions	■	■	■	■	■	■	■
Science and Technology Dimension	■	■	■	■	■	■	■
Economic Dimension	■	■	■	■	■	■	■
Resource and Environment Dimension	■	■	■	■	■	■	■
SEP Understanding and Opinions at village level							
General understanding of SEP	■	■	■	■	■	■	■
Appropriateness of SEP in Lao PDR	■	■	■	■	■	■	■
Correlation between SEP and Lao PDR Govt Policy/ ideology	■	■	■	■	■	■	■
Application of SEP through Development Centres providing resilience, self-reliance, moderation and reasonableness	■	■	■	■	■	■	■
Value of SEP activities	■	■	■	■	■	■	■

Source: From semi structured interviews by the Author.

The following Table shows the value and importance of the UNODC project work with respect to the SEP Pillars, as perceived by the project workers supported by the project.

Table 27: Value and Importance Associated with SEP Pillars and Dimensions as Perceived by the Project Staff of Work Being Implemented on the Oudomxay UNODC and MAF Project, Lao PDR.

SEP Pillars and Dimensions	Perception of Importance				
	Low		to		High
Reasonableness	■	■	■	■	■
Moderation	■	■	■	■	■
Self-reliance	■	■	■	■	■
Moral and Cultural Dimension (Internal and External Well-being)	■	■	■	■	■
Educational Dimension	■	■	■	■	■
Social Dimensions	■	■	■	■	■
Management of Public and Private Sectors Dimensions	■	■	■	■	■
Science and Technology Dimension	■	■	■	■	■
Economic Dimension	■	■	■	■	■
Resource and Environment Dimension	■	■	■	■	■
SEP Understanding and Opinions at village level					
General understanding of SEP	■	■	■	■	■
Appropriateness of SEP in Laos	■	■	■	■	■
Correlation between SEP and Lao Govt Policy/ ideology	■	■	■	■	■
Application of SEP through Development Centres providing resilience, self-reliance, moderation and reasonableness	■	■	■	■	■
Value of SEP activities	■	■	■	■	■

Source: From semi structured interviews by the Author.

4.2.5 Reflections / Lessons

Oudomsay is a Province undergoing rapid change and development with massive land concessions being provided to persons and companies mainly from nearby China. This has resulted in a major influx of new migrants and industrialized agriculture in parts and land clearing for plantations in others. Large numbers of Laotians have been displaced from their traditional lands.

The Model Village in this Province is however somewhat remote from the massive local development programmes, being located approximately 20 KM from the city centre (Muang Xay).

The response provided on the SEP and its implementation by both the workers in the SEP model villages as well as beneficiaries in Oudomxay was overwhelmingly positive.

The farmers in the model village had received free training and the free set-up of their farm (including construction of the greenhouses) and this for many of them could only be compared with 'winning the lottery'. Prior to that project support the farmers had farmed on land without title using their own resources for seeds and equipment and under this activity all had been provided to them as part of the project. The farmers felt that they were now able to produce enough to provide income which could also allow for funds to go back into the farm to maintain it and as such it was now self-sustaining operation.

All persons interviewed and documents reviewed made specific reference to the work of the research centres/ model villages and the implementing activities as having a direct relationships with Royal Thai initiatives following the SEP.

The focus of most project activities was on farming and farmers in rural populations and while sometimes using different words in their descriptions there was clear agreement by all of the importance of the three SEP pillars. The level of understanding of SEP was equally high amongst project staff as well as beneficiaries, who had undertaken SEP training in Thailand. These persons had a particularly good understanding of the origins of the philosophy and its practical approach and were very familiar with examples of its implementation.

The model village in Oudomxay under its present arrangements does not have the same issues with regards to financing as other SEP model villages. The

hands-on approach in Oudomxay provides immediate real incomes for the farmers and seems to be more sustainable when compared with other stand-alone training and demonstration centres' modus operandi without income generating activities.

Key challenges to sustainability identified by the stakeholders and beneficiaries involved in the UNODC project include:

- The first step (self-sufficiency) as well as the higher stages provides an important and vital social safety net (minimizing risk) for the farmers,
- The quality, magnitude and impact of recent Chinese 'land concessions' investment in the area and the outstanding need for these activities to be better balanced with fair trade and fairer agreements for those who have traditionally been occupying lands now subject to concessions,
- The need to continue and expand training and lessons learned from the SEP - Royal Thai supported projects,
- The need to focus more on environmental-impact and to reduce the damaging impact of large scale 'land concession' mono-cropping (rubber and bananas) and the negative impact these have on the environment in depleting soil and nutrients and through the proliferation of rubbish/plastic used in industrialized agriculture.
- Concern over the possible over-supply of products to the market if more farmers continue producing the same new crops without support and advice on improved marketing practices. In both Oudomxai and Luang Prabang the establishment of model villages had resulted in them being replicated by neighbouring villages producing identical products and this had resulted in an oversupply and reduced the value of the crop being produced. As such the replication of activities is complex and location specific.
- Addressing Sustainable Development while ensuring resilience, reasonableness, moderation and equality remains a great challenge and highly complex, when changing agriculture methods and products to meet changing market demands.

- Awareness of the complexity of sustainable development - transition between stages, need for context location specific applications and market boundaries.

It was noted that the Oudomxay experience over several decades in encouraging farmers to move from illicit to licit production has had very mixed results. This particularly successful model using the SEP approach is therefore very much worthy of much wider application after taking into account context and location specific matters for expanded application.

Earlier initiatives to encourage farmers to move away from opium growing were short lived as a result of ongoing pressure on the farmers to remain as opium producers and because opium poppies provided a higher economic return.

4.3 Chapter Findings and Conclusions

The implementation of all model villages and training centre activities as expected certainly follows the SEP “New Theory”. Also as would be expected by the design of these interventions they follow the SEP. As such the research found that there was a very high level of harmonization with a high understanding of the SEP by all involved.

Government Officials, donors, staff of the various projects, and the recipients of the assistance at all sample sites investigated in both countries provided clear and comprehensive as well as positive responses to questions about the activities under the SEP as well as showing an understanding of other issues raised.

The focus of the SEP activities on those most in need, benefited small farmers and the rural poor and more often than not focused on those who were

from poverty stricken areas without basic needs and systems for the production of food and income.

The activities in the Model Villages and training centres in the Lao PDR provided thorough and practical teaching of the SEP and how to apply the SEP in the agricultural context to give greater resilience and self-sufficiency for the farmers. The implementation of the model villages was managed with a relatively small budget and the activities as a result of the income generation from the farms have become self-sustaining.

The implementation in Oudomxai when compared with implementation in other areas of the Lao PDR involved similar approaches but was actually achieved on an even smaller budget.

When funding allowed the training centres provided additional support materials for the actual implementation by farmers particularly in the Model Villages and this modest investment resulted in immediate good results.

Officials at the ADSCs observed a clear correlation between the SEP and with the Lao traditional/ natural “Thammasat Way” of farming and development and this was an interesting discovery for the Author.

The Thammasat way involves the progress of development following stages and steps; the first step being the provision of basic food and clothing and once that is secure moving beyond this step but only when securing the first step can be maintained and is sustainable. There seemed to be a clear correlation between long term rural development, the National Development Plans and the Lao Communist Party rhetoric for putting into effect these steps which indeed have a direct correlation with the SEP approach.

Recipients of the training and families in the model areas in the Lao PDR perceived that life was definitely better for them as a result of the training and systems that had been put in place.

The expansion of the model villages / training centres shows that in the case of Lao government's SEP training/research centres initiatives that the work that was started with the HSHS-ADSC some 20 years ago still remains very relevant and is still very much in demand.

Model villages programs which provide training and establishment costs appear to be more self-sustaining models that are well worth replication as they provide beneficiaries with an attractive sustainable return on the sale of their new crops and other products.

But as a result of limited financial resources of the GOL some of the essential recurrent costs of the SEP training (through training centres) still must be borne by external resources. This is not an ideal situation after 20 years of operation and support and is a further indicator of the gap between SEP policy and SEP practice.

Chapter 5

Understanding and Perceptions of the SEP from Government Officials, Development Specialists, the General Public and Direct Observations.

The objective of this Chapter is to examine perceptions the SEP from Government officials, development specialists and, the general public by way of a process of semi-structured interviews and from direct observations in the Lao PDR. Information is drawn from a series of semi structured interviews based on the interview guidelines included in *Appendix 1*. More detailed responses (quotes) from those interviewed are provided in *Appendix 2*.

5.1 Understanding and Perceptions from Government Officials and Development Workers

The semi-structured interviews took place during September/October 2012 and May/ June / July 2013. A total of 36 government officials and development specialists were interviewed with some of the interviews taking up to 2 hours, while others 20 minutes only.

During the process of arranging and confirming interviews with persons to whom I had not been introduced to by a mutual third party there was initially a high level of suspicion and mistrust in the research being undertaken or in just being interviewed, specifically with regards to questions linking with Government policy. The shorter time given for these interviews and their responses to the questions reflected the greater level of uncertainty and or mistrust by the interviewees.

For 23 of the 36 interviews, where introduction by mutual third parties assisted in arranging/ facilitating introductions the interviews and associated discussions were much more open and friendly. It is noted however that as is mentioned in Chapter 1 approximately 70% of the informants did not give approval

for the interviews to be audio-recorded and or did not wish to be directly quoted as the source of some comments but were however happy for their responses to be used anonymously. Agreement to these conditions enabled more open and honest responses from those being interviewed.

As is also mentioned in Chapter 1 the scope of the research involved two different focus groups of people; Government and Non-Government and the research was conducted in four different geographical locations (Vientiane, Savvankhet, OudomXay and Luang Prabang). This provided both a representative and diversified sampling of the population and the provinces ranked from the second poorest to the most affluent.

The profiles of the actual Government officials, their Ministries and levels of seniority as well as the positions of the Development Specialists interviewed are shown in the Table which follows.

Table 28: Profiles of the Government and Development Specialists interviewed.

Organization	Number of persons Interviewed	Position/s / Level	Interview Recorded / Notes taken
Ministry of Planning and investment (MPI)	5 (2 at provincial Level)	Director/ Deputy Director	Recorded Notes taken
Ministry of Agriculture and Forestry (MAF)	4	Director General/ Director/ Deputy Director/ National Programme Coordinantor	Recorded Notes taken
Office of the Prime Minister (OPM)	2	Director	Interview Recorded Notes taken
Ministry of Natural Resources and	2	Deputy Director	Notes taken

Organization	Number of persons Interviewed	Position/s / Level	Interview Recorded / Notes taken
Environment (MONRE)			
Ministry of Foreign Affairs (MoFA)	2	Deputy Director / retired DG	Notes taken
Ministry of Finance (MoF)	1	Deputy Director	Notes taken
Ministry of Education (MoE)	1	Deputy Director	Notes taken
National University of Lao (Department of Economics) (NUOL)	1	Lecturer	Notes taken
Laos Police Force Ministry of Public Security	2	Captain	Partly recorded Notes taken
Provincial Government Office (office of the Governor/ Provincial Agriculture and Forestry Office (PAFO), District Agriculture and Forestry Office (DAFO)	8	Director level/ Deputy Director	Recorded Notes taken
International Development Organization (UN/ Bilateral)	8	Representative/ Country Manager/ Deputy Representative/ Assistant Representative/ Senior Staff	Recorded Notes Taken
TOTAL	36		

Source: Prepared by the Author

Based on the 36 semi-structured interviews of officials the following perceptions were obtained against the semi structured questions from the interviews.

5.1.1 Understanding and Perceptions of Sustainable Development (SD)

Amongst all people interviewed (with the exception of the Police) there was a very high level of understanding of what they thought SD was and their responses were invariably close to the “standard international” definition including verbatim:

“SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

Other perceptions included:

“SD is having enough money, food and family” (MAF)

“SD is about progressing in steps, ensuring that each step is safe and secure before moving forward (up) to the next step” (first make sure you have enough food to eat, then eat until you are full – once you have a enough food and clothing then move to the next step...) (OPM)

“SD is about having what you need and not just about money and an increasing access or amount of money, need for a balance of economy, environment and social considerations to move forward in a balanced way” (PAFO/ DAFO)

“SD is Ha leang goom toon eng from 1975” (ensuring that you can have food to eat and that you can get / provide it and the other things you need for yourself) – following the Lao Government Party lines from 1975 – where all villages were encouraged to have adequate supplies that

they needed; community fish farms, vegetables etc shared as a community. (MPI)

The above quotations reflect a strong and thorough understanding of SD as a well-known and well established approach at least at policy level. This understanding was indicative for Government officials and Development workers and as such a high score was attributed against this question.

5.1.2 Understanding and Perceptions of Priorities, Challenges and Opportunities with Development in the Lao PDR

On the question of the development in the Lao PDR and its Priorities, Challenges and Opportunities the understanding and perceptions of those being interviewed is represented in the following responses:

Regarding priorities for Development in the Lao PDR:

“Enhanced Governance systems and strong Human Resources to implement activities should be the priority“ (MPI)

“Law enforcement and security” (OPM)

“Ensuring equality for all Lao people” (MPI)

“Holistic Education” (MOE)

The above quotations and those additional quotations provided in **Appendix 2** reflect a narrow understanding of overall development due to the tendency of

GOL officials to work in ‘sector silos’ but a clear perspective from the interviewees particular interests in his/her sector.

Regarding challenges for development in the Lao PDR:

“We need to think within our means and not try to compete with others who are more often bigger and stronger (Thailand, Vietnam and China for example). We need to provide for ourselves following our way..... we try too much to compete against other countries.” (OPM)

“Policy is detached from its implementation – good policy is in place but is a challenge to implement” (MAF)

“Growing level of inequality between rural and urban must be addressed” (MPI)

“Burden from International donors on reporting and implementation processes of assistance which does not follow government systems” (MPI)

As can be seen from the above quotes (and others in **Appendix 2**) reflects a generally practical realization that there are serious challenges and obstacles to development for which actions still need to be taken. This understanding was indicative for Government officials and Development workers and as such a high score could be attributed against this question.

Regarding opportunities for development in the Lao PDR:

“As a late starter in development Lao is able to leapfrog development processes and learn from other countries mistakes – ability to save

natural environment which has been lost in many countries who developed earlier” (MPI)

“Using the natural resources like mining and electricity can provide the Lao PDR with resources and income to provide for services... this is the biggest opportunity for the country” (MONRE)

“Strong political will and stability is a great strength for the country to support development” (MoFA)

“With a low population and high natural resources, Lao is able to easily provide food and other basics that we need” (MONRE)

These samples of what people think about on the opportunities for development and those additional quotations provided in **Appendix 2** reflect a strong sense of optimism but possible a misplaced sense of what natural resources can produce which will benefit the majority.

