

Changing Perspectives: Understanding Chinese Agricultural Investors in Northern Laos



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Cover Photo: The wife of the head of a tea farmer unit who is effectively leading most of the business is processing tea in the traditional Hmong way in O-an.

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List of Abbreviations

ADB	Asian Development Bank
DAFO	District Agriculture and Forestry Office
DOA	Department of Agriculture
DPF	Department of Planning and Finance
EU	European Union
FAO	United Nations for Food and Agriculture Organization
FDI	Foreign Direct Investment
ha	Hectare
HDX	Humanitarian Data Exchange
HP	Houaphan
Lao PDR	Lao People's Democratic Republic
LCR	Laos-China Railway
LFP	Lao Farmers Products
LPB	Luang Prabang
LURAS	Lao Upland Rural Advisory Service
MAF	Ministry of Agriculture and Forestry
MRLG	Mekong Region Land Governance
NBSC	National Bureau of Statistics of China
NGOs	Non-Governmental Organizations
NTFPs	Non-Timber Forest Products
OCHA	Office for the Coordination of Humanitarian Affairs
ODX	Oudomxay
ORP	Opium Replacement Program
PAFO	Provincial Agriculture and Forestry Office
SDC	Swiss Agency for Development and Cooperation
TABI	The Agro-biodiversity Initiative
TLI	Transformative Land Investment
UN	United Nations
XK	Xieng Khouang

Executive Summary

Over the past two decades, Laos has been actively striving to attract foreign direct investment for its agricultural sector as a crucial component of the country's development. China has emerged as the leading investor in this endeavour with the inauguration of the Laos-China railway (LCR) in 2021 further fuelling this growth. This surge in Chinese agricultural investment in Laos has drawn attention and debate from various quarters. Academia and development organizations have conducted extensive studies to assess the impact of the investments. Of particular concern are the smallholder farmers, who make up the majority of producers in the sector and often face disadvantages within the investment process. However, most existing studies predominantly focused on local perspectives, inadvertently overlooking the insights of Chinese investors. This one-sided approach has, in turn, led to analytical outcomes that may not fully capture the complexities of this dynamic.

To bridge this gap, LURAS undertook this comprehensive study encompassing eight case studies conducted in seven districts across four provinces in northern Laos. These investigations were carried out between March and June of 2023, with the specific aim of dissecting the complex relationship and power dynamics between Chinese investors and local farmer communities. This study focused on small and medium-scale Chinese agricultural investors and their interactions with local communities, excluding large-scale land concessions due to the abundance of existing research in this area.

The study identifies both commonalities and differences among the cases with a summary of these findings presented in *Table 1* and *Table 2*. These findings illustrate the complexity and heterogeneity of Chinese agricultural investments in Laos. Different investment cycles and management approaches for various crops have led to diverse investment behaviours. For instance, investments in tea in Xieng Khouang and Houaphan significantly differ from those in vegetables in Oudomxay and Luang Prabang, due to distinct growth cycles, geographical conditions, and cultivation scale.

The consequences of these distinct investment behaviours, partially stemming from crop differences, have far-reaching social impacts. To understand these dynamics, the study adopts a multi-species ethnography approach, which places an emphasis on crop characteristics rather than solely focusing on human-centric perspectives. This approach delves into how non-human species influence human behaviour, providing a more holistic understanding of the situation. Meanwhile, it's important to note that variations among investors within the same crop investment can lead to divergent outcomes. Consequently, this study categorizes investment cases from both non-human perspectives, as summarized in *Table 3*, and human perspectives.

Moving forward, the study underscores the critical influence of investors' intentions and their willingness to adapt to the local environment in shaping investment outcomes. This includes factors such as learning the local language, understanding social norms and culture, and treating all ethnic groups fairly. Those investors who exhibit a strong willingness to engage with local communities tend to achieve more positive outcomes. However, to comprehensively understand these variations and the reasons behind them, it is important to explore the power dynamics between investors and local stakeholders during the investment cycle, a perspective summarized in *Table 4*.

The power dynamics between investors and local stakeholders exhibit notable variation in each case. Chinese investors are typically found to engage primarily with local governments and elites during the planning stage, often side-lining smallholder farmers. This approach frequently leads to conflicts during the implementation phase, where Chinese investors' responses diverge significantly. Some are less willing to adapt to the local context and adopt a more assertive stance, while others adjust and adapt. Corresponding to Scott's concept of "weapons of the weak," this study labels these adjustments made by investors as "compromisers of the strong".

