



# Dynamic of Rubber Expansion in Lao PDR

## Policy making under uncertainty

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## Introduction

The government policy related to rubber aims at reducing rural poverty and increasing forest cover while avoiding negative impact on deforestation.

- Rubber has been seen as a miracle crop, liable to transform the landscapes and rural livelihoods.
- The development of tree plantation was considered as a win-win solution. Source of income for rural households and government as exported commodity.
- Within a few year, the rubber industry has become an important sector in Lao economy.
- But entering a phase of doubt: will the benefits exceed the costs...?



## Objectives

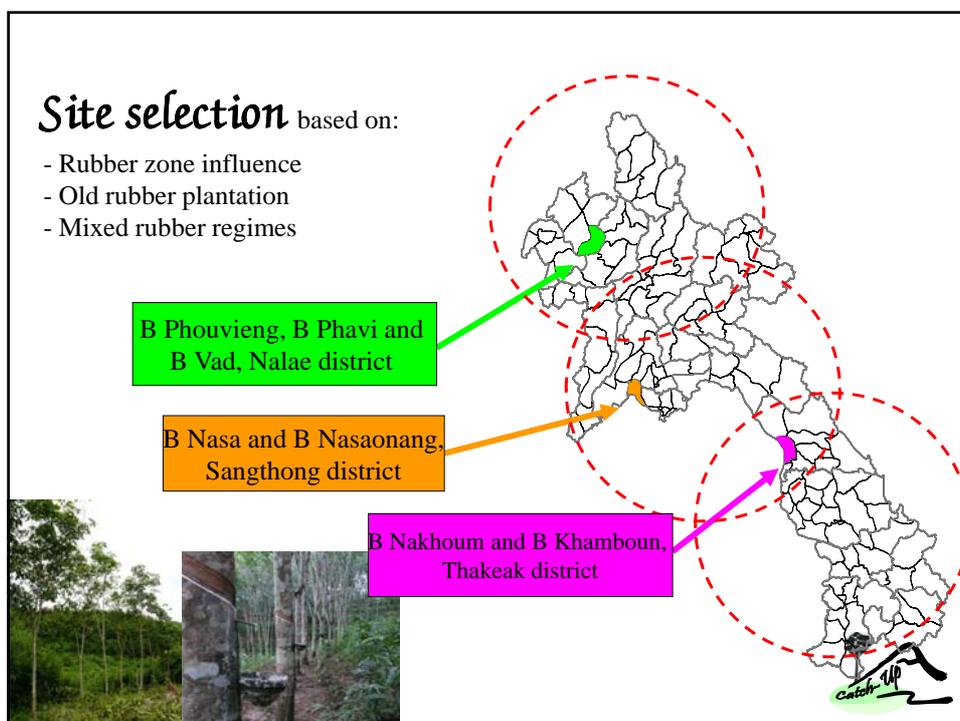
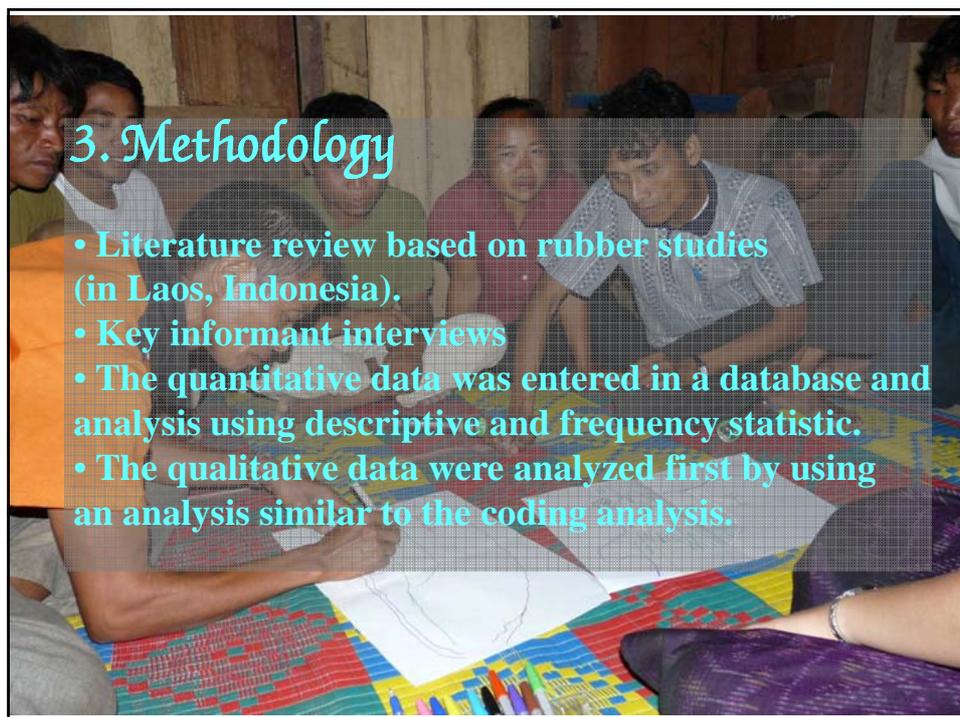
- To characterize rubber-based production systems and their evolution.
- To analyze the socio-economic impact of rubber expansion in the context of Lao PDR,
- To understand the conditions of emergence of different types of rubber regimes (i.e. smallholders, contracts, concessions).