5.1.3 Understanding and Perceptions of the SEP and the Application of the SEP Model Villages

Across the board, those interviewed displayed a high level of understanding with regards to knowledge and understanding of SEP and somewhat less of the application of the SEP model villages. The following responses were provided to this question:

“SEP is like “Ha leang goom toon eng” 1975 (be sustainable for ensuring you can have / get food for yourself and other things you need – to be self-sustainable at an individual, family and community level)” (MPI)

“SEP is a step by step approach to development, step by step ensuring that once basic self-sustaining needs (food and shelter) are met you move to the next step and develop further and then the next step..... in Lao we call this “Yang Yearn Bor Men Yearn Yong” ~ a step by step approach.” (MAF)

“SEP is to do things yourself to be able to live and survive without the need for others” (OPM)

“SEP is Thai Government and Royal family rhetoric to support and keep poor happy.”(MAF)

The above quotations are a small selection of those in **Appendix 2** but show that the SEP-like approaches have as strong a tradition in Lao PDR as they have in Thailand and that the SEP Model Villages reinforce rather than promote radical change to effective sustainable local traditional farming practices.

5.1.4 Understanding and Perceptions of Linkages of the SEP with Lao Government Policy

The selected responses below from the informants show that they did not find great disparities between the SEP and Lao Government Policy and in a number of cases saw it as the same thing. In some cases informants thought that the SEP actually followed Lao Government policy and or the Lao way of development.

“SEP is unique in name but not in ideas... It is not unique and is the same as or follows traditional Lao ways of development, following steps in development (the first step making sure you have enough food....” (MAF)

“The New Theory and the model villages is the same as following traditional Lao ways of agriculture, the “natural” Thammasat Way..... but some natural ways have been lost and so the SEP provides for a structure for farmers and the rural population to live and be self-sustaining at a minimum ” (MAF)

Ha leang goom toon eng was a party slogan from 1975 – telling the people that the first step was that they needed to make sure they had enough food to eat and they were sustainable. After that was secured the people and country could move forward with the steps of development for everyone to be self-sufficient. This was referred to more than once to show similarities on their perceptions of what the SEP is and also what the government has said and continues to say to the people (The message was seen as the same):

“SEP follows the Lao “Thammasat Way” (the natural way) of development and the Thammasat Way is a Lao way of living and surviving – The Thammasat Way is part of our government policy (reference to NGPES) and so because SEP is also the Thammasat Way the two ideas link” (MPI)

As can be seen from the above example along with the quotes in **Appendix 2** that the understanding of the linkages with the SEP, sustainable development and local examples dating back 1975 when the Pathet Lao or the Lao People’s Front took power in Laos and shortly after the country faced food shortages that the SEP-like Thammasat Way has become a firmly emphasised approach and even a way of life for rural communities. The Thammasat Way is also well imbedded in the GOL at policy level at least.

5.1.5 Understanding and Perceptions of the Relevance of the SEP and its Pillars to the Lao PDR

On the question of the relevance of the SEP and its Pillars (Moderation, Reasonableness and Resilience) to the Lao PDR the following is a selection of responses which were provided:

“HSHS ADSC (KM 22 Vientiane) was established based on a request from our President to the King of Thailand as the SEP and New Theory are seen as appropriate for Lao – this was the case and still remains the case” – if SEP was not relevant for Lao the President would not have asked for these centres, these centres still remain important today.”
(MAF)

“As a Buddhist country Lao people follow the Buddhist way and being good, and not hurting people or the environment, doing and having things in moderation and being able to look after yourself and your family is the Buddhist way – the idea of SEP follows the same way – the same like gross national happiness so the SEP is appropriate for us”.
(MAF)

“The pillars of Moderation, Reasonableness and Resilience or self-reliance are very relevant to the Lao PDR, as Lao develops it must ensure that it does so in a way that sensible, realistic, fair and provides for its people without relying on others... the idea of SEP supports this idea and this is what the Lao government is also trying to implement.”
(MoFA)

On the issue of relevance the selected quotations above and those in **Appendix 2** show that the understanding of the Thammasat Way in Lao PDR de-facto also means an understanding of the SEP pillars as one would expect. To be

able to keep the Thammasat Way ~ Lao Rice Kettle ~ economic, social and environmental legs in balance also means understanding the importance of the SEP pillars.

5.1.6 Views Expressed by Informants Outside of the Core Questions.

Two cynical government officials interviewed expressed concern that the SEP was like nationalism or colonialism by Thailand to make Laos do things the Thai way. Both expressed concern that the SEP was nothing new for the Lao people and that it is simply political rhetoric from Thailand to tell the Lao how to live and what to do. They expressed the view that Thailand was not a model of the SEP following moderation, self-reliance and or any resilience so what could Thailand really teach Lao to do when it was not practicing the SEP itself.

“Government of Lao Policy is Government of Lao policy it does not follow other Governments policy or ideas; it follows its own ideas for the people of Lao” (MoF)

The informant also said that they found the idea of the SEP to be nothing new and that government activities or more so the SEP activities were really being implemented in accordance with the Lao policy and that the policy was strong and good for the people and so were the activities.

5.1.7 Summary and Findings

Based on the semi-structured interviews the understanding and perception of the SEP by Government Officials was particularly high as most Government staff had been either directly involved in development activities of some type and or were highly knowledgeable of development activities. It is also likely that Government officials had attended LPRP training courses which actually promoted the Thammasat

way. The Development Specialists interviewed were likewise well informed and knowledgeable about the SEP.

It is clear that the SEP or the Thammasat Way is an intrinsic part of Laos culture.

The Table which follows summarizes the perceptions and understanding of the SEP by Government Officials and Development Specialists in Laos.



Table 29: Summary of Perceptions and Understanding of Government Officials and Development Specialists of the SEP and Challenges, Opportunities and Priorities for Development for the Lao PDR

Subject	Level of Perception						
	Low			to High			
Understanding of Sustainable development	■	■	■	■	■	■	■
Knowledge and understanding of the SEP	■	■	■	■	■	■	■
Knowledge and understanding of the SEP model villages	■	■	■	■	■	■	■
Linkages of the SEP and Government Policy	■	■	■	■	□	□	□
Relevance of the SEP Pillars to the Lao PDR	■	■	■	■	■	□	□
Priorities for Development cited	<ul style="list-style-type: none"> ➤ Governance <ul style="list-style-type: none"> ○ Human Resources and Education, Infrastructure, ○ Law enforcement, ○ Implementation/ realisation of Government Policy ➤ Social/Policy <ul style="list-style-type: none"> ○ Holistic Education (how to remain/ be good citizens) ➤ Policy <ul style="list-style-type: none"> ○ Thinking within means ○ Quality of Education ○ Implementation of Policy ➤ Social <ul style="list-style-type: none"> ○ Increasing “bad” social issues (crime, prostitution, theft, drugs” ○ Poor moral and ethical behavior, ○ Growing inequality between rural and urban people and also within urban areas, ➤ Governance <ul style="list-style-type: none"> ○ Transparency in implementation of activities, ○ Low financial and human resources to implement government activities, ○ Burden from donors on using donor systems, ○ Strong political will and stability of Government, ➤ Policy <ul style="list-style-type: none"> ○ Can leapfrog development processes and lessons from other countries, ➤ Economic <ul style="list-style-type: none"> ○ Low population and large natural resources (electricity, mining, farming), ➤ Social ➤ Lao people are kind and peaceful – no religious conflicts, 						
Challenges for Development cited							
Opportunities for Development cited							

Source: Research by Author –based on information provided in Semi-structured interviews

5.2 Interview Findings on Perception of the SEP from the General Public (Students/ Farmers/ Private Sector)

The objective of section 5.2 is to examine perceptions of the general public (including students/farmers/business owners and workers) in the Lao PDR with regards to the SEP.

The semi-structured interviews took place between October/ November 2012 and May/ June / July 2013) and a total of 37 interviews were conducted covering a variety of persons from the General public (non-Government officials). All persons interviewed agreed for the information they provided to be used in the studies but a number were reluctant to be named directly as the source of any quotes.

The Table which follows profiles those who were interviewed. Interviews were relatively open when compared with those of the government officials with regards to their willingness to be interviewed and to answer specific questions. The language used in responses to the questions varied dependent on the education level of the person being interviewed and also on how familiar, if at all, they were with “development” or what they called “government” talk.

Table 30: Overview of the Persons Interviewed

Occupation	Number of persons Interviewed	Position/s	Interview
University Student	4	National University of Lao, Lao America College, Lao Post Graduate Student studying abroad	Recorded Notes taken
Business/ Shop Owner	8	Restaurant, Local Market, local supermarket,	Recorded Notes taken
Hotel	5	Owner, Manager, Staff	Recorded

Occupation	Number of persons Interviewed	Position/s	Interview
			Notes taken
Casino Worker	1	Staff	Notes taken
House Maker (House Wife)	3		Notes taken
Driver (Business owner)	2		Notes taken
Farmers	6	Male and female	Notes taken
Factory Workers	2	Male and female	Notes taken
Local CSO - Training Centre	2	Director	Notes taken
Buddhist Monk	2		Notes taken
Expatriate Lao visiting Lao	2	Development experts/consultants	Notes taken
Unemployed	2		Notes taken
TOTAL	37		

Source: Prepared by the Author

5.2.1 Understanding and Perceptions of Sustainable Development (SD)

Amongst those interviewed there was a great variety in the level of education and understanding of “development” language. This became apparent right from the outset when asking what their understanding was of Sustainable Development. This drew blank responses in a number of cases from persons who had no understanding at all of this word and or what it might mean to them. This appeared to be more to do with their type and level of education and lifestyle and in one case to do with the very low level of income of the person interviewed. That individual was more concerned where his next meal was coming from.

As a result some words and language of the interviews were simplified to ensure the questions were clear and understood. This enabled those being interviewed to better comprehend what was being asked.

Regarding their understanding of SD informants said:

“SD is about having food to eat today and tomorrow” (Farmer)

“Doing things in a way that can continue forever” (Student)

*“To maximize the use of the natural resources for everyone to use”
(Business Owner)*

“SD is about having more than we had before” (Shop Owner)

“SD is living with what you have and not borrowing” (Business Owner)

These samples of what people think and others in **Appendix 2** show that SD is generally well understood and the more so by the better educated but the level of concern about the critical need for the attainment and maintaining of SD seemed less well considered as a matter of urgency as Laos still retains an abundance of natural resources in spite of their rapid exploitation.

5.2.2 Understanding and Perceptions of Priorities, Challenges and Opportunities with Development in the Lao PDR

On the questions of priorities, challenges and opportunities with Development in the Lao PDR the following selected responses were received:

Regarding priorities for Development in the Lao PDR:

“need for more schools, teachers and clinics (medical facilities)” (CSO)

“Need for stronger law enforcement and environmental and natural resource management” (Student)

“Greater empowerment of civil society organisations” (CSO)

“Land ownership for local communities” (Farmer)

“Ensuring fair equal development” (Monk)

The sample quotations above which are but a small selection of those in **Appendix 2** show that each respondent viewed development priorities in Laos mainly from his or her own occupational or professional perspective. Views expressed on the broader national priorities were therefore quite diverse

Regarding challenges to Development in the Lao PDR:

“Need to change the mindset of the people to being happy with what they have and living with what they need and not just what they want or think they want or need” (Monk)

“Lao people now have debt and borrow money.... Before we did not have debt and this is not a problem.... before if you had money and wanted a car you can buy a car, but now if you want a car but don't have money you can borrow and many people do not understand.... and when you cannot pay back it is a big problem”. (Business Owner)

*“Drugs, Gambling and Prostitution with the youth is a big problem”
(CSO)*

“Increasing number of foreigners in the Lao PDR (specific reference was made regarding the number of Chinese in OudomXay, LuangPrabang and Vientiane) and that this was not good for Laos” (Farmer)

“Implementation of policy is very difficult; this is because of bad staff or staff with no motivation to work”. (Student)

“Poor moral and ethical behavior of some - Corruption” (Business Owner)

“A great inequality of wealth over the last 10 years is a major challenge for the development of the country and the government..... great wealth can now be seen but attributing the great wealth to a normal successful “legal” business is very difficult as such.....also how the wealth has been generated is also a concern”. (Business Owner)

“Cost of basic services is a big challenge. Before services like education and health were free but now we have more options but all must be paid for and we do not have money to pay for the services” (Factory Worker)

As can be seen from the above quotes regarding challenges to development were more comprehensive and ranged outside the occupational and professional concerns of the respondents. There was a clear overall concern about social and behavioural norms which seemed to reflect a keen local interest in following local politics and local progress and change.

Regarding opportunities for Development:

“Lao has a natural environment for tourism and agriculture” (CSO)

“Need to use the natural resources to move the Lao people out of poverty” (Expat Lao)

“Use the strength of the Lao religion to support a natural Buddhist way of living with the environment based on needs not wants” (Monk)

*“Follow traditional “Thammasat way” of development – The Thammasat way is the natural way and it is safe for the people”.
(Farmer)*

The above quotes show an understanding regarding opportunities for development were focused mainly on moving the population out of poverty but through proper and ethical means. Understandably those interviewed saw natural resources utilization as the way to move the Lao PDR and the people of Laos ahead

5.2.3 Understanding and Perceptions of the SEP and the Application of the SEP

Model Villages

On the questions of understanding and perceptions of the SEP and the application of the SEP model villages, the following responses were given:

“SEP is a way of living from the King of Thailand to help all of the people” (Farmer)

SEP is about living with the nature and making sure you have food and security for you and your family” (Hotel Restaurant Owner)

“One District One Product (ODOP) – is an example of producing thing the Lao way, using local “wisdom” for sustainable livelihoods” (CSO)

“SEP model villages provide farmers to have food and income that is sustainable” (Farmer)

The above quotations selected from those in **Appendix 2** show that there is a surprisingly good level of understanding of the SEP and SEP-like approaches in Lao PDR. Indeed the SEP is also a reflection on the Buddhist way of life.