These shifts in power dynamics result in a complex interplay of gains and losses experienced by the local community. Thus, the study adopts a gains and losses approach to analyse and summarise the lessons and experiences of these cases, as outlined in *Table 5*. Regardless of the investment mode, gains of local communities include financial and technological inputs and market awareness, which enhances their potential for benefiting from local resources. Losses involve limited autonomy, restricted choices, and limited access to technology. Environmental issues are not yet the primary concern for local communities. The study also highlights previously overlooked losses, like subpar tea quality in the case of the O-an village due to misaligned technical training.

In addition to the gains and losses experienced by local communities, interviews with various stakeholders have provided valuable insights into broader dynamics. Investors appear to increasingly recognize the significance of building relationships with smallholder farmers. They emphasize that gaining community support equals gaining business success. From the perspective of local communities, it's important to recognize that many parts of Laos are still in the early stages of engaging in market-oriented agriculture. Communities thus often lack access to crucial information, technology, and the experience. As a result, behaviours like side selling and overharvesting may appear short-sighted, but they are characteristic of the challenges faced during the initial phases of agricultural development. In general, smallholder farmers are receptive to market-oriented agriculture, with their grievances often centring around certain approaches.

While the study acknowledges its limited research and interviews with government agencies, it nevertheless highlights the crucial role of government in promoting investment and fostering strong relationships with investors. However, government presence appears to be lacking during the project implementation phase, precisely when various critical issues require attention and resolution. Finally, from the perspective of development agencies, it may seem that despite their contribution for valuable data on Chinese agricultural investments in Laos, there is still room for a clearer and more comprehensive understanding of the specific investment processes.

In conclusion, the report stresses the complexity and heterogeneity of Chinese agricultural investments in Laos. The case analyses provide insights into the underlying reasons for this complexity, which are multifaceted and rich in nuances. One notable revelation from this study is the varying impacts that different crops have on investment behaviours, a dimension often overlooked in prior research. Meanwhile, summarizing the circumstances of Chinese investors in the cases also reveals that different behaviours and willingness significantly influence investments. However, power dynamics with various stakeholders often constrain investor behaviour. Power dynamics determine not only what investors want to do but what they can do. Understanding these complex dynamics is essential to get a more holistic view of Chinese agricultural investments in Laos.

Based on the key findings and conclusion, the report offers policy recommendations in four key areas:

- 1 Government Role:** It is imperative for the government to transcend its role of merely attracting investment and acting as an investor liaison. It should assume a more proactive role throughout the entire investment implementation process, providing guidance and participating actively.
- 2 Knowledge sharing among Chinese investors:** Relevant government and development entities and professionals should leverage their position to facilitate constructive knowledge exchange.
- 3 Academic Research:** Researchers and academic institutions should invest in understanding the perspectives of different stakeholders and the impact of crop characteristics to identify areas in need of improvement for policy.

- 4 **Farmers' Proficiency in Market Demands and Technical Standards:** The Laotian government, along with relevant international organizations and other development agencies, can forge stronger partnerships with the Chinese government and relevant research or developmental entities to improve meeting market demands and technical standards.

ບົດສຶກສາ: ການຫັນປ່ຽນມຸມມອງ ເພື່ອເພີ່ມຄວາມເຂົ້າໃຈກ່ຽວກັບ ນັກລົງທຶນຈີນທີ່ມາລົງທຶນໃນຂະແໜງການກະສິກຳຢູ່ທາງພາກເໜືອ ຂອງປະເທດລາວ

