

Endogenous Development in Lao PDR in the Era of Globalization: Contrastive Case Studies of External Assistance for a Sustainable Rural Development Path

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Abstract

Lao PDR is currently in the least developed country category according to the United Nations, and the government has set the goal of graduating from this category by 2024. To support Laos in this aim, international organizations and foreign countries have provided assistance in terms of technical or monetary aid to support the eradication of poverty. These international actors work closely with both the central and village levels of government through rural development projects. This article examines the effectiveness of agricultural groups after the implementation of rural development projects. Two villages were selected as contrastive case studies reflecting top-down and bottom-up approaches of rural development. In the first village, Village L (pseudonym), agriculture groups were created by the Korea International Cooperation Agency project following the renowned *Saemaul Undong* development model, while in the second, Village T (pseudonym), a locally rooted ‘village organic agriculture group,’ was formed by the villagers’ own initiative, and later received support from external actors. Qualitative research methods were used in the study. The research found that in Village L, the dependence on financial and material support from external actors was associated with instability among top-down agriculture groups; moreover, the number of group members did not increase, and activities were difficult to sustain after the top-down KOICA project ended. By contrast, the independent grass-roots movement, the ‘village organic agriculture group’ in Village T, has

continued to thrive and grow with side-support from external actors. Therefore, this case study supports the argument that endogenous development in rural Laos requires self-sustaining development methods with side-support from external assistants. However, foreign assistants are still undeniably necessary in present-day Laos to create strong sustainable community development.

Keywords: endogenous development, external assistance, sustainability, globalization, Lao

Introduction

Lao PDR is in an early stage of development and lags behind neighboring countries, with around 70 percent of the population living in rural areas and dependent upon agriculture and the rearing of livestock as their main income source. Thus, the Lao government sees the agricultural sector as an inherent potential to get rid of poverty at the local level, while hydropower is viewed as another capacity to boost GDP (Gross Domestic Product) in the big picture. Therefore, the government has defined the clear goal of developing the agricultural sector to ensure competitive potential agriculture commodities, linking with sustainable rural development and contributing to the national economy (Ministry of Agriculture and Forestry, 2015).

Agricultural development as a rural development strategy is a high-priority activity. The government's Agriculture Development Strategy to 2025 indicates that it hopes to adopt the New Rural Development paradigm by industrializing and modernizing the agricultural sector and rural areas linked with hydropower projects. The government planned to define specific areas and participating households around the Nam Theun 2 Hydropower Project, also known as NT 2, to experiment with pilot production models in one district in each of the 18 provinces by 2020 (Ministry of Agriculture and Forestry, 2015: 29-32). However, as Rigg (2005: 175-176) pointed out, it is important for the socialist Lao government to realize that there are households that cannot become agrarian entrepreneurs as desired, because of either circumstances or choice, and need to be provided alternative opportunities to build new livelihoods.

The development of Laos's organic agriculture has been promoted by external actors, such as international non-government organizations (INGOs), donors, government development partners, etc., and by groups in the private sector interested in gaining access to premium markets. Since the late 1990s, foreign INGOs have introduced the concept of sustainable agriculture and organic farming in Laos. Because most of the programs at that time did not support market linkage, unfortunately, the organic products they produced were sold as conventional products. Until the mid-2000s, many INGOs and donor agencies recognized the potential opportunities of organic agriculture for poverty eradication. In 2004, a collaboration between HELVETAS (a Swiss development organization) and the Lao Department of Agriculture launched the Promotion of Organic Farming and Marketing in Lao PDR Project (PROFIL). In 2009, one of the target villages in this research, Village T, became the project's target, as its farmers themselves asked to be one of the PROFIL project's targets after discovering the project through television.

The Korea International Cooperation Agency (KOICA) has been working as a development partner in Laos since 1991. In 2013, the Lao government accepted the Saemaul Undong Project (new village movement or SMU) through KOICA to launch a pilot project in Vientiane province. In September 2015, former Prime Minister Choummaly Sayasone announced that Laos had officially accepted the Korean SMU project as a driving component which corresponds to the "three-levels development policy"¹ initiative with active support from Laos, and saw that it had been proven to be effective, sustainable, and relevant for rural development and poverty eradication. The other target village of the research, Village L, was selected by SMU and the government as a project target village.