5.2.4 Understanding and Perceptions of Linkages of the SEP with Lao Government Policy

On the question of understanding and perceptions of linkages of the SEP with Lao Government Policy the follow responses were made:

“Ha leng goom toon eng” has been government policy in Lao since the mid-1970s, this is government policy and is the same as SEP it is about ensuring you have what you need” (Business Owner)

“SEP is government policy..... the SEP model villages and training centres are Lao government projects and so this must follow Government Policy” (Farmer (SEP Model Village)

“At a policy level or high level the Government Policy and SEP can be seen as the same.... the difference or similarity is with implementation is

what is said at a high level and what is actually implemented is not the same”. (CSO)

On the issue of linkages that sample quotes above which are a selection of those in **Appendix 2** show that those interviewed do believe that the SEP or SEP-like approaches are part and parcel of GOL policy. Never the less some interviewed already saw the gap between GOL policy and GOL practice

5.2.5 Understanding and Perceptions of the SEP and its Pillars Relevance to the Lao PDR

On the question of understanding and relevance of SEP and its Pillars (Moderation, Reasonableness and Resilience/ Self-Reliance) to the Lao PDR the following responses were provided:

“The ideas of moderation, reasonableness and self-reliance of the SEP are not new to Lao, these follow traditional Lao values and also Buddhist values.... Because they are the same SEP is relevant to Lao”.
(Business Owner)

“SEP is the Thammasat Way (Natural Lao Way)” (Farmer)

“SEP is relevant because it tries to help people and to help people look after themselves and others and this is what everyone wants and needs” (CSO)

These samples of what people think about the pillars of the SEP from among others included in **Appendix 2** show that most accept that there is a strong relevance of the SEP and its pillars to Laos just as they feel they have universal

application as well. However the concern is that the relevance is not always manifested by GOL development practices.

5.2.6 Views of Informants Expressed Outside of the Core Questions

When asked how they had heard about the SEP, the common response was “from Thai TV” and the reference was more so regarding the demonstration centres in Thailand than in Lao. Farmers located close to or directly involved in the demonstration/ model villages however had heard of the SEP with regards to implementation in Lao PDR and understood the direct links with Thailand. Linkages with regards to Lao government policy were less clear.

Discussions raised from this group also included concerns regarding how the level of security had decreased with more crime now than 10 years ago and that access to education and health and even water and electricity had increased for most Lao (but that a lot of these services while better had now become unaffordable “user-pays”).

Personal wealth has been seen to have increased in the cities however “social evils” (crime, gambling, prostitution, drugs and debt) had also increased and this was becoming a very serious concern especially to rural dwellers.

5.2.7 Summary and Findings

The following Table summarizes and tabulates the perceptions and understanding of the SEP from the General Public (Non-government officials) together with their views on Challenges, Opportunities and Priorities for Development in the Lao PDR.

Table 31: Perceptions and understanding of the General Public of the SEP together with their views on Development in the Lao PDR.

Subject	Level of Perception						
	Low to High						
Understanding of Sustainable Development	■	■	■	■	■	■	■
Knowledge and understanding of the SEP	■	■	■	■	■	■	■
Knowledge and understanding of the SEP application of model villages	■	■	■	■	■	■	■
Linkages of the SEP and Government Policy	■	■	■	■	■	■	■
Relevance of the SEP Pillars to the Lao PDR	■	■	■	■	■	■	■
Priorities for Development sought	<ul style="list-style-type: none"> ➤ Social <ul style="list-style-type: none"> ○ More schools, teachers and clinics, ➤ Holistic Education ➤ Economic <ul style="list-style-type: none"> ○ More tourism and eco-friendly, ○ More CSOs and more power for CSOs ○ Land ownership ➤ Governance <ul style="list-style-type: none"> ○ Strong law enforcement, ➤ Environment, <ul style="list-style-type: none"> ○ Environmental and Natural Resource Management, ➤ Policy <ul style="list-style-type: none"> ○ Need to change the mindset of people ○ Need to focus on basic things ○ Increasing foreign influences in Lao, ○ Corruption, ➤ Governance <ul style="list-style-type: none"> ○ Implementation of policy ○ Law enforcement ○ Corruption ➤ Social <ul style="list-style-type: none"> ○ Low education ○ Increasing social issues with drugs, gambling and prostitution, ➤ Economic <ul style="list-style-type: none"> ○ Increasing cost of living ➤ Economic <ul style="list-style-type: none"> ○ Tourism, ○ Natural Resources, ➤ Social <ul style="list-style-type: none"> ○ Strong religion ➤ Strong traditional methods of development “Thammasat Way” 						
Challenges for Development sought							
Opportunities for Development sought							

Source: Research by the Author – From Semi-structured interviews

5.3 Understanding and Perception of the SEP in the Lao PDR from Direct Observations While Undertaking the Research.

The objective of this Section is to provide the Author's understanding and perception of the SEP and its application in the Lao PDR based on the same guiding questions as used in the semi structured interviews and reported in Chapter 5.1 and 5.2. These perceptions are based on direct observations during the research period and also draw on experience and knowledge gained during a period of professional employment in the Lao PDR (1996 – 2013).

5.3.1 Understanding of Sustainable Development (SD) within the Lao PDR

The understanding at a conceptual level of SD in the Lao PDR is high amongst both Government and non-government personnel and this is not surprising. As such they are able to converse easily in the somewhat political rhetoric of SD and its importance and about development for today's generation and future generations. At the non-government level language and terminology varied greatly but the idea of living in a world that balances social, economic and environmental concerns was seen as paramount and that this is what it was felt the focus of sustainable development for the Lao PDR should be.

Laos remains very much a rural society and Laotians even those from urban centres, have a strong connection with the rural areas and the environment, and understand the importance of natural resources and the importance of balance between the use of natural resources and the environment in which they live.

With the close relationship between the Laos People's Revolutionary Party (LPRP) and the GOL the reality is that the LPRP is intimately involved in regular training for professional development and political orientation of government staff,

and this would inevitably address long-term goals including an understanding of development and SD and other development issues.

Those living in urban areas seem however to be overwhelmed by the new challenges of modern lifestyle and the choices they have to make to “keep up with the Jones” or in Laos the “Polsenas” and the costs involved with this.

The official salary of government officials and other workers remains very low (at a level that barely provides for basic needs) and certainly does not provide enough to purchase a house and or motor vehicle in most urban centres. Salaries are actually at a level whereby purchasing even a motorcycles or a branded “smart” phone is realistically beyond the budget of most. “Keeping up with the Polsenas” now means acquiring these status symbols and purchases have to be made through loans with relatively high rates of interest.

Older Laotians however who have made some money and even some who have not, seem more content with the traditional Lao way (the Thammasat Way) and live a much more modest and sustainable lifestyle. They better understand the meaning and choice of sustainable development and still have vegetable gardens within their house grounds. These people also seem to be quite content with a life based on the ideals of the pillars of SEP, content to be living with moderation, reasonableness and in a way that provides for self-reliance and greater equality. They are also probably much happier than those seeking material assets.

For the majority of the population who are poor (based on income, access to food and education and health facilities) sustainable development remains an important but distant step to be achieved as they face the more pressing issues of finding employment, shelter, food and in providing for their families in a day to day struggle.

The unfolding tragedy in Lao is the great and growing disconnect between these “SD or traditional” values at a philosophical and religious and or even political/ ideological policy level and what is actually being practiced by Government and promoted by influential decisions-makers.

Predominately in urban areas but also in some remote areas there has been an astonishing display of wealth by a few over the past decade. This comes in the form of new grand houses, cars, jewelry, smart-phones and other consumables people unsurprisingly want to have and many feel they are entitled to have.

The new norms of wealth and consumerism that are seen on TV (predominantly Thai TV and Thai soap operas easily received for viewing by Lao in their own country) such as large European-style houses (often inappropriate for the local climate), high end vehicles, expensive clothing or jewelry is also often accompanied by behavior that involves other social excesses including the degrading and exploitation of children, women and other vulnerable persons.

But in a country with relatively rapid economic growth the benefits of that growth are certainly not being distributed equitably and these new images of wealth as the new ‘must haves’ remain inaccessible for the great majority. This sows the seeds discontent but also for corruption and other exploitive activities. The fact remains however that in Lao, local salaries alone cannot purchase these new “must have” consumables.

5.3.2 The Newly Rich in the Lao PDR

Vientiane of 2013/14 is a very different place from that of Vientiane of a decade earlier. The super luxury vehicles some worth more than US\$200,000, locals having luxury houses and holiday homes abroad, others rapidly accumulating public assets now sold as their private farm land; these are now the images of success for

the new elite of Laos. While the government controls almost all development activities and “mega projects”, questions as to the origin and legitimacy of this new personal wealth creation (both visible and hidden) for the “few” are now being asked.

Those in a position to exploit and accumulate rapid wealth act as brokers/facilitators or middlemen. They add little value to the business process by generating wealth in the black / grey market, taking a portion of the large amounts of money generated from land concessions / purchases, drugs, timber logging, other natural resources exploitation. Their involvement with budgets associated with development projects and or foreign direct investment initiatives as ‘middlemen’ advisers pays them high dividends. There are also those who even gain financial benefit by facilitating introductions to senior officials. The extent of the bypassing of international standards for transparency and accountability in the handling of many of the country’s mega projects is reflected in Transparency International’s very low ‘perception-based’ rating for Laos and in widening inequality.

This said there are also legitimate businesses associated directly with the new purchasing power of the new and growing middle class which are conducted according to fairly standard international practices. But such businesses would not normally generate the super-wealth required to purchase vehicles such as Bentleys, Ferraris, Lexus Land-cruisers or new Mercedes Benz which are now highly visible on the streets of Vientiane and even in Provincial capitals in growing numbers.

5.3.3 Priorities, Challenges and Opportunities with Development in the Lao PDR

Understanding of the Priorities for Development:

Based on direct observations, there are a number of priorities, challenges and opportunities for the development of the Lao PDR. The paramount priorities are to

ensure sustainable development with humanity and equity. To do so would need to include maintaining political stability, enhanced governance and transparency (including e.g. public declaration of wealth by politicians and their families), social order, justice and safety and an enabling environment for the equitable development of the country.

Successful implementation of the 5 year Development Plan and its associated activities and other Government policies as they are currently outlined in the midterm review of the 7th plan (of July 2013) have 53 priority areas, all of which require a great amount of resources for them to be completed. If accomplished they could actually start to address almost all areas of concern and ensure sustainable development for the people and country; but this is unlikely to happen because the resources required to implement the activities are not available and because of the poor levels of transparency in funding and implementation.

While the recent boom in the exploitation of natural resources continues there is regrettably procrastination on fundamental planning for the future which will also need to have a strategy to address the possible impact of the 'Dutch disease' (defined in the Glossary), to ensure resilience for the economy and people. This means:

1. Enhanced governance monitoring and implementation of investment projects to ensure efficient and better use of the national and foreign investments.
2. A focus on the production of environment agriculture products to ensure food security and better nutrition in all areas of the country and to address poverty and development issues at both the local and national level.
3. Better revenue collection to fund current and future development needs.

Understanding the Challenges to Development:

The current challenges of development which can be addressed by a more robust and comprehensive approach include:

1. The need for a stronger linkage between SEP-like policy and SEP-like practices.
2. The need to keep eradication of poverty, hunger and malnutrition as the main targets of all government and private sector programmes and to address the rapidly growing inequality in Lao. If this is not done there is a threat to the social balance and the very fabric of society that could well result in frustrations and grievances amongst the people as well as growing political discontent.
3. The need to urgently address the current low levels of transparency and a culture of corruption that hinders governance structures. This will also involve examining traditional cultural/political expectations of patronage which is now deeply institutionalized.
4. The need for much better as well as more effective and efficient planning, management and implementation of ODA (Traditional and Non-traditional) as well as Foreign Direct Investment (FDI). This will be essential to optimize the use and renewal of natural resources available for development and to avoid the 'Dutch Disease' when the resources boom ends. Preparation against the 'Dutch Disease' is however possible through increased support to education, infrastructure and other industries not dependent on access to non-renewable resources and such preparation is fundamental for the realisation for the SEP.
5. The consequences and costs associated with the long term damage to the environment as a result of inadequate environmental protection measures and planning and full integration in the SEP model.

6. The development, retention and correct allocation of human resources within the government sector where a relatively large number of Laotians have returned from overseas scholarships at the undergraduate, postgraduate and PhD level. Many of these returning graduates are moving out of government and into higher salaried positions with Embassies, International NGOs and or the United Nations and this drains the GOL of vital human resources that it requires to deliver its programme in a timely and professional manner.
7. A much greater effort being needed to reduce and eliminate human trafficking as Lao PDR is now one of the countries with the worst record being placed at Tier 2 on the United States “Trafficking in Persons” watch list in 2014.

Understanding of the Opportunities for Development:

The key opportunities for development arise from the country’s socialist ideology which should reinforce at policy level the need to actually realize greater equality and development for all people in Laos.

Other opportunities include:

1. The stronger commitment to the Buddhist philosophy and the Thammasat way values associated with it, which provide for good prospects for achieving sustainable development with the importance and relationship between social, economic and environmental values and those of the SEP. These values should lead to Lao PDR being able to draw on the necessary political and social strengths to maintain a harmonious balance with the environment and better link policy and practice.
2. The geographic positioning of the Lao PDR with neighbours such as China, Vietnam and Thailand that enables Laos as a land-linked country to access important trade routes as well as to provide food and energy to these resource hungry, energy consuming and high population neighbours.

3. The abundant natural resources and low population that provides a huge advantage for the country to produce agriculture products for ready export and be the food basket of the region while retaining a balance between the environment and use of natural resources. This is of course what many land concessions are already doing in growing food for export to China, but with China able to bring in its own labour, often very few Laotians benefit and the agricultural methods engaged are hardly environmentally friendly.
4. The ability to “leap frog” stages of development and technologies (e.g. telecommunication) by learning from the experiences as well as the mistakes of other countries, including better protecting of the environment and better use of natural resources.

5.3.4 Understanding and Knowledge of the SEP and the Application of Model Villages

Based on direct observations in Lao the understanding and knowledge of SEP and the application of model villages already goes well beyond that of only those directly involved in the development activities.

This understanding and knowledge of the SEP is based on a combination of:

1. Information from Thai TV (which Laotians watch regularly) and newspapers which promote the SEP and its application in Thailand. This means that Lao people are often able to easily relate to the SEP because of the agriculture focus which is of considerable interest to them in the SEP model villages.
2. Direct or indirect involvement in development planning and the use of government policy documents like the NGPES and familiarity with the Lao

Thammasat Way and sustainable development approaches which can be linked to the SEP ideals.

3. Direct or indirect involvement in the implementation of the SEP demonstration/ training centres and or model villages, which has already provided many with a hands-on understanding of the SEP,
4. Participation in development activities and LPRP policy discussions and training (rural development, governance, wellbeing) which can be related to the SEP.

With both Thailand and the Lao PDR being predominantly Buddhist countries an natural association is seen between the Buddhist philosophy and the principles of the SEP on the one hand and the traditional Lao development ways (Thammasat way, communal farming) on the other. Furthermore there is a correlation between the SEP and the Laos political ideology. As the intrinsic values associated with the SEP closely align with traditional Lao ideas of development the understanding of the SEP comes easily as it very much reflects local traditional wisdom.