ບົດສັງລວມໂດຍຫຍໍ້

ໃນໄລຍະສອງທົດສະວັດທີ່ຜ່ານມາ ປະເທດລາວ ໄດ້ມີຄວາມພະຍາຍາມສູງເພື່ອດຶງດູດເອົາການລົງທຶນໂດຍກົງຈາກຕ່າງປະເທດເຂົ້າມາລົງທຶນໃນຂະແໜງການກະສິກຳ, ຍ້ອນເຫັນເຖິງຄວາມສໍາຄັນຂອງຂະແໜງການດັ່ງກ່າວນີ້ໃນການພັດທະນາພາຍໃນປະເທດ. ປະເທດຈີນ ໄດ້ກາຍເປັນນັກລົງທຶນທີ່ນໍາໜ້າ ທາງດ້ານການລົງທຶນໃນປະເທດລາວ ພາຍຫຼັງການປະກອບການຂອງເສັ້ນທາງລົດໄຟ ລາວ-ຈີນ (Laos-China railway) ຢ່າງເປັນທາງການຕັ້ງແຕ່ປີ 2021 ເປັນຕົ້ນມາ. ກະແສການລົງທຶນໃນຂະແໜງການກະສິກຳຂອງນັກລົງທຶນຈີນ ໃນປະເທດລາວ ຈຶ່ງເປັນການດຶງດູດຄວາມສົນໃຈ ແລະ ຍັງເປັນຫົວຂໍ້ສໍາລັບການຖືກຖ່ຽງຈາກຫຼາກຫຼາຍພາກສ່ວນ ບໍ່ວ່າຈະເປັນນັກຄົ້ນຄວ້າຈາກສະຖາບັນສຶກສາ ແລະ ອົງການພັດທະນາຕ່າງໆ ພວກເຂົາຈຶ່ງໄດ້ດໍາເນີນການສຶກສາຄົ້ນຄວ້າຕ່າງໆ ເພື່ອປະເມີນຜົນກະທົບຂອງການລົງທຶນເຫຼົ່ານັ້ນ. ກຸ່ມຄົນທີ່ໜ້າເປັນຫ່ວງທີ່ສຸດ ແມ່ນກຸ່ມຊາວກະສິກອນຂະໜາດນ້ອຍ ທີ່ເປັນຜູ້ຜະລິດທີ່ກວມອັດຕາສ່ວນໃຫຍ່ໃນບັນດາຜູ້ຜະລິດໃນຂະແໜງການນີ້ ແລະ ສ່ວນຫຼວງຫຼາຍເປັນຜູ້ທີ່ຕິດຢູ່ໃນທ່າເສຍປຽບໃນຂະບວນການລົງທຶນ. ແນວໃດກໍ່ຕາມ ການສຶກສາຄົ້ນຄວ້າທີ່ມີຢູ່ ສ່ວນຫຼາຍສຸມໃສ່ແຕ່ທັດສະນະຂອງທ້ອງຖິ່ນ ໂດຍມອງຂ້າມມຸມມອງຂອງນັກລົງທຶນຈີນເອງ. ດັ່ງນັ້ນ ການເບິ່ງຈາກມຸມມອງດ້ານດຽວ ຈຶ່ງນໍາໄປສູ່ຜົນໄດ້ຮັບການວິເຄາະ ທີ່ອາດບໍ່ເກັບກໍາໄດ້ຄວາມສະຫຼັບສັບຊ້ອນຂອງຂະບວນການພັດທະນານີ້ໄດ້ຢ່າງຮອບດ້ານ.

ໂດຍຄໍານຶງເຖິງຊ່ອງຫວ່າງດັ່ງກ່າວນີ້, ໂຄງການ LURAS ຈຶ່ງໄດ້ດໍາເນີນການສຶກສາຄົ້ນຄວ້າທີ່ຮອບດ້ານ ເຊິ່ງກວມເອົາ 7 ກໍລະນີສຶກສາ ທີ່ດໍາເນີນຢູ່ 7 ເມືອງ ໃນ 4 ແຂວງ ຢູ່ພາກເໜືອຂອງລາວ. ການສຶກສາຄົ້ນຄວ້ານີ້ ໄດ້ດໍາເນີນຂຶ້ນໃນລະຫວ່າງ ເດືອນມີນາ ຮອດ ເດືອນ ມິຖຸນາ 2023, ໂດຍມີຈຸດປະສົງສະເພາະສຸມໃສ່ ເຈາະເລິກເຂົ້າໄປສຶກສາສາຍພົວພັນທີ່ ສະຫຼັບສັບຊ້ອນນີ້ ແລະ ກົນໄກດ້ານອຳນາດທີ່ມີຕໍ່ກັນ ແລະ ກັນ ລະຫວ່າງ ນັກລົງທຶນຈີນ ແລະ ຊຸມຊົນທ້ອງຖິ່ນ. ການສຶກສານີ້ ສຸມໃສ່ ນັກລົງທຶນຈີນຂະໜາດນ້ອຍ ແລະ ກາງໃນຂະແໜງການກະສິກຳ ແລະ ການພົວພັນຂອງເຂົາເຈົ້າ ກັບຊຸມຊົນທ້ອງຖິ່ນໂດຍບໍ່ລວມເອົາ ການສໍາປະທານທີ່ດິນຂະໜາດໃຫຍ່ເຂົ້ານໍາ ຍ້ອນວ່າການສຶກສາຄົ້ນຄວ້າໃນຂົງເຂດນີ້ແມ່ນມີຫຼາຍແລ້ວ.