The motivation for this research is the phenomenon of the importance of village-level collaboration in current rural development

¹ "Formulation of Provinces as Strategic Units, Districts as Comprehensively Strong Units and Villages as Development Units" (Central Party Politburo, 2012, No03/CPP, Vientiane Capital). This is basically, understood as a socialist decentralized, top-down administration from the central level to provincial, district, and village authorities

in Laos, which is generally recognized as highly top-down. This research examined the characteristics of rural development in the Lao context to seek possibilities for endogenous development (bottom-up approach) for the sustainability of the livelihood of villagers. The author used the endogenous development view to broaden choices for local communities. This article presents the contrastive outcomes of the two villages after government and international actors (these two actors will be considered external actors for local communities) implemented rural development projects.

Literature Review and Research Conceptual Framework

Globalization's Influence on Social Development in Laos

In 1985 the Soviet Union stopped providing aid to Laos. Facing a lagging domestic economy, the Lao leadership in 1986 introduced the “New Economic Mechanism (NEM)²” or “*Jintanakan Mai*” at the Fourth Lao People Revolutionary Party (LPRP) Congress, marking a highly significant change in development strategy for the Lao PDR. NEM aims to stimulate domestic economic growth and ensure the production of food and agricultural commodities to meet the needs of the new era. Rigg (2005: 18-26) argues that the implementation of NEM is driven by a modernization ethos. Critics of this approach have asserted that NEM has so far further expanded the gap between urban and rural areas and that people are unable to benefit equally from it (Bouapao, 2005: 35). In remote villages, the consequence of the market integration paradigm is that peasants, in immediate need of money and basic human needs, are selling their land and selling themselves as potential laborers (Rehbein, 2018: 68). Moreover, NEM resulted in the opening of international borders, which made Laos an origin for migrant workers in the Greater Mekong region, especially to Thailand (Phouxay, 2017: 305-352). In addition to the international migrant phenomenon, domestic migration to urban centers has also spiked, and especially core-periphery areas

² New Economic Mechanism (NEM) is also known as *Jintanakan Mai* or New Thinking is a market-oriented economy reform.

such as Vientiane capital have experienced significant population growth due to inbound migrants seeking better education, healthcare, or high-paying careers.

At the macro level, Laos is heavily assisted by international organizations and foreign countries in the process of market economy transition. Laos has received financial aid, expertise, and technology to employ capitalism under socialist one-party rule. The LPRP legitimates economic development through a market economy with technocratic concerns, blending capitalist and socialist ideologies harmoniously (Rehbein, 2007: 53; Yamada, 2018: 729-732). However, the market-oriented mechanism seems to emphasize material growth over *people*, despite the fact that people or the villagers themselves are supposed to be the primary implementers and beneficiaries of sustainable rural development.

The Lao government has very few channels by which to engage citizens or to get feedback from them regarding its policies. Moreover, rural development project implementation has gained lackluster participation from the people. Delnoye (2010: 30) has suggested that civil society organizations (CSOs) can be a potential bridge to address this disconnect between citizens and the Lao government, and thereby foster more active citizenship.

In this study, CSOs, including international non-government organizations (INGO), non-profit associations (NPA), and social enterprises,³ will be considered external actors to local communities. Even though NPAs are owned by Lao citizens, they are funded by international donors cooperating with INGOs. Sometimes their projects use toolkits from donors in developed countries, which may follow those countries' ideals.

These actors are operating at a meso-level, working closely with the local community while playing an essential role in conducting relief

³ Some social enterprises and NPAs run the same activity pattern but register under different government agencies. Because registration procedures like NPA are quite complex and time consuming, some organization/associations will register as social enterprises instead.

activities supporting the National Strategy and increasing bottom-up participation of citizens (Suzuki and Sadaoheung, 2014). However, in broad terms, there are two extreme opposite viewpoints on the role of civil society. On the one hand, there is civil society as the state's *partner*, working with the state within the structure set by the state and pursuing the state's defined objectives and goals. On the other, there is the view of civil society as playing a countervailing role of the state or the state's agenda (Delnoye, 2010: 30). CSO activities seem to be an alternative tool of the state; in order to improve rural communities' basic human needs, the state is cautious about working with them.