The understanding and awareness of model villages is particularly high in rural (including rural urban centres in predominantly rural areas) as rural farmers who make up the majority of the population take an interest in the activities and work associated with development and or tourism in their areas and more often than not are aware of what these model villages are and exactly where these model villages are located.

5.3.5 Linkages of the SEP with Government Policy

Direct specific reference to the SEP in Lao Government Policy documentation was not found in this research. However reference to the ideas and ideals behind the policy such as its pillars and focus are clearly seen in Lao Government Policy (NGPES

and NSEDP). This is also seen in the implementation of development activities which in some cases are specifically ‘SEP’ or similar activities using different terminology but which follow and refer to the same things as in the SEP. This would include for example the work of PADETC, the implementation of the Lao Thammasat way and or other similar rural and urban development initiatives.

The Lao government term from 1975 onwards *Ha leang Goom toon eng* regarding self-sufficiency has a clear identity with the pillars of the SEP.

While typical development interventions from traditional development partners are more often based on “donor” driven interests or programmes and not fully government initiated, the SEP demonstration centres exist because they were actually specifically requested of Thailand by the GOL and to this day are being replicated in response to demand for them.

5.3.6 Relevance of the SEP Pillars to the Lao PDR

At both the rural and urban levels the SEP pillars and its ideals remain very much of relevance to the development of the Lao PDR, a largely rural country where farmers still try to live in close harmony with local natural resources.

With high rates of poverty and malnutrition particularly in rural areas, the examples of the systems taught in the SEP model villages to reduce the levels of poverty and provide food and sufficiency for local people are very relevant. The implementation of activities such as at HSHS-ADSC (KM 22 Vientiane) for more than 20 years and the newly established (2013) expansion in Savannakhet reemphasise the importance to the GOL of the SEP and its application.

There is also the recently introduced Korean Saemul Doung Rural Development Program of the Korean Rural Economic Institute which will support

self-reliance through the development of farmer group cooperatives. (www.krei.re.kr/web/eng/oda)

At the urban level the SEP pillars also remain relevant in addressing new social issues and changes in lifestyles by providing guidance on how to live, but it is referred to under various local pseudonyms such as the Thammasat way or as holistic education or development initiatives.

The predicted growing importance in addressing issues of poverty and nutrition as well as addressing inequality for rural and urban areas further supports both the need for and the relevance of following the SEP / Thammasat way.

There are however major obstacles to the realization of the full potential of the SEP and none is more important as the lack of transparency and accountability in the sectors of the economy now associated with rapid growth and the gap between policy and development practice based around the SEP pillars.

5.3.7 Summary and Findings

Clearly the general understanding and perception of the SEP in the Lao PDR is high and indeed the SEP-like or Thammasat Way is an intrinsic part of the Lao culture and traditions. What is not seen however with the emergence of the 'newly rich' is the retention of support for the SEP as a policy actually being put into practice.

The SEP disconnect at the implementation level is particularly disturbing and manifests itself with growing inequality, unsatisfactory progress in achieving poverty reduction and the MDGs (particularly in the environmental area) and as well a poor ranking in the Transparency International 'perception-based' international rankings and in the United States government 'Trafficking in Persons' Tier 2 ranking of Lao PDR for 2014.

The Lao PDR will however have the opportunities in the next national development plan to better prioritize and better align itself to UN Post-2015 development agenda which embraces the SEP approach. But most importantly it must also strengthen its management and delivery systems and require adherence to minimum standards of transparency and accountability within its strong culture of “obligatory patronage”, as difficult and complex as this will be.

5.4 Summary of Semi-structured Interviews and Direct Observations

Based on the semi-structured interviews and direct observations in the Lao PDR it was found that there is a solid understanding of the SEP-like approaches and that these are seen as appropriate by both the general population as well as those in government and those working in development initiatives. Those directly involved in the model villages and development initiatives were also very well informed and knowledgeable about the SEP.

The interviews showed however that the general public while having a solid basic understanding of SEP-like approaches they did not have as good an understanding of the SEP as those actually working in development and or for the government. Never the less the general public was in general agreement with the importance of the pillars and challenges of the SEP and was also largely in agreement with the views expressed by government officials and those working in development.

It is clear from the interviews and observations that the locally developed SEP-like activities and approaches such as the Lao Thammasat Way and the work of PADETC have been and continue to be an intrinsic part of Lao culture. As such the agreement with and acceptance of the SEP was not necessarily seen as something new, but more than that of a different description and or structuring of an approach which was seen as intrinsically Lao and intrinsically theirs.

Both the general public and government workers while supporting the SEP or SEP-like approach were however very conscious of the disconnection between the SEP-like Policy and development practices currently in play. Concern about the SEP disconnect at the implementation level was clearly articulated by both the general public, government workers and seen from direct observations as being a consequence of current powerful international conventional development influences or the neo-liberal approach.

This disconnect was clearly observed and seen as particularly disturbing and it now manifests itself with growing inequality, and the unsatisfactory progress in achieving poverty reduction and the MDGs.

What is now increasingly seen with the emergence of the 'newly rich' is the retention of the SEP rhetoric while at the same time the subtle displacement of support for the SEP and or SEP-like approaches as a policy actually manifesting itself in practice.

The Table which follows summarizes the perceptions and understanding of the SEP by Government Officials, Development Specialists and direct observations as well as their view of challenges, priorities and opportunities in Laos

Table 32: Summary of the views of Government Officials, Development Specialists, and Direct Observations on the SEP and Development in the Lao PDR.

Issues		Level of Perception of the SEP						
		Low to High						
Understanding of Sustainable development		■	■	■	■	■	■	■
Knowledge and understanding of the SEP		■	■	■	■	■	■	■
Knowledge and understanding of the SEP application of model villages		■	■	■	■	■	■	■
Relevance of the SEP Pillars to the Lao PDR		■	■	■	■	■	■	■
Priorities for Development sought	<ul style="list-style-type: none"> ➤ Social <ul style="list-style-type: none"> ○ More schools, teachers and clinics, ➤ Holistic Education ➤ Economic <ul style="list-style-type: none"> ○ More tourism and eco-friendly, ○ More CSOs and more power for CSOs ○ People centred economic development ○ Land ownership ➤ Governance <ul style="list-style-type: none"> ○ Strong law enforcement, ➤ Environment, ➤ Environmental and Natural Resource Management, 							
Challenges for Development sought	<ul style="list-style-type: none"> ➤ Policy <ul style="list-style-type: none"> ○ Living within means ○ Need to change the mindset of people ○ Need to focus on “basic needs” ○ Increasing foreign influences in Lao, ○ Implementation of policy (disconnect between policy and implementation) ○ Corruption, ➤ Governance <ul style="list-style-type: none"> ○ Transparency ○ Culture of patronage ○ Implementation of policy ○ Law enforcement ○ Burden of donor requirements ○ Corruption ➤ Social <ul style="list-style-type: none"> ○ Growing inequality ○ Rapid changes in population and migration ○ Low education ○ Increasingly poor moral and ethical behaviour ○ Increasing social issues with drugs, gambling and prostitution, ➤ Economic <ul style="list-style-type: none"> ○ Increasing cost of living ➤ Increasing burden of debt 							

	Issues	Level of Perception of the SEP
		Low to High
Opportunities for Development sought	<ul style="list-style-type: none"> ➤ Governance and Policy <ul style="list-style-type: none"> ○ Strong political will and stability of the government ○ Natural Resources ○ Increasing capacity of government ➤ Economic <ul style="list-style-type: none"> ○ Sustainable Tourism, ○ Sustainable use of Natural Resources, ➤ Social <ul style="list-style-type: none"> ○ Relatively low population base compared to natural resources. ○ Strong traditional methods of development “Thammasat Way” ➤ Intrinsic “Buddhist” culture (middle path) 	

Source: Prepared by the Author based on direct observations and semi-structured interviews.



Chapter 6

Overall Findings and Conclusions

6.1 Overview

This Chapter provides the summary of the findings and conclusion of the research against the original research objectives and the two questions and hypotheses. This chapter also proposes areas of possible further research.

The objectives of this research can be summarized as:

1. Analyzing the SEP in the international development environment with respect to GOL policies
2. Learning from the case studies of the SEP Model villages and Training centres
3. Identifying issues to be addressed for Sustainable Development in Lao PDR

The specific questions raised during the research and the associated hypotheses are;

Q1. What is the SEP Concept? Is it already mainstreamed (but maybe described differently) and integrated with other accepted development concepts and practices?

H1: The SEP (possibly described by other terms) is already mainstreamed in traditional/conventional development approaches in the Lao PDR but it is not necessarily prioritized by the development partners and is subjugated by economic imperatives and other influences.

Q2. Is the perception of Development Planning Policy in the Lao PDR in accordance with the SEP?

H2. The perception of the Lao PDR Development Planning Policies is that it may follow the SEP but possibly not to an optimal extent.

6.2 Conclusions and findings

Facing up to the reality of the obvious failure of current western conventional approaches to adequately address poverty, environmental protection, social displacement, corruption and inequality also means looking for a better and more viable way to achieve SD and one which mandates basic decent ethical and moral standards and acceptable levels of transparency and accountability for a fairer society.

The SEP approach provides such an alternative to conventional approaches as it recognizes that for further improvements in the real quality of life, there is a need to shift attention and control away from a preoccupation with purely material gain to more balanced economic growth approaches which benefit the “many” and not just the “few”. And this requires a “middle path” to be able to realize ways of improving the psychological and social wellbeing of the society as a whole and to achieve greater fairness and equality. This “middle path” is also not necessarily the so called “centre” used to describe western political systems when there are discussions around the “left” and the “right” in national politics.

This research has validated the hypotheses to the research questions and as has been detailed in earlier Chapters of this research the following findings have been made with respect to the research objectives:

1. Analyzing the SEP in the international development environment with respect to GOL policies

Clearly the SEP is a philosophy or a philosophical approach and its importance and relevance is to sustainable development and the international development environment is very significant. This is largely because it reinforces the need for a universal code of ethics in development thinking especially in a developing country where there can be great difficulties in integrating and properly

balancing economic, social/cultural and environmental development components in a fair and even-handed manner.

The SEP envisages the adoption of moral/ethical standards for good governance and it draws on ideas from Buddhist-economics and people-centered development. It also encourages individuals to live a life that is less dominated by self-indulgence, greed and material accumulation, and or by acquiring more and more as the measure of so called “success”.

The SEP or SEP-like approach needs to start at an individual level and then the challenge remains in a neo-liberal dominated environment that the SEP and SEP-like approaches must progress to higher levels of governance and decision making. In effect there needs to be a translation and transition of the SEP from individual to community to nation and beyond for the full realisation of the SEP.

The SEP and SEP-like approaches are able to provide an overarching framework for sustainable development or the “triple bottom line” (or triple/quadruple bottom line if cultural considerations are included) development concept. And the SEP and SEP-like approaches are now supported by the most prominent of international development experts and development authorities alike.

It is not surprising therefore to now see the SEP and its concepts embedded in the context of the major development initiatives of the United Nations and its agencies and to see common understanding in the steps which need to be taken for the achievement of sustainable development in the UN Post-2015 global development agenda and the UN FAO’s agro-ecology programme for food security.

This research has confirmed the international standing and recognition of the SEP as well as its placing alongside other like-minded approaches. This research has also confirmed the benefits and advantages of the SEP-like approaches for genuinely sustainable, stable and balanced development.

The SEP and SEP-like philosophical concepts have been globally recognized by other countries and most certainly do have a profound relevance to the international development environment and particularly to sustainable development and they offer an alternative way ahead.

As such this provides some justification for decision makers looking for an improved development model to consider, select, implement and realize SEP-like approaches and practices in their development programmes.

At a national level within the Lao PDR this research shows that with numerous important policy and development instruments in place: National Socio Economic Development Plans, Prime Minister Decrees, A National Growth and Poverty Eradication Strategy, Localized Millennium Development Goals, the PRF, Localized Aid Effectiveness Indicators and a donor coordination process (Round Table Process), the Lao PDR already has a strong development policy framework in place to achieve development and reduce poverty.

These combined with the political ideology of socialism, a strong stable political regime, a devoutly Buddhist population with an understanding of the SEP-like Thammasat Way provide if implemented, viable plans and programmes for sustainable development and development following SEP principles and indicators.

Considerable difficulty however lays in translating the SEP and its policies into practice both within the GOL development programmes and in some cases the agricultural and development practices of the private sector and some communities in Lao PDR. And the consequences of this are very evident with growing inequality, the lack of satisfactory progress in social development goals and in the lack of care for the natural environment.

The Lao PDR is also in a region where external influences and economic prerogatives remain very powerful and can be difficult to negotiate with, particularly when the short term benefits and personal rewards for departing from the SEP ethics can be irresistible to the local decision makers.

However with greater effort the GOL should be able to introduce reforms and strengthen its capacity to be better able to realize the SEP in practice. This is a difficult ask but not impossible given the fact that at Policy level the SEP or SEP-like concepts are already well defined.

2. Learning from the case studies of Model villages and Training centres

Encouraging examples of the SEP synergies, importance, relevance and local application and replication can be readily seen in the international development environment with implementation of SEP Model Villages and Training Centers not only in the Lao PDR but also outside of Asia.

The implementation in the Lao PDR model villages and training centre activities as expected certainly follows the SEP and the SEP New Theory or SEP-like approaches. As such the research found that there was a very high level of harmonization with and a high understanding of the SEP by all involved (including importantly the beneficiaries).

Government Officials, donors, staff of the projects, and the recipients of the assistance at all sample sites investigated provided particularly clear and comprehensive as well as positive responses to questions on the activities under the SEP.

The focus of the SEP activities on those in most need benefited small farmers and the rural poor and as such more often than not focused on those who were

from poverty stricken areas providing them with basic needs and systems for the production of food and income.

The activities in the Model Villages and training centres provided thorough and practical teaching of the SEP and how to apply the SEP in the agricultural context to give greater resilience and self-sufficiency for the farmers. When funding allowed the training centres then provided additional support materials for the actual implementation by farmers particularly in the Model Villages.

The SEP model village which has been implemented on a very modest budget and involved for some activities “volunteer” Thai experts to implement some activities. The implementation from the beneficiaries’ point of view was extremely positive and the activities seem to be in a good position to be self-sustaining.

In the Lao PDR officials at the training centres observed a clear correlation between the SEP and with the Lao traditional/ natural “Thammasat Way” of farming and development. Recipients of the training and families in the model areas reported that life was definitely better for them as a result of the training and systems that had been put in place.