ການສຶກສາຄົ້ນຄວ້າຄັ້ງນີ້ ໄດ້ສັງລວມເອົາສິ່ງທີ່ຄົ້ນພົບ ໃນຂົງເຂດທີ່ຄ້າຍຄືກັນ ແລະ ສິ່ງທີ່ແຕກຕ່າງ ລະຫວ່າງບັນດາກໍລະນີສຶກສາ ໃສ່ໄວ້ໃນຕາຕະລາງທີ 1 ແລະ ທີ 2. ສິ່ງທີ່ຄົ້ນພົບເຫຼົ່ານີ້ ສະແດງໃຫ້ເຫັນເຖິງຄວາມສະຫຼັບສັບຊ້ອນ ແລະ ຄວາມແຕກຕ່າງ ຂອງ ການລົງທຶນດ້ານຂະແໜງການກະສິກຳຂອງຈີນ ໃນ ລາວ. ວົງຈອນການລົງທຶນ ແລະ ວິທີການຄຸ້ມຄອງທີ່ ແຕກຕ່າງກັນ ນໍາໄປສູ່ພຶດຕິກຳການລົງທຶນທີ່ແຕກຕ່າງກັນ. ຕົວຢ່າງ: ການລົງທຶນໃນຂະແໜງຊາ ໃນ ແຂວງຊຽງ

ຂວາງ ແລະ ຫົວພັນ ມີຄວາມແຕກຕ່າງກັນຢ່າງຂາດຂຶ້ນ ກັບບັນດາການລົງທຶນດ້ານການປູກພືດຜັກ ຢູ່ແຂວງ ອຸດົມໄຊ ແລະ ຫຼວງພະບາງ ຍ້ອນວ່າມີຮອບວຽນການປູກທີ່ແຕກຕ່າງກັນ, ສະພາບເງື່ອນໄຂດ້ານພູມສັນຖານ ແລະ ຂະໜາດການປູກທີ່ແຕກຕ່າງກັນ.

ຜົນທີ່ຕາມມາຂອງພຶດຕິກຳການລົງທຶນທີ່ແຕກຕ່າງກັນນີ້, ເຊິ່ງສ່ວນໜຶ່ງແມ່ນເກີດຂຶ້ນຍ້ອນຄວາມແຕກຕ່າງຂອງ ພຶດຜັກ, ໄດ້ກໍ່ໃຫ້ເກີດຜົນກະທົບທາງສັງຄົມຢ່າງກ້ວາງຂວາງ. ເພື່ອໃຫ້ເຂົ້າໃຈກົນໄກເຫຼົ່ານີ້, ການສຶກສາຄົ້ນຄວ້າຄັ້ງນີ້ຈຶ່ງໄດ້ ນຳໃຊ້ຮູບແບບການສຶກສາຫຼາກຫຼາຍສາຍພັນວິທະຍາ, ເຊິ່ງເນັ້ນໃສ່ຄຸນລັກສະນະຂອງພຶດ ຫຼາຍກວ່າການສຸມໃສ່ທັດສະນະທີ່ເອົາຄົນເປັນຈຸດໃຈກາງຢ່າງດຽວ. ວິທີການນີ້ ເຈາະເລິກສຶກສາວ່າ ບັນດາສາຍພັນທີ່ບໍ່ແມ່ນມະນຸດນັ້ນ ມີການສົ່ງຜົນຕໍ່ພຶດຕິກຳຂອງມະນຸດຄືແນວໃດ ເພື່ອໃຫ້ມີຄວາມເຂົ້າໃຈກ່ຽວກັບສະພາບແບບຮອບດ້ານຫຼາຍຂຶ້ນ. ໃນຂະນະດຽວກັນ, ສໍາຄັນແມ່ນ ຕ້ອງຮັບຮູ້ວ່າ ຄວາມແຕກຕ່າງລະຫວ່າງບັນດານັກລົງທຶນ ທີ່ລົງທຶນໃສ່ພຶດຊະນິດດຽວກັນ ກໍ່ສາມາດພາໃຫ້ມີຜົນໄດ້ຮັບທີ່ແຕກຕ່າງກັນ ເຊັ່ນກັນ. ດ້ວຍເຫດນັ້ນ, ການສຶກສາຄົ້ນຄວ້າຄັ້ງນີ້ ຈຶ່ງໄດ້ຈັດປະເພດກໍລະນີສຶກສາການລົງທຶນ ແຍກຕາມທັດສະນະທີ່ບໍ່ກ່ຽວກັບມະນຸດ, ດັ່ງທີ່ໄດ້ສັງລວມໄວ້ໃນຕາຕະລາງທີ 3 ແລະ ທັດສະນະຂອງມະນຸດນໍາ.