The following dataset of foreign aid projects in Laos (Figure 1) shows numbers of Official Development Assistance (ODA) projects at the village level (the data do not include NPA or INGO projects, which are significantly high in number). From the data, we can see that foreign assistance plays an important role in providing support to grassroots organizations across Laos.

Laos maintains a strong trade relationship with its neighbors, especially China in large-scale investments, and Thailand and Vietnam in daily consumption products, through the Foreign Direct Investment (FDI) strategy. Moreover, according to Punya and Rehbein, China has invested in agriculture, resource extraction, and infrastructure projects, such as the high-speed rail link between Yunnan and Thailand known as the One Belt One Road Project. China and Laos focus on economic development under one-party rule, which disregards the sustainability of society in terms of "people" (Punya and Rehbein, 2020). China's influence in Laos is evident when one examines the FDI (Ministry of Planning and Investment, 2017). Integration into the world economic system has created a hegemony that exploits and exerts great control over periphery countries.

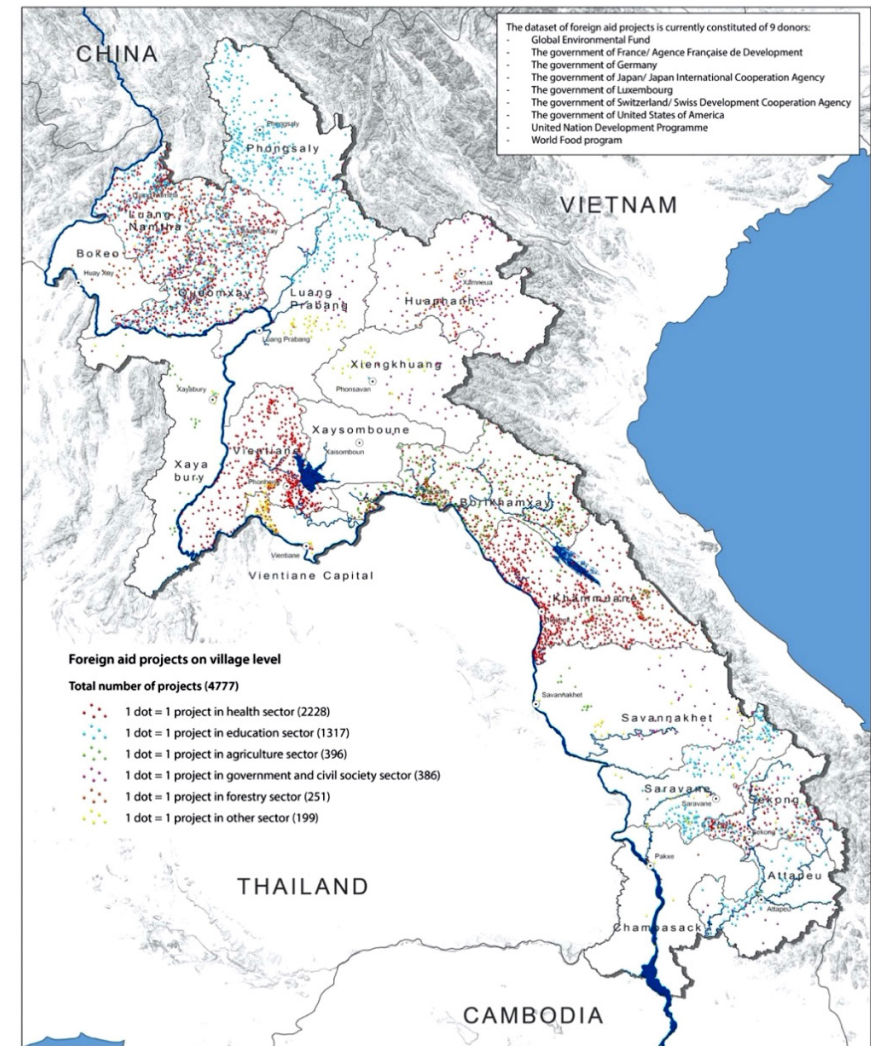


Figure 1 Poverty and foreign aid projects in Laos

Source: Foreign Aid Implementation Report (FAIR), Fiscal Year 2015/16
Department of International Co-operation, Ministry of Planning and Investment