The recent expansion of the model villages / training centres shows that in the case of Lao government’s training/research centres initiatives that the work that was started with the HSHS-ADSC some 20 years ago still remains very relevant and is still very much in demand.

The implementation in the Lao PDR has however required a substantial financial investment (in both the training centres and model villages) and commitment to recurrent operational costs is not automatically assured placing at risk the optimal impact of these centres.

The awareness of the complexity of sustainable development and the transition between stages as explained in the SEP must not be under-estimated as well as the need for context location specific applications and replication.

3. Observing that current conventional Rural Development programmes should be more reflective of the local realities and problems and needs of the rural poor.

The current conventional approach to rural development (See Section 3.8) as a form of poverty reduction still remains in defiant contrast to the more traditional SEP-like holistic rural development approaches. Whereas the World Bank supported Poverty Reduction Fund (rural development) programmes measure their success by having completed more than 3000 sub-projects over the past 5 years there has been no discerning improvement in levels of poverty or in overall improved livelihoods. While improved access undoubtedly assists local communities it has also enabled easier access to and exploitation of local pristine natural resources

This World Bank focus on local assets related to access, education and health built by contractors with an expectation that locals should provide free labour and then look after the assets themselves. Important as these assets are, inevitably few of these assets will be able to be maintained by the rural poor and in a decade or so these assets will no longer function and again the World Bank will line up to propose the replacement of these assets.

The lack of attention to sustainable income generating and poverty reducing activities related to respectful access to natural resources and the lack of focus on building local capacities through more traditional local rural development approaches has also been of some frustration to the GOL and the LPRP. Both have now intervened with their own poverty reduction initiatives and these include the Soum Son Seun Jai initiative and the Politburo Sam Sang – Three Build Resolution,

which are more akin to the SEP-like and the more sustainable-livelihoods focused Thammasat Way.

Clearly the SEP Model Villages continue to have an important role to play in promoting a holistic and ethically and environmentally friendly approach to rural development model and poverty reduction and the World Bank could learn a lot by simply observing their efficacy and impact.

4. Identifying issues to be addressed for Sustainable Development in the Lao PDR

Key issues around sustainable development in Laos are numerous and complex, covering concerns such as transparency, land tenure and ownership, quality of foreign direct investment, growing inequality, management, environmental degradation, implementation and effectiveness of ODA, UXO clearance, Human Resources, a culture of patronage, persistent social and human rights issues including trafficking and the long standing battle against under-nutrition especially with the rural poor.

The GOL certainly must focus more on the protection and renewal of its natural resources which are both essential for the development of the country and also for poverty reduction. With the MDG programmes having so far been only partially successful the opportunity for the Lao PDR to now reformulate its next development plans and strategies to align better with the Post-2015 UN development agenda released in 2014.

Foremost among the new directions needed in Lao PDR to achieve its new goals and targets in the Post-2015 country plan will be the need to ensuring that there is an effective enabling environment in place for the realisation of the SEP or SEP-like approach.

6.3 Major Challenges

The replication and application of SEP can indeed provide a new “gold standard” for decent and ethically-based Sustainable Development. The challenge will be to have all development stakeholders including the IFIs and the major Bilateral donors gradually enable the SEP or SEP-like approaches to be mainstreamed into all of their development programmes as they accept the need for alternatives to the conventional neo-liberal approaches that are not working.

The pressing challenge for the Lao PDR is to address the disconnect between SEP and SEP-like approaches at policy level with their practical realization at implementation level, while countering the powerful influence of the neo-liberal agenda. While this disconnect persists the reality for the majority is that there will be growing inequality resulting in decreasing self-reliance for the majority while the privileged few live with much less moderation and less reasonableness.

While this disconnect remains it matters little how well SEP or like-minded concepts are integrated in government policy if at the end of the day it is not actually applied. The self-interests which exist including those following a neo-liberal agenda should not be allowed to continue to dictate development directions for the benefit of only the “few”. Taking a strong stance against such powerful advocates will not however be easy given the often irresistible benefits offered to simply go with the flow.

The second major challenge is how to address the bridging of the disconnection. There are fortunately many good examples of translating and transferring good policy ideas into practice whenever there is strong enough political will and the support of respected political champions. For example the assertive approach to realizing health policies to reduce smoking in countries in recent years

including New Zealand, Australia, Singapore and Thailand has produced extraordinarily successful results. “Where there’s a will then there is a way”²⁷.

With the growing debate in recent times over the issue of greater equality and the development of the post 2015 sustainable development agenda, the SEP realization is certainly still on the agenda in Lao PDR and beyond whenever the issues of poverty, climate change and sustainable development as well as greater fairness in equity from development is discussed. It remains now for the SEP challenges to be met as they should be in the new country development strategies, plans, programmes and implementation arrangements.

To paraphrase Sen “Laos is a country which should be described not by its GDP but by the manner in which it is reducing poverty and inequality and by the way it treats the most disadvantaged in its society”.

6.4 Possible areas for further research

As this research has identified the perceived disconnect in the actual SEP Policy and its implementation a study of the specific structural reform measures needed to rectify this perceived disconnect would be most useful. Such research could examine more closely the exact manner in which development programmes and projects are designed, specified and procured and likewise the manner in which farmers practice agriculture after their SEP training and how the “New Theory” Step development could be accelerated.

Future research could also look at the myriad of specific legislative and policy and strategy reforms needed to address the gap between SEP Policy and SEP realization and this could also look in detail at the shortcomings of the current

²⁷ An old English proverb.

enabling environment and consider how training and capacity building programmes can be improved.

Future research could also include scrutinizing the current procurement systems which should be entirely in the hands of the Lao PDR and not dictated to by the donors and IFIs. This could also include a close scrutiny of ISO 10845 (2010) the latest prescription for fairer and more transparent procurement. This research could then also examine the steps necessary for its acceptance and realization in GOL along with other essential measures to create a decent and seamless process environment for the delivery of the SEP concepts.

Future research on the SEP could also include examining the possibilities for the closer integration of the SEP into other SEP- like working development models or initiatives of other respected institutions working for poverty reduction, inequality reduction, the combatting of climate change and the attainment of improved wellbeing. Such research could also look to the possible broadening integration of SEP concepts with those envisaged in Universal Social Protection or a National Social Protection Programme as a complementary dimension to the SEP.

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APPENDIX

จุฬาลงกรณ์มหาวิทยาลัย
CHULALONGKORN UNIVERSITY

Appendix 1: Semi-structured interview guidelines

GUIDELINES FOR SEMI-STRUCTURED INTERVIEWS

Semi structured interview format: Questions (guideline only)

Note: responses given will not be attributed to individual persons unless approval given! Objective of interviews is to obtain perception towards the sufficiency economy with regards to sustainable development

Name:

Location:

Date:

Part 1: General Background

1.1 Please tell me about yourself and the work that you do and position that you hold?

1.2 Considering what you are doing now and your background in the past, what do you think in your opinion are the most important elements of development for the Lao PDR

Part 2: Sustainable Development Overview:

2.1 What is your understanding of Sustainable Development?

(The tradition definition of sustainable development is:

For the purpose of this research the term Sustainable Development (SD) refers to the 1987 United Nations Brundtland report:

“SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” It contains within it two key concepts: the concept of 'needs', in particular the essential needs of the world's poor, to which overriding

priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.”(Brundtland, 1987)

2.2 What is your understanding of other sustainable development approaches/ concepts? Buddhist economics, Gandian based economics, Gross National Happiness, Human Development Theory/Approach, Socialist Development Approach and Capitalist Development approach.

2.3 Do you think any of these approaches have relevance in the Lao PDR? Which?

Part 3: Sufficiency Economy Philosophy (SEP)

3.1 What do you understand about SEP?

The pillar of SEP is the middle path and comprises of a balance and promotion of Reasonableness, Moderation, Self-reliance, Resilience, Human capital, Physical Capital, Social Capital, Cultural Capital, Environmental Capital

3.2 Do you believe the SEP pillars are appropriate for sustainable development and the Lao PDR?

With an understanding of the Pillars of SEP can you explain the appropriateness and importance if any of each of the pillars and if known how Government Policy is addressing these issues?

Pillar	Appropriateness for SD in Lao PDR	GOL Policy
Reasonableness:		
Moderation:		
Self-reliance:		
Resilience:		
Human capital:		
Physical Capital:		

Social Capital:		
Cultural Capital:		
Environmental Capital:		

3.4 Do you see any contradiction between these pillars and that of the government / government policy or your own ideas with regards to SD?

Part 4: Government of Lao PDR Development Policy (NSEDP)

4.1 What do you understand about Government of Lao Development Policy, How would you describe the approach? What do you see as the focus of the government towards development (Sachs & (SDSN))

4.2 A number of countries that traditionally followed either socialism or capitalism – are now moving towards “state capitalism” – do you see this as a viable way forward.

4.3 What do you think are the most important policy tools that the Government has to implement Sustainable Development? (Poverty reduction strategies/ papers, national development plans, provincial development plans...)

Are these tools in place? How effective are these tools? (strengths / weaknesses)

4.4. Can you draw any relationship between the NSEDP and SD/ SEP. Is everything covered?

Part 5: Foreign Assistance (ODA)/ foreign direct investment (FDI) to the Lao PDR

5.1 ODA represents a high % of the Governments budget to implement its development policy. Do you feel that ODA directly supports government policy and or supports the development policy of the donors?

5.2 ODA partners have signed up to the Vientiane declaration and international agreements such as Rome, Paris, Accra and Busan. Do you feel that ODA partners are following these agreements of harmonisation and alignment with government policy and systems?

5.3 Foreign Direct Investment has been increasing at very high rates (total FDI = XX in 2011). Do you feel that FDI directly supports government policy for development?

5.4 FDI plays an increasing important role in development in the Lao PDR (mining sectors/ Electricity/ Agriculture), Do you see any issues with the current level and focus of FDI if so what? Are your interests protected / enhanced because of FDI?

Part 6: Opportunities and Challenges for Sustainable Development

6.1 What priorities/ opportunities/ challenges/ Issues do you think need to be looked more closely at to ensure sustainable development in the Lao PDR? (What are these at the individual, family, community and national level)?

6.2 What are the key issues to monitor with regards to sustainable development in the Lao PDR? Are policy tools / regulations in place?

6.3 The Lao PDR is developing at a very fast pace, based on traditional mechanisms for measuring development: per capita income, GDP growth: In your opinion, how effective and sustainable is current development in the Lao PDR? And is it addressing the need of the majority of the population?

6.4 Do you feel you are better off today than you did last year and or 5 or 10 years ago?

Part 7: Appropriateness of SEP pillars for Sustainable Development in the Lao PDR:

7.1 Is following a middle path and the balance and promotion of Reasonableness, Moderation, Self-reliance, Resilience, Human Capital,

Physical Capital, Social Capital, Cultural Capital, Environmental Capital appropriate for sustainable development in the Lao PDR?

7.2 Do you see any contradictions? Advantages? Disadvantages?

Part 8: Model Villages:

8.1 Please tell me about this model village / training centre and what it does?

8.2 What have been the benefits and or negatives with this development activity?

8.3 How has this development activity supported you and your family?

8.4 What has this activity taught you?

8.5 What would you do differently if you were to do this activity in a different location?

8.6 How sustainable do you feel this activity is? And who are beneficiaries?

8.7 Can you explain the activity under the SEP

Part 9: Summary/ Review/ Questions

9.1 Please let me know if you have any questions for me and or require any clarification of the questions or answer you have made.

-----end-----

Appendix 2: Selected quotations from the semi-structured interviews

Interview findings from the government officials and development workers:

On their understanding and perceptions of Sustainable Development (SD):

“SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

“SD is moving forward and doing so in way that you are protected to not only move forward and not move backwards”

“SD is living within your means”

“SD is having enough money, food and family”

“SD is about progressing in steps, ensuring that each step is safe and secure before moving forward (up) to the next step” (first make sure you have enough food to eat, then eat until you are full – once you have a enough food and clothing then move to the next step...)

“SD development is living the natural way and in balance with the environment”

“SD development is about achieving a balance between the environment, the economy and society”

“SD is about having what you need and not just about money and an increasing access or amount of money, need for a balance of economy, environment and social considerations to move forward in a balanced way”

“SD is when you meet the needs of the market – if you sell fish but no one wants to buy it is not sustainable development for you... you need to produce products and or provide services that people need”

“SD is when in everything you do you do with caring and sharing with everyone in a way that is fair for everyone”

“SD is Ha leang goom toon eng from 1975” (ensuring that you can have food to eat and that you can get / provide it and the other things you need for yourself) – following the Lao Government Party lines from 1975 – where all villages were encouraged to have adequate supplies that they needed; community fish farms, vegetables etc shared as a community.

On the question of the development in the Lao PDR and its Priorities, Challenges and Opportunities the understanding and perceptions of those being interviewed is represented in the following responses:

Regarding priorities for Development in the Lao PDR:

“Enhanced Governance systems and strong Human Resources to implement activities should be the priority“

“Infrastructure is the most important priority as without it people cannot access markets and or have facilities (water, electricity, schools, hospitals etc..) “

“Law enforcement and security”

“Environmental and natural resource management”

“Ensuring equality for all Lao people”

“Education”

“Implementation of Government Policy and Development Plans”

“Holistic Education”

Regarding challenges for development in the Lao PDR:

“We need to think within our means and not try to compete with others who are more often bigger and stronger (Thailand, Vietnam and China for example). We need to provide for ourselves following our way..... we try too much to compete against other countries.”

“We are not well prepared for Asian Economic Community (AEC) and fear that Lao may lose from this new arrangement”

“The low quality of education is a challenge and should be the main priority”

“Low human resources is a challenge for the development of the country – departments can have good leaders or good staff but normally they do not have enough to implement the work”

“Policy is detached from its implementation – good policy is in place but is a challenge to implement”

“Growing level of inequality between rural and urban must be addressed”

“Increasing social issues are becoming a big challenge – prostitution, crime, theft and drugs”

“Burden from International donors on reporting and implementation processes of assistance which does not follow government systems”

“Poor moral and ethical behavior of some”

“Inadequate Governance structures and levels for transparency and good governance”

“The capacity and financial resources to implement policy is the greatest challenge the government and people face”.