ເມື່ອເບິ່ງໄປຂ້າງໜ້າແລ້ວ, ການສຶກສາຄັ້ງນີ້ ເນັ້ນເຖິງຄວາມສໍາຄັນຂອງເຈດຈຳນົງຂອງນັກລົງທຶນ ແລະ ຄວາມພ້ອມຂອງເຂົາເຈົ້າໃນການດັດປັບໃຫ້ເຂົ້າກັບສະພາບແວດລ້ອມຂອງທ້ອງຖິ່ນ ໃນການຫຼ່ຽມຜົນໄດ້ຮັບຂອງການລົງທຶນ. ສິ່ງນີ້ ລວມເຖິງບັນດາປັດໄຈຕ່າງໆ ເຊັ່ນ: ການຮຽນພາສາທ້ອງຖິ່ນ, ການເຂົ້າໃຈຮີດຄອງປະເພນີ ແລະ ວັດທະນາທຳສັງຄົມ ແລະ ການປະຕິບັດກັບປະຊາຊົນທຸກຊົນເຜົ່າຢ່າງເປັນທຳ. ບັນດານັກລົງທຶນ ທີ່ສະແດງໃຫ້ເຫັນເຖິງຄວາມຕັ້ງໃຈອັນແຮງກ້າ ທີ່ເຂົ້າມາມີສ່ວນຮ່ວມກັບຊຸມຊົນ ສ່ວນຫຼວງຫຼາຍເຫັນວ່າ ບັນລຸໄດ້ຜົນໄດ້ຮັບທີ່ດີກວ່າ. ແນວໃດກໍ່ຕາມ ເພື່ອໃຫ້ເຂົ້າໃຈ ຢ່າງຮອບດ້ານເຖິງຄວາມແຕກຕ່າງເຫຼົ່ານີ້ ແລະ ເຫດຜົນທີ່ຢູ່ເບື້ອງຫຼັງ ມັນມີຄວາມສໍາຄັນທີ່ຈະໄດ້ຊອກຮູ້ກົນໄກ ດ້ານອຳນາດລະຫວ່າງນັກລົງທຶນ ແລະ ພາກສ່ວນທີ່ມີສ່ວນຮ່ວມຂຶ້ນທ້ອງຖິ່ນ ໃນວົງຈອນການລົງທຶນ, ເຊິ່ງໄດ້ສັງລວມທັດສະນະເຫຼົ່ານັ້ນໄວ້ ໃນຕາຕະລາງທີ 4 ຢ່າງຮອບຄອບແລ້ວ.