According to international relations in the Lao context given above, it can be seen that globalization has played an important role from the macro level deep down to the micro level of social development to trigger economic growth, but this growth is not found in every local community. Furthermore, the process of modernizing society through market-oriented approaches has spontaneously forced migration, and various traditional livelihoods are fading in some rural societies. Praxayavong suggested that aid limits the state's autonomy to pursue its own development aspirations (Phraxayavong, 2009). Therefore, to build sustainable social development, Vorapheth asserted that Laos should create its own development path (Lao way) or take the best examples from other developed countries and adapt them to fit the Lao context, rather than simply adopting foreign models or suggestions provided by various foreign consultant services (Vorapheth, 2018: 301-307).

Research Conceptual Framework

While mainstream development conceptualizes economic growth as social development, alternative development models were published by the Dag Hammarskjöld Foundation Report as early as 1975, and in 1976 by Japanese scholar Kazuko Tsurumi, who introduced *Endogenous Development Theory* (Tsurumi, 1989). Based on her analysis of various case studies in sub-units within Japan, China, and Thailand, Tsurumi maintains that units of endogenous development should be based on "place" with a common value system, smaller than a state.

The concept of endogenous development is an academic perspective in social science that endorses local community-defined values, resources, and initiatives. Moreover, the concept has broadened choices for developing nations that oppose globalization via externally-driven development based on the modernization perspective (Nishikawa, 2001: 42). It recognizes that development should not simply be an economic process, but a complex whole that has to arise endogenously from deep down inside each society (Sakamoto, 2009: 18).

Endogenous development is diverse in the process of social change, aiming to satisfy basic human needs based on the respective unique natural environment, cultural heritage, and history of each unique society (Nishikawa, 2001: 43). In Tsurumi's theory, there is a practical key person and an idea key person who play important roles in the progression of local development (Tsurumi, 1989). More in-depth ideas of endogenous development delve into the local belief system of the respective environment as the basis for rejecting the dominant world system and creating an alternative (Tsurumi, 1989; Nishikawa, 2001). Conceptualizations of endogenous development can broaden the choices for the various ethnic societies in socialist Laos with such diversity in cultures, beliefs, and norms.

The concept of sustainable development was introduced in the Brundtland report (1987) as "a development process that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Giddens and Sutton, 2017). When it comes to social development, the most effective models prioritize sustainability, respecting both the livelihoods of the people and the vitality of natural resources. Thus, endogenous development concepts can bring the perceptions of a localized system of self-managing community development to sustain individual livelihoods.

Despite rapid changes in the global and regional situations, Laos has to take its destiny of social development into its own hands. It must draw upon its own resources to achieve sustainable development and balance collective needs in a way that respects both society and the environment.

Based on the concept above, endogenous development simply means developing from within – on locally available resources, local knowledge, culture, and leadership. Ownership and initiative must be fostered in order to promote the willingness to integrate traditional with outside knowledge and practices, which would lead to development that is more sustainable. Therefore, development projects in rural areas require recognizing the fact that local people themselves are the main implementers of the projects. While the top-down approach might

create passive participation of local people, eventually it becomes inactive and results in a dependence upon external input.

Perceptions of the Bottom-up Approach of the Lao Government for Rural Development

Development in Laos is generally still recognized as top-down. Starting from 1988, however, the planning and policy of the government development strategy has attempted to apply a bottom-up approach which takes into account local demand and participation. This approach includes the “focal site” or *jout soum* strategy that aims at applying local participation to development (Bouapao, 2005: 33-34). However, a top-down approach is used in the initial stage, and it is not easy to discern whether the participation of the villagers in any development activities that are set by the government is voluntary or involuntary.

The World Bank’s 2003 Poverty Reduction Strategy Paper Sourcebook defines community-driven development (CDD) as an approach that gives control over planning decisions and investment resources for local development projects to community groups. CDD was introduced to Laos in 2004. CDD projects in Lao PDR are effective in delivering to remote communities the local infrastructure requested, and positive impacts have been observed on health, education, and transportation outcomes. These projects were implemented by the Poverty Reduction Fund.⁴ CDD is a starting point to focus on inclusive participation of local villagers (World Bank, 2008).