Regarding opportunities for development in the Lao PDR:

“As a late starter in development Lao is able to leapfrog development processes and learn from other countries mistakes – ability to save natural environment which has been lost in many countries who developed earlier”

“Using the natural resources like mining and electricity can provide the Lao PDR with resources and income to provide for services... this is the biggest opportunity for the country”

“Strong political will and stability is a great strength for the country to support development”

“With a low population and high natural resources, Lao is able to easily provide food and other basics that we need”

“Strong policy framework and consultative process provide strong opportunity for development”

“Efficient use and management of countries natural resources will develop Lao and remove poverty”

“Lao are peaceful and kind people and this is a strong opportunity – no issues with religious conflict”

Understanding and perceptions of the SEP and the application of the SEP model villages

Across the board, those interviewed displayed a high level of understanding with regards to knowledge and understanding of SEP and somewhat less of the application of the SEP model villages. The following responses were provided to this question:

“SEP is like “Ha leang goom toon eng” 1975 (be sustainable for ensuring you can have / get food for yourself and other things you need – to be self-sustainable at an individual, family and community level)”

“SEP is a step by step approach to development, step by step ensuring that once basic self-sustaining needs (food and shelter) are met you move to the next step and develop further and then the next step..... in Lao we call this “Yang Yearn Bor Men Yearn Yong” ~ a step by step approach.”

“SEP is living in balance with nature”

“SEP is to do things yourself to be able to live and survive without the need for others”

“To live with moderation and self-reliance.... to be self-sufficient and look after yourself”

“To not develop and urbanise, to be modern farmers”

“SEP model villages provide food and income for farmers so that they can feed themselves and earn money.... It provides a system for farmers to follow so that they can better look after themselves”

“SEP is Thai Government and Royal family rhetoric to support and keep poor farmers happy.”

“SEP is a sustainable approach to development that provides resilience against externalities.

Understanding and perceptions of linkages of the SEP with Lao government policy

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The responses below from the informants show that they did not find great disparities between the SEP and Lao Government Policy and in a number of cases saw it as the same thing. In some cases informants thought that the SEP actually followed Lao Government policy and or the Lao way of development.

“SEP is unique in name but not in ideas.... It is not unique and is the same as or follows traditional Lao ways of development, following steps in development (the first step making sure you have enough food....”

“The New Theory and the model villages is the same as following traditional Lao ways of agriculture, the “natural” Thammasat Way.....

but some natural ways have been lost and so the SEP provides for a structure for farmers and the rural population to live and be self-sustaining at a minimum ”

“Because SEP is implemented in Lao under Lao government projects and so the idea is accepted by the Government of Lao – if SEP was not accepted then Lao would choose not to implement SEP projects – The Government likes SEP and the projects”

“SEP follows the Lao “Thammasat Way” (the natural way) of development and the Thammasat Way is a Lao way of living and surviving – The Thammasat Way is part of our government policy (reference to NGPES) and so because SEP is also the Thammasat Way the two ideas link”

“Government of Lao Policy provides for all Lao people to have their basic needs met, SEP also aims for the same, because of this they can be linked”

“The SEP is a philosophy at a high level and as such high level ideas and ideals of the government can be linked ... these include everyone having access to services, everybody being protected at a family level or community or country level and being able to have food, clothing and shelter....because of these high level universal needs the two can be linked”.

“The SEP does not seem to go against any Lao policies but the government does not in any way specifically follow SEP”.

Understanding and perceptions of the relevance of the SEP and its pillars to the Lao PDR

On the question of relevance of the SEP and its Pillars (Moderation, Reasonableness and Resilience) to the Lao PDR the following responses were provided:

“HSHS (KM 22 Vientiane) was established based on a request from our President to the King of Thailand as the SEP and New Theory are seen as appropriate for Lao – this was the case and still remains the case” – if SEP was not relevant for Lao the President would not have asked for these centres, these centres still remain important today.”

“SEP is the same as the “Thammasat Way” and the Thammasat way is the Lao way to live and provide for yourself – so SEP is relevant because as it is the same”

“As a Buddhist country Lao people follow the Buddhist way and being good, and not hurting people or the environment, doing and having things in moderation and being able to look after yourself and your family is the Buddhist way – the idea of SEP follows the same way – the same like gross national happiness so the SEP is appropriate for us.

“The pillars of Moderation, Reasonableness and Resilience or self-reliance are very relevant to the Lao PDR, as Lao develops it must ensure that it does so in a way that sensible, realistic, fair and provides for its people without relying on others... the idea of SEP supports this idea and this is what the Lao government is also trying to implement.”

“SEP is relevant because Lao still has poor people in rural areas and SEP can help people in rural areas and farmers provide for themselves and then there will be no more poor people”

Views expressed by informants outside of the core questions.

“Government of Lao Policy is Government of Lao policy it does not follow other Government’s policy or ideas it follows its own ideas for the people of Lao”

Interview findings on perception of the SEP from the general public (students/ farmers/ private sector)

Understanding and perceptions of sustainable development (SD):

Regarding their understanding of SD; informants provided:

“SD is about having food to eat today and tomorrow”

“Doing things in a way that can continue forever”

“SD is about having enough now and forever and ever”

“SD is about having what we need and what our children need”

“To maximize the use of the natural resources for everyone to use”

“SD is about having more than we had before”

“SD is living with what you have and not borrowing”

“SD is producing/ making what the market needs”

“SD is Ha leang goom toon eng”

“SD is using what you need and leaving what your children will need in the future... not taking more than you need living in moderation”.

Understanding and perceptions of priorities, challenges and opportunities with development in the Lao PDR

Regarding priorities for Development in the Lao PDR:

“need for more schools, teachers and clinics (medical facilities)”

“Tourism should be a priority for the Government as it brings in income and provides jobs and opportunities for many different people from business owners to hotel staff to farmers providing food.... Eco-tourism also helps protect the environment”

“Need for stronger law enforcement”

“Greater empowerment of civil society organisations”

“Strengthening local communities so that they can be the owner of their future”

“Land ownership for local communities”

“Ensuring fair equal development”

“Environmental and natural resource management”

“Education” and “Holistic Education” (referring to parts of the population being corrupted by vices and wanting people to re-learn traditional values of respect and community).

Regarding challenges to Development in the Lao PDR:

“Need to change the mindset of the people to being happy with what they have and living with what they need and not just what they want or think they want or need”

“Need to focus on “basic” things first before jumping to a very modern society”.

“People need to have ownership of land”

“Quality of education must increase”

“Lao people now have debt and borrow money.... Before we did not have debt and this is not a problem.... before if you had money and wanted a car you can buy a car, but now if you want a car but don't have money you can borrow and many people do not understand.... and when you cannot pay back it is a big problem”.

“Drugs, Gambling and Prostitution with the youth is a big problem”

“Increasing number of foreigners in the Lao PDR (specific reference was made regarding the number of Chinese in OudomXay, LuangPrabang and Vientiane) and that this was not good for Laos”

“Our children must speak Lao and live by Lao traditions.... not by Chinese, Vietnamese or Thai traditions and language.”

“Implementation of policy is very difficult; this is because of bad staff or staff with no motivation to work”.

“Some people can go above the law and rules if they have money and influence and this is a challenge when they do this and it can hurt the people... some people can do whatever they like and take whatever they want.”

“Poor moral and ethical behavior of some”

“Corruption”  *จุฬาลงกรณ์มหาวิทยาลัย*
CHULALONGKORN UNIVERSITY

“A great inequality of wealth over the last 10 years is a major challenge for the development of the country and the government..... great wealth can now be seen but attributing the great wealth to a normal successful “legal” business is very difficult as such.....also how the wealth has been generated is also a concern”.

“Foreign business taking over and exploiting Lao”

“Cost of basic Services is a big challenge before services like education and health were free but now we have more options but all must be paid for and we do not have money to pay for the services”

“People move from rural areas go to the city to find work and then become dependent on the work and when they lose their job they have big problems and cannot go back to the farm.... People also sell the farm or house from the family and buy cars and telephones and when they break or have problems they also have big problems as they have sold the family land/ farm or house... everyone needs to have holistic education and make sure that their needs can continue to be met (by or from the land) before being tempted by “wants”.

Regarding opportunities for Development:

“Lao has a natural environment for tourism and agriculture”

“Strong, rich and abundant natural resources and environment”

“Need to use the natural resources to move the Lao people out of poverty”

“Use the strength of the Lao religion to support a natural Buddhist way of living with the environment based on needs not wants”

“If the natural resources can stay owned by the Lao people this will bring long term sustainability.... If the resources are sold then the Lao people will not have a good future so the opportunity is to keep the ownership of the resource with Lao people and for profit from resources to be shared with all Lao people”

“Follow traditional “Thammasat way” of development – The Thammasat way is the natural way and it is safe for the people”.

Understanding and perceptions of the SEP and the application of the SEP model villages

On the questions of understanding and perceptions of the SEP and the application of the SEP model villages, the following responses were given:

“SEP is a way of living from the King of Thailand to help all of the people”

SEP is about living with the nature and making sure you have food and security for you and your family”

“SEP is about growing food to eat and to sell so that you can be self-sufficient”

“SEP is a step by step approach”

“To do things yourself to be able to live and survive without the need for others”

“One District One Product (ODOP) – is an example of producing thing the Lao way, using local “wisdom” for sustainable livelihoods”

“SEP is a sustainable approach to development that provides resilience against externalities”.

“SEP model villages provide farmers to have food and income that is sustainable”

“Making farmers better live with the environment and providing for themselves”

Understanding and perceptions of linkages of the SEP with Lao government policy

On the question of understanding and perceptions of linkages of the SEP with Lao Government Policy the follow responses were made:

“Ha leng goom toon eng” has been government policy in Lao since the mid-1970s, this is government policy and is the same as SEP it is about ensuring you have what you need”

“SEP is government policy..... the SEP model villages and training centres are Lao government projects and so this must follow Government Policy”

“The Government of Lao aims for everyone to have their basic needs met and for no poverty.... SEP seeks the same, so they can be linked”.

“SEP Model villages are Lao model villages so it is the same thing – same same”

“At a policy level or high level the Government Policy and SEP can be seen as the same.... the difference or similarity is with implementation is what is said at a high level and what is actually implemented is not the same”.

“Examples of model villages have been done under SEP and also done as part of other development initiatives not related to SEP The problem is that it is not applied for everyone everywhere just in “model

villages” The SEP agriculture training centres are good because they help many people to provide for themselves not just the model village”.

Understanding and perceptions of the SEP and its pillars to the Lao PDR

On the question of understanding and relevance of SEP and its Pillars (Moderation, Reasonableness and Resilience/ Self-Reliance) to the Lao PDR the following responses were provided:

“The ideas of moderation, reasonableness and self-reliance of the SEP are not new to Lao, these follow traditional Lao values and also Buddhist values.... Because they are the same SEP is relevant to Lao”.

“SEP is the Thammawat Way (Natural Lao Way)”

“Buddhism is about a holistic approach and so is SEP, Lao people are Buddhist and so it can be the same”

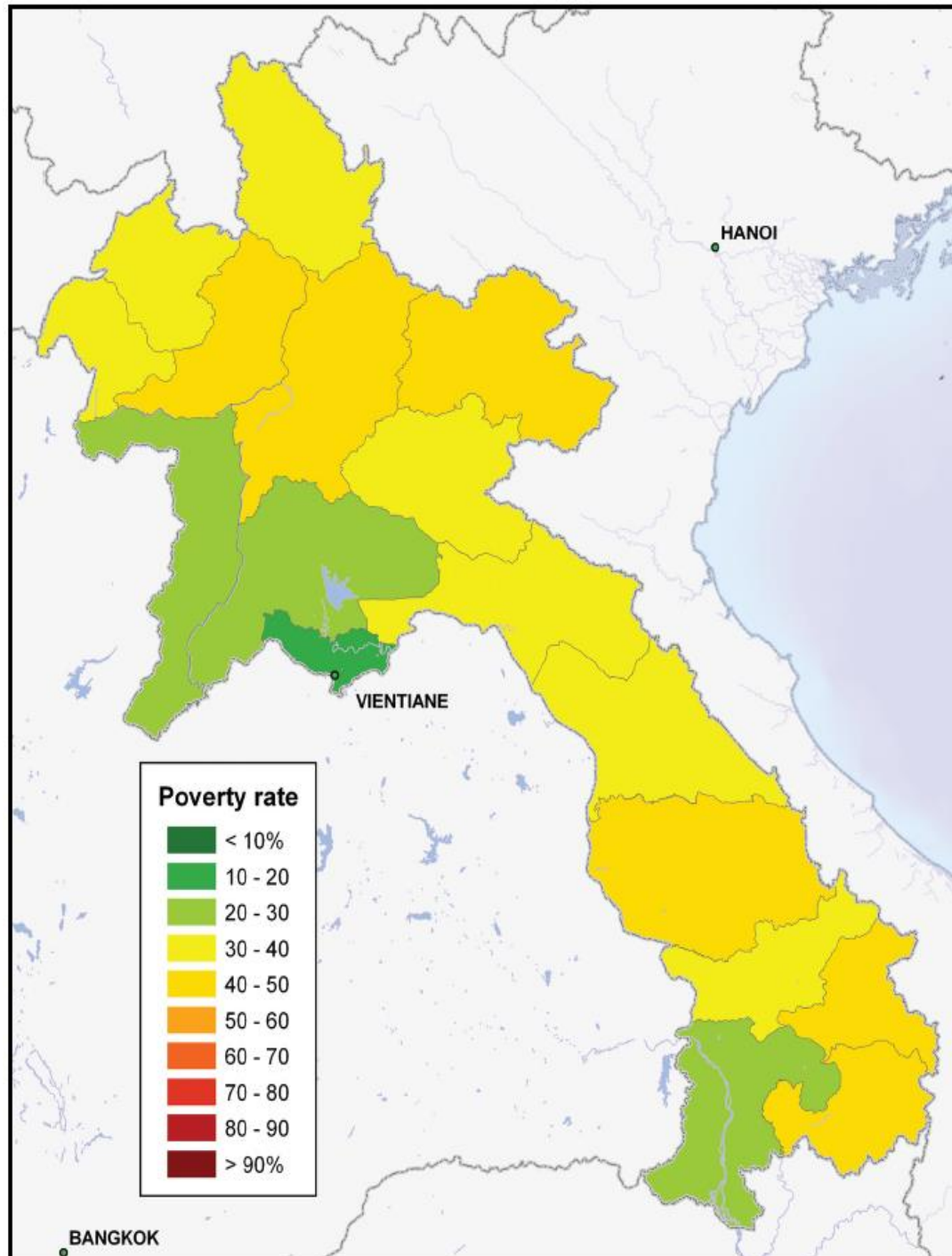
“SEP is relevant because it tries to help people and to help people look after themselves and others and this is what everyone wants and needs”