ກົນໄກດ້ານອຳນາດ ລະຫວ່າງ ນັກລົງທຶນ ກັບ ພາກສ່ວນທີ່ມີສ່ວນຮ່ວມຂຶ້ນທ້ອງຖິ່ນ ຊຶ່ງໃຫ້ເຫັນເຖິງຄວາມແຕກຕ່າງກັນໃນແຕ່ລະກໍລະນີ. ສ່ວນຫຼາຍຈະພົບວ່າ ນັກລົງທຶນຈີນ ໃນເບື້ອງຕົ້ນຈະພົວພັນກັບພາກລັດ ແລະ ກຸ່ມຄົນຜູ້ມີອຳນາດຢູ່ຂັ້ນທ້ອງຖິ່ນ ໃນລະຫວ່າງໄລຍະວາງແຜນ, ເຊິ່ງສ່ວນຫຼາຍບໍ່ລວມຊາວກະສິກອນຂະໜາດນ້ອຍເຂົ້າມາມີສ່ວນຮ່ວມນໍາ. ວິທີການດັ່ງກ່າວນີ້ ສ່ວນຫຼາຍນໍາໄປສູ່ຂໍ້ຂັດແຍ້ງ ໃນລະຫວ່າງໄລຍະການຈັດຕັ້ງປະຕິບັດ. ການຮັບມືຂອງບັນດານັກລົງທຶນຈີນ ກໍ່ແຕກຕ່າງກັນຫຼາຍ. ບັນດານັກລົງທຶນທີ່ບໍ່ພ້ອມຈະປັບໂຕເຂົ້າກັບສະພາບທ້ອງຖິ່ນ ກໍ່ໃຊ້ຈຸດຢືນຂອງຕົນເອງເປັນຫຼັກໂດຍບໍ່ຍອມຜ່ອນຜັນ ໃນຂະນະທີ່ຜູ້ອື່ນໆ ພັດມີການດັດປັບ ແລະ ປ່ຽນແປງ. ການສຶກສາຄັ້ງນີ້ ຈຶ່ງສອດຄ່ອງກັບແນວຄວາມຄິດຂອງ Scott ທີ່ວ່າ “ອາວຸດຂອງຜູ້ອ່ອນແອ” ແລະ ໃຫ້ສາຍານາມແກ່ນັກລົງທຶນທີ່ມີການດັດປັບເຫຼົ່ານີ້ວ່າ ເປັນ “ຜູ້ປານີປານອມທີ່ເຂັ້ມແຂງ”.

ການປ່ຽນແປງໃນກົນໄກດ້ານອຳນາດ ສົ່ງຜົນໃຫ້ຊຸມຊົນໃນທ້ອງຖິ່ນ ມີ ຜົນໄດ້ ແລະ ຜົນເສຍ ທີ່ສະຫຼັບສັບຊ້ອນ ດັ່ງນັ້ນການສຶກສາຄົ້ນຄວ້າ ຈຶ່ງນຳໃຊ້ວິທີການວິເຄາະ ຜົນໄດ້ ແລະ ຜົນເສຍ ເພື່ອສັງລວມເອົາບົດຮຽນທີ່ຖອດຖອນໄດ້ ແລະ ປະສົບການຕ່າງໆ ຂອງ ກໍລະນີສຶກສາເຫຼົ່ານີ້ ດັ່ງທີ່ໄດ້ລະບຸໄວ້ໃນຕາຕະລາງທີ 5. ບໍ່ວ່າຈະເປັນການລົງທຶນຮູບແບບໃດກໍ່

ຕາມ, ຜົນໄດ້ຮັບຂອງຊຸມຊົນທ້ອງຖິ່ນ ລວມມີ ປັດໄຈດ້ານການເງິນ ແລະ ດ້ານເຕັກໂນໂລຊີ ແລະ ຄວາມຮັບຮູ້ກ່ຽວກັບ ຕະຫຼາດ ເຊິ່ງຍົກສູງທ່າແຮງຂອງເຂົາເຈົ້າ ໃນການສ້າງປະໂຫຍດຈາກຊັບພະຍາກອນຂອງທ້ອງຖິ່ນ. ຜົນເສຍ ລວມມີ ອຳນາດທີ່ມີຈຳກັດ, ທາງເລືອກທີ່ມີຈຳກັດ ແລະ ການເຂົ້າເຖິງ ເຕັກໂນໂລຊີທີ່ມີຈຳກັດ. ບັນຫາດ້ານສິ່ງແວດລ້ອມ ສຳລັບ ຊຸມຊົນໃນທ້ອງຖິ່ນ ແມ່ນຍັງບໍ່ຖືເປັນບັນຫາຕົ້ນຕໍທີ່ໜ້າເປັນຫ່ວງເທື່ອ. ການສຶກສາຄັ້ງນີ້ ຍັງເນັ້ນໃຫ້ເຫັນເຖິງຜົນເສຍຕ່າງໆທີ່ຖືກມອງຂ້າມໃນໄລຍະຜ່ານມາ ເຊັ່ນ: ການເຮັດໃຫ້ຄຸນນະພາບ ຂອງຊາຕຳກວ່າມາດຕະຖານ ເຊັ່ນໃນກໍລະນີຂອງບ້ານອ່ອນ ຍ້ອນການຝຶກອົບຮົມດ້ານເຕັກນິກບໍ່ມີຄວາມສອດຄ່ອງ.