Since 2012, the state has been experimenting with a three-level development policy that it considers to be a bottom-up policy stimulating development from the village level upward equally throughout the country. To this end, the government has mobilized resources for developing infrastructure and promoting commercial production by providing credits for commodity production in 51 pilot districts and 109 pilot villages for a total number of 943 pilot projects. Through the implementation of these pilot projects, important achievements have been recorded, as the capacity of district and village authorities has been strengthened.

⁴ An autonomous organization belonging to the Ministry of Agriculture and Forestry.

The existing literature on bottom-up development in Laos which requires social capital rootedness is still rare. The term “grassroots” refers mainly to power decentralized from the village level upward, and normally appears in thesis titles of master’s degree students from the National University of Laos. Examples are “A study of the leadership of the grassroots party committee” (Inthavong, 2018), and “The implementation of grassroots justice activities” (Phommachanh, 2017).

In 2019, the Poverty Reduction Fund supported a research project under the community-driven development concept to Lao researchers, funded by China. This concept was first introduced by the World Bank. The project inspired many Laotian professors at the National University of Laos to do research focused on the idea of ownership of the community to create a sustainable livelihood for themselves and reduce poverty at the same time. It appears to be a starting point of an academically bottom-up view of the rural development approach.

Research Questions and Methods

This article examines the effectiveness of agricultural groups after the implementation of rural development project. The key research questions of the present study are the following: 1) what are the characteristics of the effectiveness of agricultural groups in the Lao context of globalization, and 2) what roles can external assistance play to support local actor initiatives? To answer these questions, the research employed a qualitative research methodology, using the endogenous development conceptual framework. Two contrastive case studies with external development assistance were purposely selected, namely Villages L and T (pseudonyms), to reflect the top-down and bottom-up approaches to rural development, respectively.

A qualitative survey was conducted at Village L. It began with interviews with the village authorities, the SMU project coordinator of the village, one of the leaders of the SMU agriculture group, and Thoulakhom district officer. Next was a group interview with six

villagers in September 2018 to see the context of the village and the general components of the development approach. Another qualitative survey was conducted at Village T in September 2018, starting with interviewing the village chief, village members, and head of the village organic agriculture group, who is a key person to implement the PROFIL project. The completeness adds more comprehension to the set of research questions.

The Research Sites

As was mentioned, the fields of research are Village L and Village T. Reasons for selecting these two villages are as follows. Both areas have been emphasizing pilot rural development projects implemented by the central government and foreign agencies. The two villages also have similar conditions, in terms of location (approximately 50-60 km from Vientiane capital), occupations of residents, and both have received external assistance and rely on Vientiane capital.

Village L has existed since 1414, is located approximately 59 km (on a paved road) north of Vientiane capital, and is about 10 km from National Route 13 North. Village L is under the jurisdiction of Thoulakom district, Vientiane province. According to the chief of the village interviewed in September 2018, Village L has a population of 1,423 people, in 312 households. Water is derived mainly from wells and a river. It has a long history and also houses ancient ruins. In 2004, Japan International Cooperation Agency (JICA) agreed built a primary school and a junior high school for the village and at the same time, KOICA provided financial aid for repairing the main road of the village. In the period 2013-2018, the Saemaul Undong project through KOICA was implemented at the village.

Village T is located approximately 60 km (10km is unpaved road on which it is difficult to travel during the rainy season) south of Vientiane capital, and is about 20 km from National Route 13 South. Village T is under the jurisdiction of Pak-ngum district, Vientiane capital. The first 28 households moved from Pakading district⁵ to settle

⁵ The Hồ Chí Minh trail was a logistic route that ran from northern Vietnam through Laos

in Village T since 1973 during the Vietnam War (interview with an elderly Buddhist nun of the village on September 2018). According to the village chief interviewed in September 2018, there are 761 people, in 141 households.

Research Findings

The Saemaul Undong Project Approach at Village L

Here it is useful to know the background of the Saemaul-ho Movement. In the 1960s, when South Korea faced poverty, Park Chung-hee, president of South Korea, launched the Saemaul-ho Movement, known as the New Community Movement. This idea was to modernize the rural economy. The early stage of the movement focused on improving rural infrastructure (irrigation system, bridges, and roads) and increasing community income. The Saemaul Movement had great success in reducing poverty in rural areas in the first phase. Considering the pattern of the movement's first phase, the Lao government easily drew a connection as the majority of Lao people live in rural areas, and depend on subsistence agriculture, which is basically understood as "poverty." However, the Saemaul movement became less effective after South Korea entered a more developed and industrialized stage. In the late 1980s, the movement in South Korea proved ultimately inadequate in addressing the larger problem of migration of labor-age villagers from periphery areas to semi-periphery and core areas.