## 2. Hypothesis

- Cross-border influence of neighboring countries
- Emergence of rubber regimes = different combinations of: land, labour, capital knowledge and market
- Relation of the innovation process with local networks, leadership and institutional frameworks





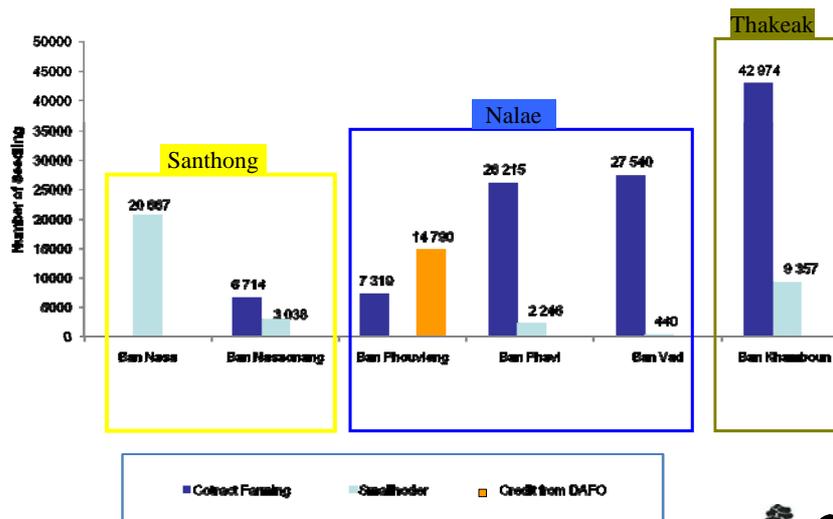


**Table 1: Rubber plantation areas**

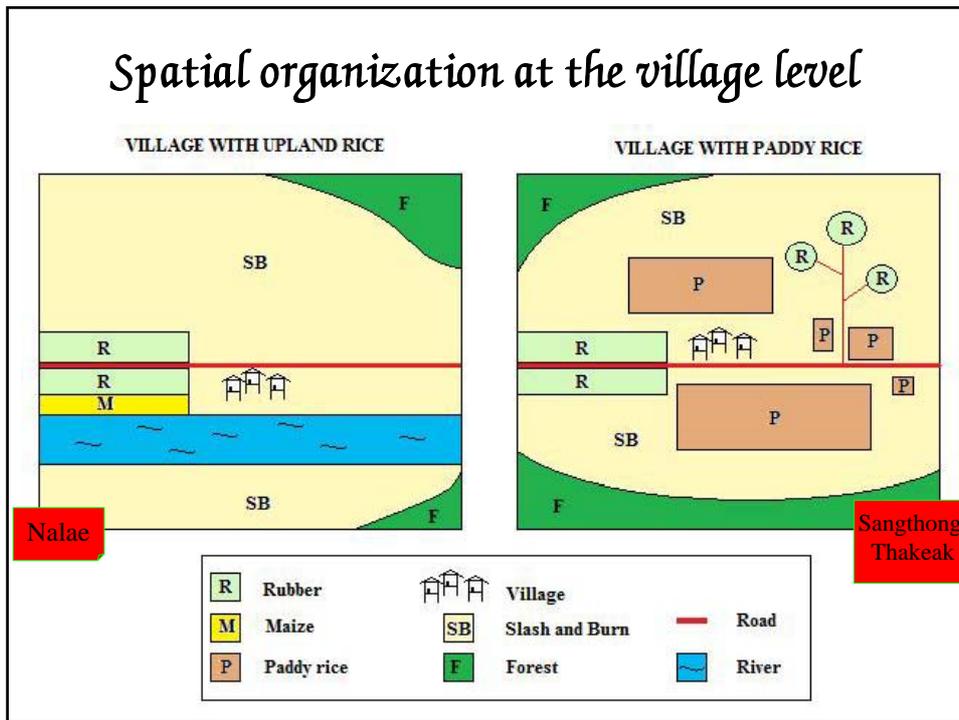
Site study	Plantation areas (ha)		Total (ha)
	Smallholder	Contract farming	
Sangthong	58 (3 ha tapping)	90 (x1)*	130
Nalae	187 (? ha tapping)	1,327 (x9)	1,514
Thakeak	246 (7 ha tapping)	450 (x2)	1,995*