Appendix 3: Lao PDR Maps and Tables

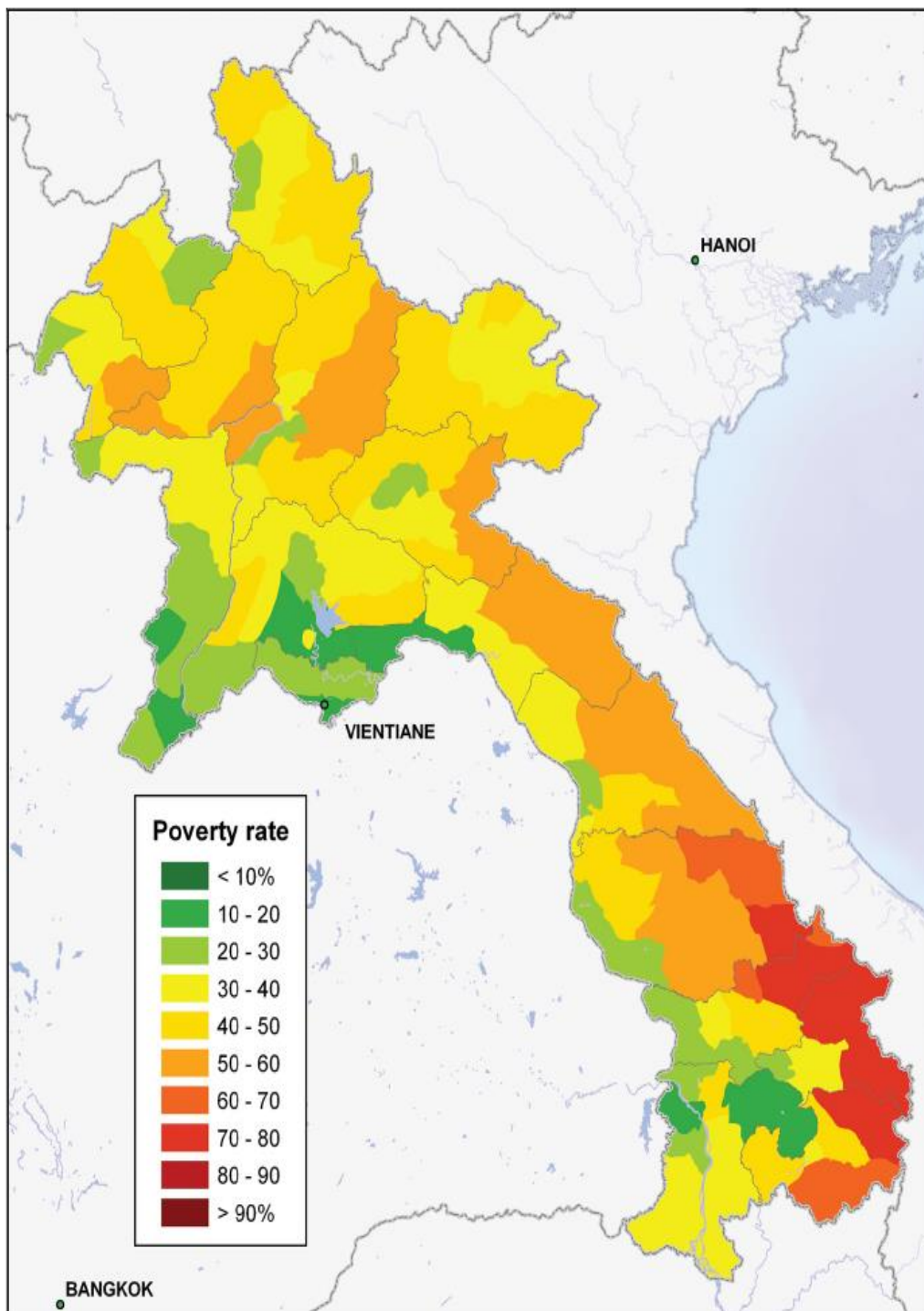
Map 1: Map highlighting areas of research (Province) - Prepared by Digital Naga (Lao PDR)



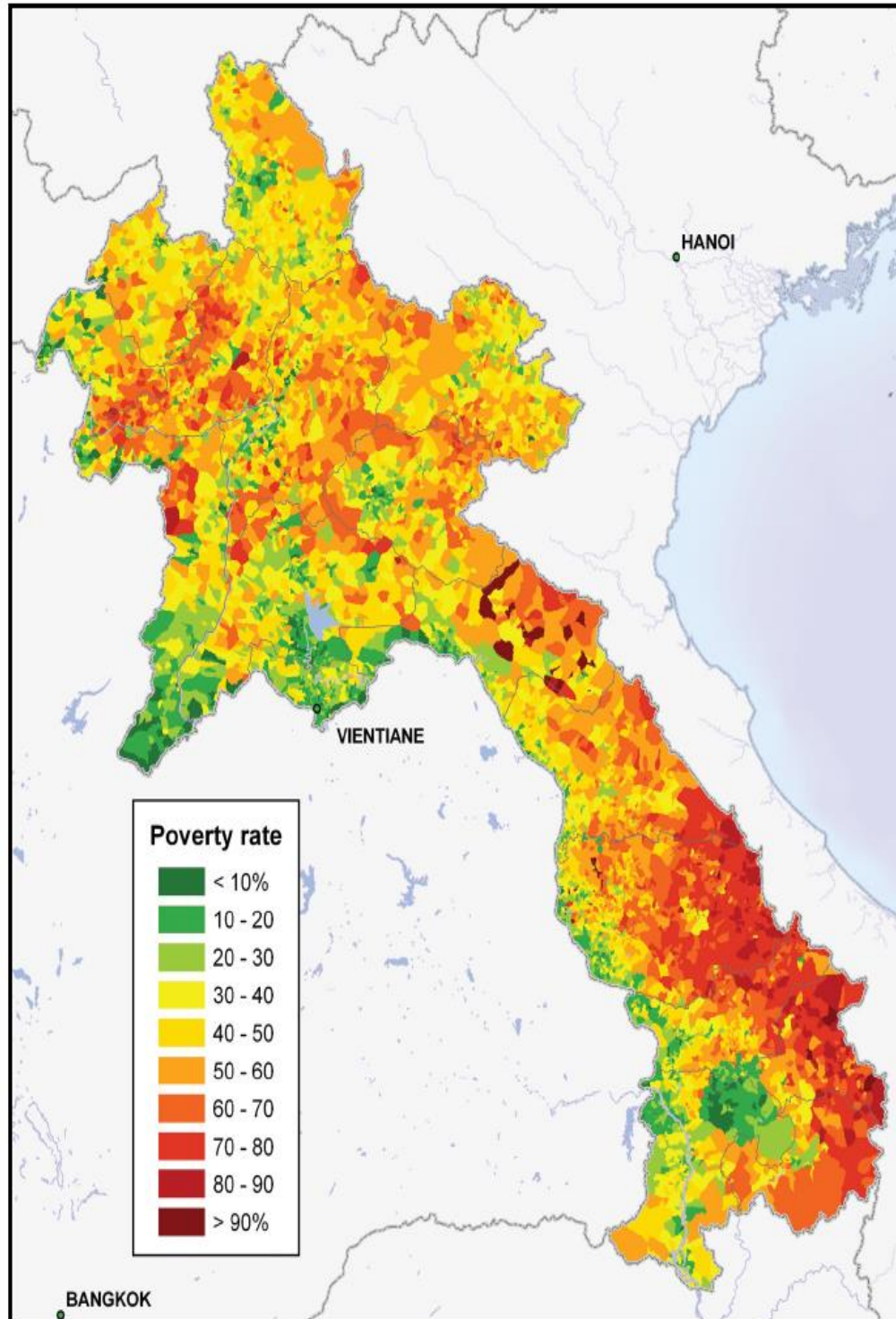
Map 2: Map of the incidence of poverty (citypopulation.de) of each Province
(Epprecht et al., 2008) page 24



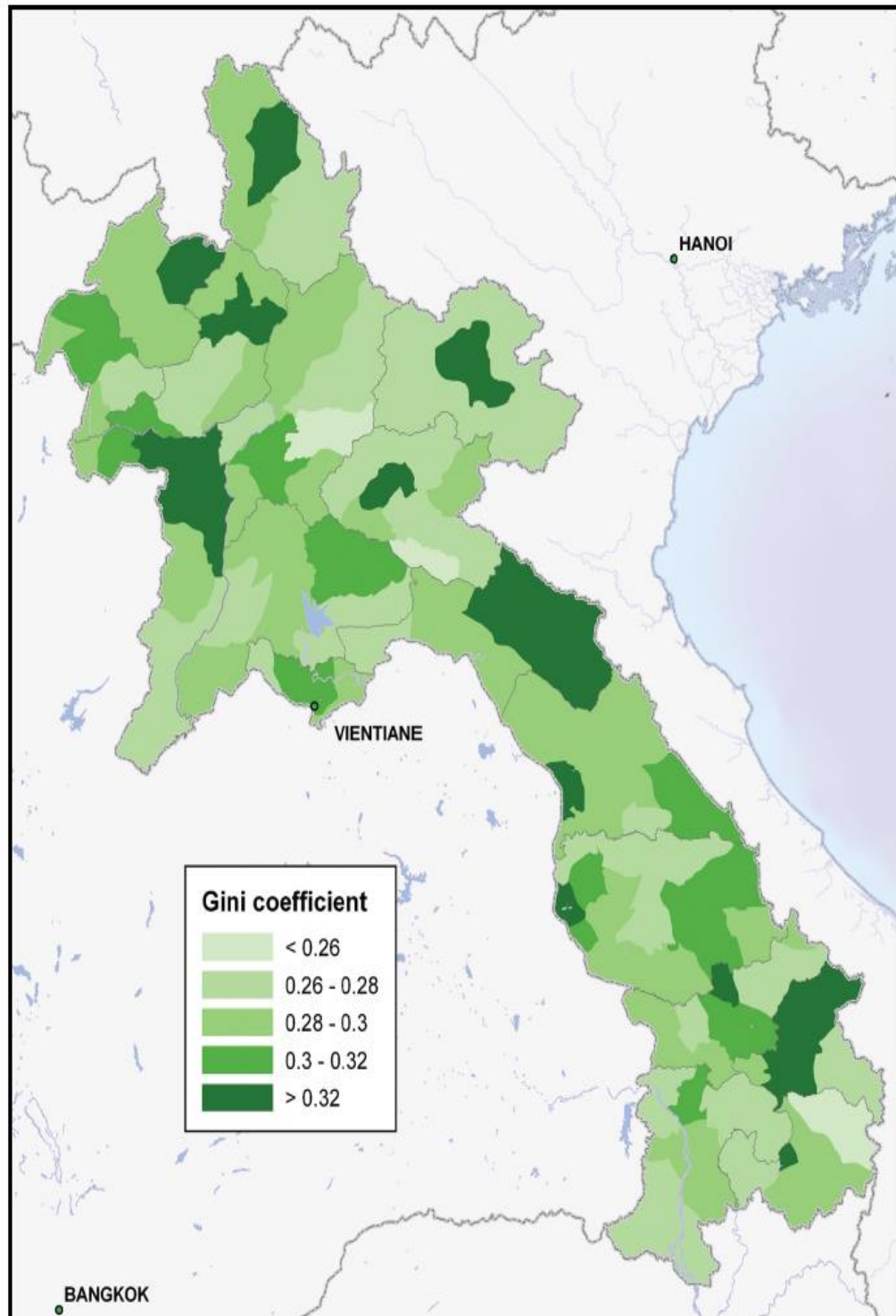
Map 3: Map of poverty by District (Epprecht et al., 2008) page 26



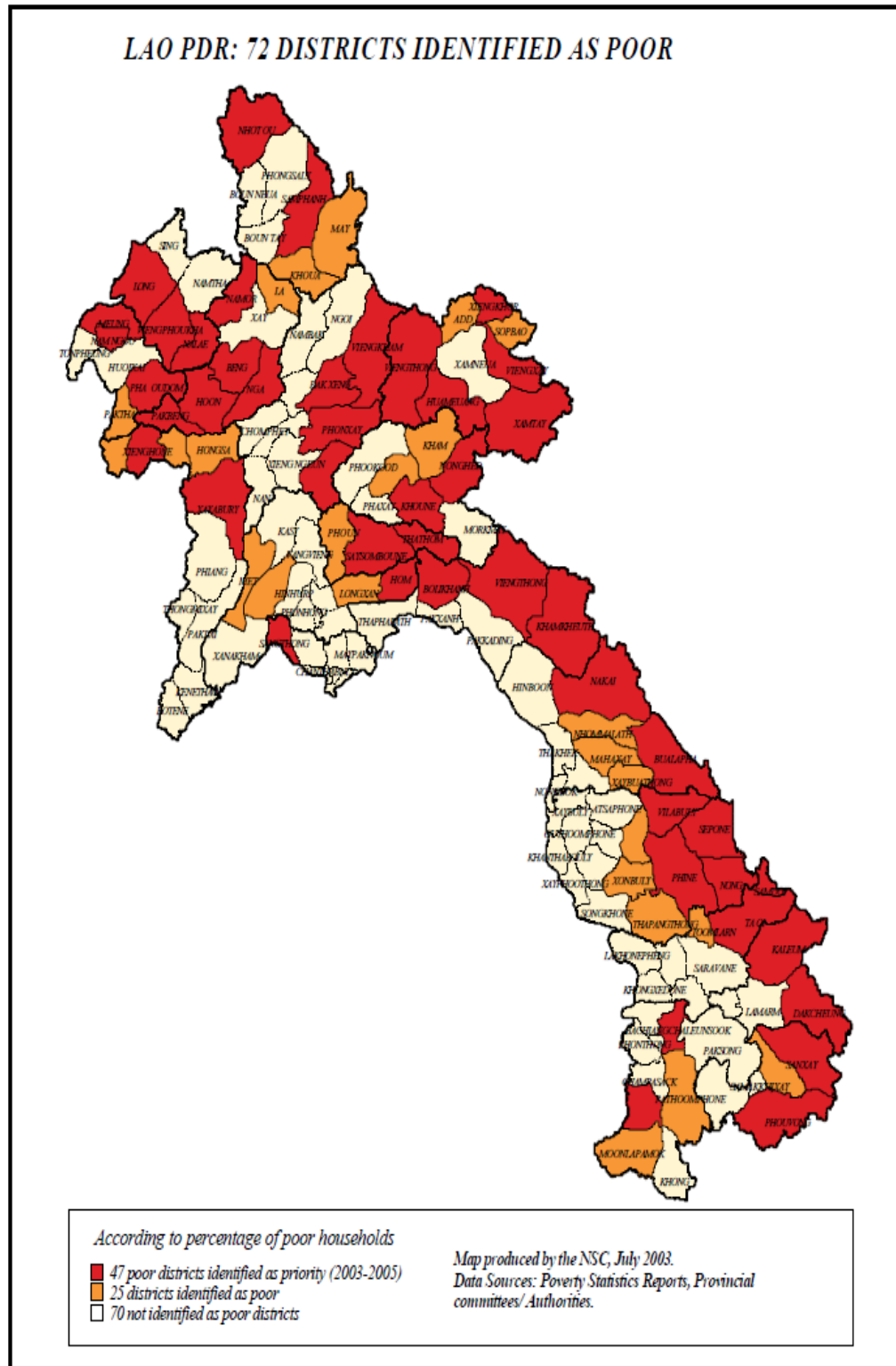
Map 4: Map of the incidence of poverty (citypopulation.de) for each Village
(Epprecht et al., 2008) Page 30