Saemaul Undong has been seen as a good model for rural development and poverty eradication in the Lao PDR. In a 2015 address, former Prime Minister Choummaly Sayasone speaking at the Special High-Level Event on a New Rural Development Paradigm and the Inclusive and Sustainable New Communities Model, said,

We highly value the Saemaul Undong initiative... This has become a good model for rural development and poverty eradication being applied in many developing countries, including in the Lao PDR. We are of the view that Saemaul

(along Pakading river) and Cambodia to southern Vietnam.

Undong projects are proven to be effective, sustainable and relevant for the rural development and poverty eradication in the Lao PDR. It corresponds to our “three-level development policy” initiative... As a result [of SMU pilot phase], local communities in some districts in Vientiane capital and Vientiane province have taken more ownership in collaborating with the Village Development Committee.⁶

The Saemaul Movement’s project in Laos has been achieved via a top-down system with the approval of the Ministry of Agriculture and Forestry and the Provincial Administrative Office. The role of the District Administrative Office is to approve the project’s activities and perceive each progression. With the start of the project in Village L, the village infrastructure has improved, and the SMU center was opened. Then, 20 village leaders, who were holding positions in the village committee or were former government officers, were selected to attend a training seminar about the spirit of SMU which in South Korea is comprised of “diligence,” “self-help,” and “cooperation.” The SMU project leaders of Village L include the village chief, the village committee (they, however, did not belong to any of the SMU agricultural groups), and the project’s village coordinator, a former soldier who used to work in Vientiane capital. He had the ability to communicate in English (as a member of the Incha tea group and banana plantation group, but, unfortunately, he passed away in 2018). Various SMU agricultural groups were formed in 2014 to respond to the project. During the three-year project implementation, group members were occasionally elected by the village committee to represent Laos attending the global SMU exchange program in South Korea. The representatives are not only SMU members but also a leading team of professors from the National University of Laos.

⁶ Statement by H.E. Choummaly Sayasone, President of the Lao People’s Democratic Republic at the Special High-level Event on a New Rural Development Paradigm and the Inclusive and Sustainable New Communities Model Inspired by the Saemaul Undong, New York, 26 September 2015.

It can be said that becoming a member of the village committee had the privilege of receiving social opportunities from the SMU project. The formation of the group was demanded by outsiders, which is typical of top-down development projects.

Promotion of Organic Farming and Marketing Project (PROFIL) Approach at Village T

Many international development institutions and donor agencies realized the potential opportunities for organic agriculture to assist in poverty eradication. Since the late 1990s, the concept of sustainable agriculture and organic farming was introduced by several INGOs (Panyakul, 2012). Concerns about food safety, especially fresh produce, have been on the rise since the mid-2000s. Only in the late 2000s did organic farming with market linkage become an important agenda among the Lao agriculture authorities and NGOs (Panyakul, 2009). In 2004 the project for “the promotion of organic farming and marketing in Lao PDR (PROFIL),” initiated by the Department of Agriculture and Helvetas to support or lead efforts, addressed the following issues: 1) coordination of efforts aimed at introducing/supporting organic agriculture, 2) creation of an enabling legal environment, 3) support of producers through appropriate extension activities, and 4) marketing support for in-country and export markets.

In 2006, PROFIL contracted the Earth Net Foundation (Thailand) to assist organic agriculture development in Laos through capacity-building activities, including setting up internal control systems, organic rice farming, and establishing an organic certification body. Moreover, the PROFIL Project provided an organic farmers’ market at the That Luang parking lot in Vientiane capital (Panyakul, 2012). Since 2018, the government has provided a market place at ITEC mall parking lot until present.