\* 4 villages planting rubber by contract farming (estimated area)  
 \* Rubber concession areas in Thakeak district 1,290 ha in three companies

**rubber plantation areas in site study**

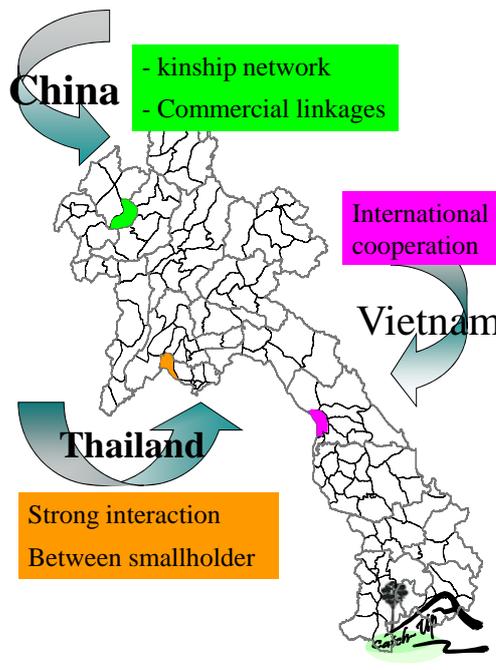


## Spatial organization at the village level

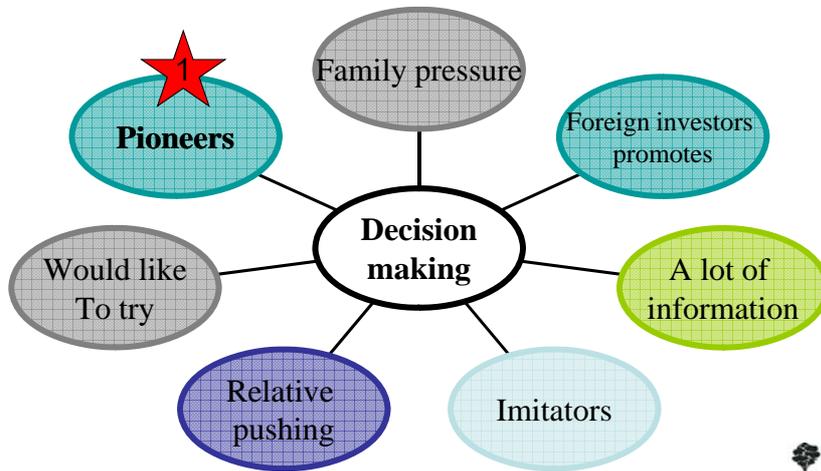


**Rubber influences**

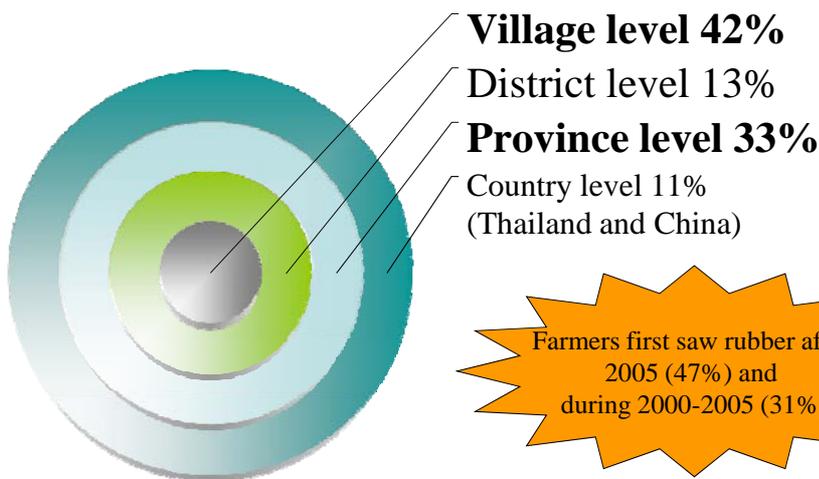
Interactions in different levels from official bilateral diplomatic relations (government and trade agreement on informal cross border relationship)