Map 5: Map of inequality as measured by the Gini coefficient (Epprecht et al., 2008) page 39



Map 6: Map Department of Statistics District Poverty Map of 72 Districts identified as poor. (DOS GOL 2004) page 51



Appendix 4: Open Working Group proposal for Sustainable Development Goals

Open Working Group proposal for Sustainable Development Goals

Dated August 2014

Adopted 10 September by UNGA

Source: Retrieved 26 November 2014

<http://sustainabledevelopment.un.org/content/documents/1579SDGs%20Proposal.pdf>

INTRODUCTION

1. The outcome document of the United Nations Conference on Sustainable Development, entitled “The future we want”, inter alia, set out a mandate to establish an open working group to develop a set of sustainable development goals for consideration and appropriate action by the General Assembly at its sixty-eighth session. It also provided the basis for their conceptualization. The document gave the mandate that the sustainable development goals should be coherent with and integrated into the United Nations development agenda beyond 2015.
2. Poverty eradication is the greatest global challenge facing the world today and an indispensable requirement for sustainable development. In the outcome document, the commitment to freeing humanity from poverty and hunger as a matter of urgency was reiterated.
3. Poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development are the overarching objectives of and essential requirements for sustainable development.
4. People are at the centre of sustainable development and, in this regard, in the outcome document, the promise was made to strive for a world that is just, equitable and inclusive and the commitment was made to work together to promote sustained and inclusive economic growth, social development and environmental protection and thereby to benefit all, in particular the children of the world, youth and future generations of the world, without distinction of any kind such as age, sex, disability, culture, race, ethnicity, origin, migratory status, religion, economic or other status.
5. In the outcome document, all the principles of the Rio Declaration on Environment and Development, including, inter alia, the principle of common but differentiated responsibilities, as set out in principle 7 thereof, were also reaffirmed.

6. In the outcome document, the commitment to fully implement the Rio Declaration, Agenda 21, the Programme for the Further Implementation of Agenda 21, the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation) and the Johannesburg Declaration on Sustainable Development, the Programme of Action for the Sustainable Development of Small Island Developing States (Barbados Programme of Action) and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States was also reaffirmed. The commitment to the full implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action), the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, the political declaration on Africa's development needs and the New Partnership for Africa's Development was also reaffirmed. The commitments in the outcomes of all the major United Nations conferences and summits in the economic, social and environmental fields, including the United Nations Millennium Declaration, the 2005 World Summit

Outcome, the Monterrey Consensus of the International Conference on Financing for Development, the Doha Declaration on Financing for Development, the outcome document of the high-level plenary meeting of the General Assembly on the Millennium Development Goals, the Programme of Action of the International Conference on Population and Development, the key actions for the further implementation of the Programme of Action of the International Conference on Population and Development and the Beijing Declaration and Platform for Action and the outcome documents of their review conferences were reaffirmed. In the outcome document of the special event to follow up reports made towards achieving the Millennium Development Goals, held in September 2013, inter alia, the determination to craft a strong post-2015 development agenda was reaffirmed. The commitment to migration and development was reaffirmed in the Declaration of the High-level Dialogue on International Migration and Development.

7. In the outcome document, the need to be guided by the purposes and principles of the Charter of the United Nations, with full respect for international law and its principles, was reaffirmed. The importance of freedom, peace and security, respect for all human rights, including the

right to development and the right to an adequate standard of living, including the right to food and water, the rule of law, good governance, gender equality, women's empowerment and the overall commitment to just and democratic societies for development was reaffirmed. The

importance of the Universal Declaration of Human Rights, as well as other international instruments relating to human rights and international law, was also reaffirmed.

8. The Open Working Group underscored that the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, with a view to accelerating the reduction of global greenhouse gas emissions. It recalled that the United Nations Framework Convention on Climate Change provides that parties should protect the climate system for the benefit of present and future generations of humankind on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. It noted with grave concern the significant gap between the aggregate effect of mitigation pledges by parties in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with having a likely chance of holding the increase in global average temperature below 2°C, or 1.5°C above pre-industrial levels. It reaffirmed that the ultimate objective under the Convention is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

9. In the outcome document of the United Nations Conference on Sustainable Development, it was reaffirmed that planet Earth and its ecosystems are our home and that “Mother Earth” is a common expression in a number of countries and regions. It was noted that some countries recognize the rights of nature in the context of the promotion of sustainable development. The conviction was affirmed that, in order to achieve a just balance among the economic, social and environmental needs of present and future generations, it is necessary to promote harmony with nature. The natural and cultural diversity of the world was acknowledged, and it was recognized that all cultures and civilizations can contribute to sustainable development.

10. In the outcome document, it was recognized that each country faces specific challenges to achieve sustainable development. The special challenges facing the most vulnerable countries and, in particular, African countries, least developed countries, landlocked developing countries and small island developing States, as well as the specific challenges facing the middle-income countries, were underscored. It was recognized that countries in situations of conflict also need special attention.

11. In the outcome document, the commitment to strengthen international cooperation to address the persistent challenges related to sustainable development for all, in particular in developing countries, was reaffirmed. In that regard, the need to achieve economic stability, sustained economic growth, the promotion of social equity and the protection of the environment, while enhancing gender equality, women’s empowerment and equal employment

for all, and the protection, survival and development of children to their full potential, including through education, was reaffirmed.

12. Each country has primary responsibility for its own economic and social development and the role of national policies, domestic resources and development strategies cannot be overemphasized. Developing countries need additional resources for sustainable development. There is a need for significant mobilization of resources from a variety of sources and the effective use of financing, in order to promote sustainable development. In the outcome document, the commitment to reinvigorating the global partnership for sustainable development and to mobilizing the resources necessary for its implementation was affirmed. The report of the Intergovernmental Committee of Experts on Sustainable Development Financing will propose options for a sustainable development financing strategy. The substantive outcome of the third International Conference on Financing for Development, in July 2015, will assess the progress made in the implementation of the Monterrey Consensus and the Doha Declaration. Good governance and the rule of law at the national and international levels are essential for sustained, inclusive and equitable economic growth, sustainable development and the eradication of poverty and hunger.

13. In the outcome document, it was reaffirmed that there are different approaches, visions, models and tools available to each country, in accordance with its national circumstances and priorities, to achieve sustainable development in its three dimensions, which is our overarching goal.

14. The implementation of the sustainable development goals will depend on a global partnership for sustainable development with the active engagement of Governments, as well as civil society, the private sector and the United Nations system. A robust mechanism to review implementation will be essential for the success of the goals. The General Assembly, the Economic and Social Council and the high-level political forum will play a key role in this regard.

15. In the outcome document, the commitment was reiterated to take further effective measures and actions, in conformity with international law, to remove the obstacles to the full realization of the right of self-determination of peoples living under colonial and foreign occupation, which continue to adversely affect their economic and social development as well as their environment, are incompatible with the dignity and worth of the human person and must be combated and eliminated.

16. In the outcome document, it was reaffirmed that, in accordance with the Charter, this shall not be construed as authorizing or encouraging any action against the territorial integrity or political independence of any State. It was resolved to take further effective measures and actions, in conformity with international law, to remove obstacles and constraints, strengthen

support and meet the special needs of people living in areas affected by complex humanitarian emergencies and in areas affected by terrorism.

17. To monitor the implementation of the sustainable development goals, it will be important to improve the availability of and access to data and statistics disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts. There is a need to take urgent steps to improve the quality, coverage and availability of disaggregated data to ensure that no one is left behind.

18. The sustainable development goals are accompanied by targets and will be further elaborated through indicators focused on measurable outcomes. They are action oriented, global in nature and universally applicable. They take into account different national realities, capacities and levels of development and respect national policies and priorities. They build on the foundation laid by the Millennium Development Goals, seek to complete the unfinished business of the Millennium Development Goals and respond to new challenges. They constitute an integrated, indivisible set of global priorities for sustainable development. Targets are defined as aspirational global targets, with each Government setting its own national targets guided by the global level of ambition, but taking into account national circumstances. The goals and targets integrate economic, social and environmental aspects and recognize their interlinkages in achieving sustainable development in all its dimensions.

SUSTAINABLE DEVELOPMENT GOALS

* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

GOAL 1 End poverty in all its forms everywhere

GOAL 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

GOAL 3 Ensure healthy lives and promote well-being for all at all ages

GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

GOAL 5 Achieve gender equality and empower all women and girls

GOAL 6 Ensure availability and sustainable management of water and sanitation for all

GOAL 7 Ensure access to affordable, reliable, sustainable and modern energy for all

GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

GOAL 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

GOAL 10 Reduce inequality within and among countries

GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable

GOAL 12 Ensure sustainable consumption and production patterns

GOAL 13 Take urgent action to combat climate change and its impacts*

GOAL 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development

GOAL 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

GOAL 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development

GOAL 1

1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.3 Implement nationally appropriate social protection systems and measures for all, including "floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions End poverty in all its forms everywhere

GOAL 2

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons

2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and ensure access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries

2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round

2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

GOAL 3

- 3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births
- 3.2 By 2030, end preventable deaths of newborns and children under 5 years of age
- 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
- 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well being
- 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
- 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents
- 3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
- 3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate
- 3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all
- 3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States
- 3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks Ensure healthy lives and promote well-being for all at all ages

GOAL 4

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 By 2030, increase by [x] per cent the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

4.6 By 2030, ensure that all youth and at least [x] per cent of adults, both men and women, achieve literacy and numeracy

4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all

4.b By 2020, expand by [x] per cent globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

4.c By 2030, increase by [x] per cent the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

GOAL 5

5.1 End all forms of discrimination against all women and girls everywhere

5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation

5.3 Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation

5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences

5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws

5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women

5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels Achieve gender equality and empower all women and girls

GOAL 6

6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all

6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and increasing recycling and safe reuse by [x] per cent globally

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate

6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

6.a By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies

6.b Support and strengthen the participation of local communities in improving water and sanitation management Ensure availability and sustainable management of water and sanitation for all

GOAL 7

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency

7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology

7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries and small island developing States

Ensure access to affordable, reliable, sustainable and modern energy for all

GOAL 8

8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

8.7 Take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour and, by 2025, end child labour in all its forms, including the recruitment and use of child soldiers

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries

8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

GOAL 9

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and increasing the number of research and development workers per 1 million people by [x] per cent and public and private research and development spending

9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States

9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

GOAL 10

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations

10.6 Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements

10.b Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes

10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent

Reduce inequality within and among countries

GOAL 11

11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage

11.5 By 2030, significantly reduce the number of deaths and the number of people affected and decrease by [x] per cent the economic losses relative to gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

11.b By 2020, increase by [x] per cent the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, develop and implement, in line with the forthcoming Hyogo Framework, holistic disaster risk management at all levels

11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials

Make cities and human settlements inclusive, safe, resilient and sustainable

GOAL 12

12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production

12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

12.c Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities

Ensure sustainable consumption and production patterns

GOAL 13

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

13.2 Integrate climate change measures into national policies, strategies and planning

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

13.a Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible

13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries, including focusing on women, youth and local and marginalized communities

Take urgent action to combat climate change and its impacts*

* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

GOAL 14

14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans

14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels

14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information

14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation (1)

14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries

14.b Provide access for small-scale artisanal fishers to marine resources and markets

14.c Ensure the full implementation of international law, as reflected in the United Nations Convention on the Law of the Sea for States parties thereto, including, where applicable, existing regional and international regimes for the conservation and sustainable use of oceans and their resources by their parties

(1) Taking into account ongoing World Trade Organization negotiations, the Doha Development Agenda and the Hong Kong ministerial mandate.

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

GOAL 15

15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation by [x] per cent globally

15.3 By 2020, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land-degradation-neutral world

15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

15.6 Ensure fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources

15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

GOAL 16

16.1 Significantly reduce all forms of violence and related death rates everywhere

16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children

16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all

16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime

16.5 Substantially reduce corruption and bribery in all their forms

16.6 Develop effective, accountable and transparent institutions at all levels

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance

16.9 By 2030, provide legal identity for all, including birth registration

16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime

16.b Promote and enforce non-discriminatory laws and policies for sustainable development
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive

GOAL 17

17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

17.2 Developed countries to implement fully their official development assistance commitments, including to provide 0.7 per cent of gross national income in official development assistance to developing countries, of which 0.15 to 0.20 per cent should be provided to least developed countries

17.3 Mobilize additional financial resources for developing countries from multiple sources

17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress

17.5 Adopt and implement investment promotion regimes for least developed countries

17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism when agreed upon

17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8 Fully operationalize the technology bank and science, technology and innovation capacity building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation Strengthen the means of implementation and

revitalize the global partnership for sustainable development

Finance, Technology, Capacity-building

17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda

17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access

Policy and institutional coherence

17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence

17.14 Enhance policy coherence for sustainable development

17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development

Multi-stakeholder partnerships

17.16 Enhance the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Data, monitoring and accountability

17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.



VITA

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Justin is married with three children and has 15 years of international development experience with a focus on the Asia Pacific Region, working for extended periods in Cambodia, Indonesia, Lao PDR, Myanmar, Papua New Guinea, Thailand and Timor-Leste with International Development organizations including the Asian Development Bank, UNDP, AusAID, EU and NZAID.

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Recent publications for which he is responsible include:

- Foreign Aid Implementation Report 2010 – Ministry of Planning and Investment, Lao PDR
- Development Partner Profiles 2010 – Department of International Cooperation, Ministry of Planning and Investment, Government of Lao PDR
- Project Management Implementation Guidelines – 2009 – Transparency, alignment, Ownership, harmonization, and Strengthening National Systems to Better Account for Development – BAPPENAS / UNDP Indonesia ISBN 978-602-95100-0-3
- Risk Knowledge Guideline: Guidelines and Lessons for Establishing and Institutionalizing Disaster Loss Databases – UNDP – RCB, 2009, ISBN: 978-974-680-254 (Indian Ocean Tsunami and Climate Change)