The Ministry of Agriculture and Forestry’s strategy classifies organic farming as part of “new agriculture,” a system of value-chain linkages from producers to consumers of high-value and often very specialized products. It also recognizes the contribution of organic

agriculture as an alternative set of trading standards to mainstream commodity markets. Certified organic agriculture is value-added agriculture accessible to resource-poor farmers who have extensive local production knowledge and capacity for innovation. Organic agriculture has been found to be pro-poor, contributing both directly and indirectly to the achievement of the SDGs (Ministry of Agriculture and Forestry, 2015). In terms of training, INGOs have their own projects sites, which mostly work in collaboration with national or local government agencies to promote organic and sustainable agriculture in local areas (Panyakul, 2009).

Table 1 Characteristics of Agricultural Groups in Village L and Village T

Village L	Village T
<p>Village circumstances before external project implementation</p> <ul style="list-style-type: none"> High number of elderly people Migration of teenagers and people of labor age 	<p>Village circumstances before external project implementation</p> <ul style="list-style-type: none"> The main occupation of villagers was rice farming. An independent agriculture group of 8 households did not succeed at the initial formation. The group was indecisive about vegetable selling, marketplace, and group administration.
<p>Group formation</p> <ul style="list-style-type: none"> Various agriculture groups were formed to respond to the SMU project. 	<p>Group formation</p> <ul style="list-style-type: none"> The village organic agriculture was established by villagers' self-initiative and later supported by external actors (government and Helvetas).
<p>Dependence on Vientiane capital</p> <ul style="list-style-type: none"> The villagers moved/migrated to Vientiane capital for higher salaries, employment opportunities, high education, health care, and other public services and facilities. Many people returned home on weekends or for village events. 	<p>Dependence on Vientiane capital</p> <ul style="list-style-type: none"> Young people moved to Vientiane capital for higher education and came back on weekends to support household farming tasks. The village organic agriculture group's members sold their products in Vientiane capital 6 days a week.

Table 1 Characteristics of Agricultural Groups in Village L and Village T (cont.)

Village L	Village T
<p>Obstacles</p> <p>A remaining obstacle to run SMU agriculture groups was the village's lack of young workers at labor age.</p>	<p>Obstacles</p> <ul style="list-style-type: none"> The village organic agriculture group's members were concerned with the unstable marketplace which the government provided (at ITEC mall parking lot). In 2019, they found other selling places by themselves. The road from the village to National Route 13 is worse in the rainy season, which remained another obstacle.
<p>Leadership</p> <ul style="list-style-type: none"> The leader of the SMU project at the village was the village chief (who did not participate in agriculture group activities). 	<p>Leadership</p> <ul style="list-style-type: none"> The leader of the village organic agriculture group was an ordinary woman who did not hold any leader position in the village committee.
<p>Sustainable trends</p> <ul style="list-style-type: none"> Income of the SMU agriculture groups' members has increased very little. The number of SMU agriculture group members had not increased since the project was launched. According to 2018 information, there were 22 members out of 312 households. There were conflicts within groups on SMU financial aid; the non-group members were dissatisfied in not being included in the groups due to SMU financial limitations. SMU members were not able to earn money for the common fund, after implemented groups' activities. They are using aid grant for groups' administration. The government sector did not play a role in providing support in field work. 	<p>Sustainable trends</p> <ul style="list-style-type: none"> Income of the village organic agriculture group's members has increased. The village organic agriculture group continued to function after project support ended. The group has expanded in size. According to 2018 information, there were 111 members out of 141 households. The groups' members are able to fund group administration by themselves (approximately 10,000 USD in 2019). According to the chief of the village, the group can earn mutual fund approximately 10,000 USD per month. After the project ended, the government sector took a role in supporting the group in terms of monthly product quality control and marketplace provision.

Discussion

The activities of the agriculture groups formed in response to the SMU project in Village L are still ongoing, but their future is considered uncertain. The SMU fund has limited the groups' member expansion, which means SMU could improve the practical skills only for village leaders and SMU members numbering around 20 people (mostly members holding positions in the village committee), but this improvement has not spread widely to other villagers. This has caused resentment in other villagers who want to join the SMU agriculture groups. One of the situations of uncertain sustainability of the SMU agriculture groups occurred in 2015, when a storm affected agricultural production and equipment. SMU members requested financial aid from the project for the repair of some equipment although they could have fixed it themselves. Their activities stopped from 2015-2016, and the project started working again when aid was resumed in late 2016. This situation shows that the members did not feel that they owned those activities. Furthermore, the government did not play a role in encouraging the group's agricultural activities; its only role was to monitor the project's progress.