ນອກຈາກ ຜົນໄດ້ ແລະ ຜົນເສຍ ທີ່ຊຸມຊົນທ້ອງຖິ່ນໄດ້ຮັບແລ້ວ, ການສຳພາດຫຼາກຫຼາຍພາກສ່ວນທີ່ມີສ່ວນຮ່ວມ ໄດ້ໃຫ້ມູມມອງກ່ຽວກັບກົນໄກໃນວົງກວ້າງກວ່າ. ປັດຈຸບັນ ບັນດານັກລົງທຶນ ແມ່ນນັບມື້ເຫັນເຖິງຄວາມສຳຄັນຂອງການສ້າງສາຍພົວພັນກັບຊາວກະສິກອນຂະໜາດນ້ອຍເພີ່ມຂຶ້ນ. ເຂົາເຈົ້າເນັ້ນຢ້ຳວ່າ ການໄດ້ຮັບການສະໜັບສະໜູນຈາກຊຸມຊົນ ເທົ່າກັບ ການໄດ້ຮັບຜົນສຳເລັດທາງດ້ານທຸລະກິດ. ຈາກທັດສະນະ ຂອງ ຊຸມຊົນທ້ອງຖິ່ນ ສຳຄັນແມ່ນຕ້ອງຮັບຮູ້ວ່າ ໃນຫຼາຍໆພາກຂອງປະເທດລາວ ເຮົາຍັງຢູ່ໃນໄລຍະເບື້ອງຕົ້ນຂອງການຜະລິດກະສິກຳ ທີ່ເນັ້ນໃສ່ຕະຫຼາດ. ສ່ວນຫຼາຍ ຊຸມຊົນເຫຼົ່ານີ້ຂາດການເຂົ້າເຖິງຂໍ້ມູນທີ່ສຳຄັນ, ຂາດການເຂົ້າເຖິງເຕັກໂນໂລຊີ ແລະ ຂາດປະສົບການ. ຍ້ອນແນວນັ້ນ, ພຶດຕິກຳການລັກຂາຍໃຫ້ຜູ້ປະກອບການຄົນອື່ນນອກສັນຍາ ແລະ ການເກັບກູ້ຜົນຜະລິດເກີນກຳນົດ ອາດມອງເປັນການກະທຳທີ່ຫວັງພຽງຜົນໄດ້ຮັບໄລຍະສັ້ນ, ແຕ່ວ່າມັນກໍ່ແມ່ນຄຸນລັກສະນະຂອງສິ່ງທ້າທາຍທີ່ເຂົາເຈົ້າພົບພໍ້ ໃນລະຫວ່າງໄລຍະເບື້ອງຕົ້ນ ຂອງ ການພັດທະນາກະສິກຳ. ໂດຍລວມແລ້ວ, ຊາວກະສິກອນຂະໜາດນ້ອຍ ຂ້ອນຂ້າງຍອມຮັບກັບການຜະລິດກະສິກຳເປັນສິນຄ້າ ແຕ່ສ່ວນຫຼາຍແມ່ນມີຄວາມກັງວົນກ່ຽວກັບບາງວິທີການຈັດຕັ້ງປະຕິບັດ.