## 2.2. The rubber choices decision-making under uncertainty



## Where, when farmers saw rubber for the first time?



Farmers first saw rubber after 2005 (47%) and during 2000-2005 (31%)



### 2.3. Farmer's perception

#### No planting vs Planting

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Do not know anything about rubber</li><li>• Far away/difficult to access information</li><li>• Local communication issues</li><li>• Capital shortage</li><li>• Better alternative tree plantation</li><li>• Not sure on rubber management (considering)</li><li>• Prefer to raise livestock</li></ul> | <ul style="list-style-type: none"><li>• Improved living condition</li><li>• Information access</li><li>• Hope will get a rubber forest</li><li>• Inheritance for children</li><li>• Bet on the future of rubber in the area</li></ul> |
|---|---|

### Who are the smallholders?

2 types

1. Smallholder with *relative's fund*
  - Share half of benefit with relatives
  - Relatives push into rubber and provide basic knowledge
2. Smallholder with *own funds*
  - Provincial and district officials
  - Planting based on their own knowledge
  - In case, seedlings available
  - Support by the project (government, foreigner donors)
  - Have been working in rubber plantation before

Oral contract!



## Who are contract farmers?

Different contract guideline in different areas, but the main factor pushing them to become contract farmers are:

- Capital shortage,
- Would like to learn lesson from the foreign experts, then turn to be smallholder, when accumulate sufficient capital,
- Not sure on rubber management
- The foreign companies provide capital and secure market outlet in the future.



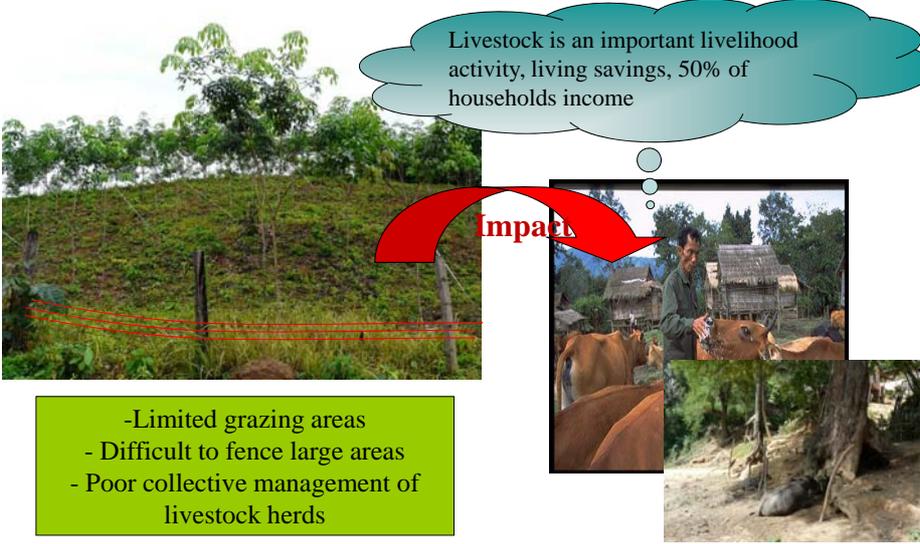
## How rubber changed their life?

### Negative

- \* Routine change (get up early on case tapping)
- \* Work hard
- \* Many activities
- \* Limited labour
- \* No have time to work in off-farm job
- \* Less food security (agriculture land for food crops is limited)
- \* Difficult to raise livestock in the first years of rubber plantation.



Although rubber expansion is a good contribution to income generation, there is a concern on decreasing livestock number.



Livestock is an important livelihood activity, living savings, 50% of households income

Impact

- Limited grazing areas  
- Difficult to fence large areas  
- Poor collective management of livestock herds

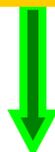
## Remaining issues

- To reach a global agreement on rubber policies – rationalize the proportion of smallholders / contracts / concessions.
- To make sure that national or local authorities do not over-commit concessions and contracts with respect to the land and resources available.
- To balance the cost & benefit, risk among the different groups of stakeholders.



**Rubber challenge are similar to more general challenges of sustainable agriculture**

Labour force      Food security  
Price fluctuations      Concessions      Land use plans



Rubber expansion is emblematic of the fundamental changes in agriculture and rural development that country is undergoing.

Rubber expansion is an entry point to understand the larger societal process of the agrarian transition.



*Thank you for your attention!*