Moreover, the majority of people living in the village are the elderly. Therefore, the agricultural activities of the project may not have seemed attractive to them because the provision of labor is important. Despite this fact, elderly people in Village L are well-acquainted with village events, and the village can hold big festivals every year. The events are attractive to wealthy people who live outside the village. At present, it is difficult for young people to take over organizing the events. However, the village culture represents the potential of Village L. It seems that the village's culture and events could still be a possibility for Village L to serve as a starting point for sustainable endogenous development. As Sakamoto (2009) has argued, alternative development perspectives recognize *culture* as the foundation for development.

In this case, we can see an unintended top-down flow of the SMU project occurred by the attempt to create a development project

in the image of one in a developed country model like South Korea, but it resulted in hindering the sustainability of local society. SMU is trying to build on early stage endogenous development by encouraging the villagers themselves to draft the kind of development path that would best fit their own community. When it comes to socialist Lao society, the village authority holds a meeting within the village committee to set up a plan and announces to other villagers to acknowledge it. Thus, although the project was trying to stimulate bottom-up development, the unintended outcome was that the village committee managed the project in the usual top-down way. SMU might not have been aware of the socialist administrative system, which caused this unintended top-down approach to the village development process. Moreover, SMU offered financial aid at the first input, to form various agriculture groups as the representatives of the village, (who held positions in the village committee) had planned, which may not have fit the true needs of the village. Finally, it raises questions on sustainable development in the case of Village L.

Moreover, macro-level policy makers and the government might not have been aware of the possibilities and problems of such so-called development partners or *kan suay leua* (aid). According to Phraxayavong, aid is viewed and interpreted as friendly action. It is legitimate to rely solely on the ideas introduced by foreign actors to eradicate poverty. This mentality may lead to aid dependency and it has both political and economic implications (Phraxayavong, 2009). Consequently, outside assistance cannot strengthen self-reliance within the village. Village T, by contrast, has been able to sustain the activities of the agricultural group by obtaining *side-support* from external actors (government and foreign actors). They provide a marketplace in Vientiane capital, and set up the value chain for farmers in order to gain trust from customers, which makes organic production carry a premium price. In this case, the role of the external intervenor is to strengthen the existing endogenous development process.

In addition, group members work with the district agricultural sector to control product quality, building the trust of urban consumers.

Organic farming has also enabled young people to live in the village. It is reducing the outflow of laborers. In the end, the number of members in the village organic agriculture group gradually increased. During the 2018 flooding, the village's organic agriculture group did the work that was needed by itself without waiting for or requesting any external assistance, thus demonstrating self-reliance.

The development of the organic agriculture group in Village T is based not only on the needs of the villagers themselves, but also the independent development methods used with external *side-support*. The case of Village T is considered a starting point that may lead to the development of grassroots civil society in the context of Laos.

Conclusion

Efficient and sustainable rural development at the village unit as a micro level cannot be imposed at the macro level. In the context of socialist Laos, instead of designing and applying a fixed model of development, it is more appropriate to listen to the subsistence farmers' needs and build up from their strengths. It should be noted that for local people to form groups or organizations, it requires continuous side-support from government or foreign actors in the form of technical training, agriculture production quality certification, or conditions such as group management, marketing, administrative work, and many more, as are found in business enterprises.

These linkages between government and foreign actors (state partners), on one hand, and the village on the other, could create active voluntary participation and trust on the part of the village implementers in the first formational, group-building stage. Moreover, side-support will not interfere with the existing capacity of the community, but it can help them to select a helpful, suitable leader spontaneously, enabling the villagers to generate ideas on their own independently. In this way, they can decide who is suitable to be the leader of each activity, and not necessarily the village authority. To reduce the prominence of the typical idea of selecting the village

authority to be the leader who collaborates directly with the development project of the government or any other foreign organizations, leaders of the group should be selected based on their capabilities. Moreover, financial support alone is not sufficient to maintain sustainable endogenous development. What is needed is a grassroots awareness, which can lead to the formation of initiatives for endogenous groups. The sustainability lies in how well the development initiative is grounded in its location, for this can create an awareness of ownership in the villagers that will enable them to continue the process of development.

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