ໃນຂະນະທີ່ ການສຶກສາຄັ້ງນີ້ ຮັບຮູ້ເຖິງຄວາມຈຳກັດຂອງການສຶກສາ ແລະ ການສຳພາດບັນດາອົງການຈັດຕັ້ງພາກລັດ ແຕ່ວ່າ ການສຶກສາດັ່ງກ່າວ ໄດ້ເນັ້ນໃຫ້ເຫັນເຖິງບົດບາດທີ່ສຳຄັນຂອງພາກລັດ ໃນການສົ່ງເສີມການລົງທຶນ ແລະ ຊຸກຍູ້ສາຍພົວພັນ ທີ່ເຂັ້ມແຂງ ກັບນັກລົງທຶນ. ແນວໃດກໍ່ຕາມ, ໃນໄລຍະການຈັດຕັ້ງປະຕິບັດໂຄງການ ປະກົດວ່າ ຍັງຂາດການມີສ່ວນຮ່ວມຂອງທາງພາກລັດ ໂດຍສະເພາະ ແມ່ນໃນເວລາທີ່ມີບັນຫາສຳຄັນຕ່າງໆເກີດຂຶ້ນ ທີ່ຕ້ອງການໃຫ້ມີການເອົາໃຈໃສ່ ແລະ ມີການແກ້ໄຂ. ທ້າຍສຸດ, ຈາກທັດສະນະຂອງອົງການພັດທະນາ, ເຖິງແມ່ນວ່າ ອົງການເຫຼົ່ານີ້ ໄດ້ປະກອບສ່ວນ ຂໍ້ມູນທີ່ມີຄຸນຄ່າ ກ່ຽວກັບ ການລົງທຶນຂອງຈີນໃນຂະແໜງການກະສິກຳ ໃນລາວ ແລ້ວກໍ່ຕາມ ແຕ່ຍັງມີຊຶ່ງເຂດທີ່ຈະຕ້ອງການຄວາມກະຈ່າງແຈ້ງ ແລະ ຄວາມເຂົ້າໃຈຫຼາຍຂຶ້ນກວ່າເກົ່າ ກ່ຽວກັບ ຂະບວນການລົງທຶນສະເພາະດ້ານ.

ໂດຍສະຫຼຸບລວມແລ້ວ, ບົດລາຍງານໄດ້ເນັ້ນເຖິງ ຄວາມສະຫຼັບສັບຊ້ອນ ແລະ ຄວາມແຕກຕ່າງ ຂອງ ການລົງທຶນຂອງຈີນ ໃນຂະແໜງການກະສິກຳ ໃນລາວ. ການວິເຄາະຂອງບັນດາກໍລະນີສຶກສາ ໃຫ້ຂໍ້ມູນທີ່ເປັນບົດຮຽນ ກ່ຽວກັບເຫດຜົນຕ່າງໆ ທີ່ຢູ່ເບື້ອງຫຼັງຂອງຄວາມສະຫຼັບສັບຊ້ອນນີ້ ເຊິ່ງມີລັກສະນະຫຼາກຫຼາຍແງ່ມຸມ ແລະ ອຸດົມໄປດ້ວຍຄວາມແຕກຕ່າງ. ການຄົ້ນພົບທີ່ໂດດເດັ່ນອັນໜຶ່ງ ຂອງ ການສຶກສານີ້ ແມ່ນຜົນກະທົບທີ່ແຕກຕ່າງ ທີ່ພຶດຊະນິດຕ່າງໆ ມີຕໍ່ພຶດຕິກຳການລົງທຶນ ເຊິ່ງເປັນດ້ານທີ່ສ່ວນຫຼາຍມັກຖືກມອງຂ້າມໃນການສຶກສາຄັ້ງກ່ອນໜ້ານີ້. ໃນຂະນະດຽວກັນ, ການສະຫຼຸບສັງລວມສະພາບການຂອງນັກລົງທຶນຈີນ ໃນບັນດາກໍລະນີສຶກສາ ຍັງສະແດງໃຫ້ຮູ້ວ່າ ພຶດຕິກຳທີ່ແຕກຕ່າງກັນ ແລະ ຄວາມພ້ອມໃນລະດັບທີ່ແຕກຕ່າງກັນ ກໍ່ມີຜົນສະທ້ອນຕໍ່ການລົງທຶນ. ແນວໃດກໍ່ຕາມ, ສ່ວນຫຼາຍ ກົນໄກ

ດ້ານອຳນາດ ກັບຫຼາກຫຼາຍພາກສ່ວນທີ່ມີສ່ວນຮ່ວມ ເປັນອຸປະສັກສະກັດກັ້ນພຶດຕິກຳຂອງນັກລົງທຶນ. ກົນໄກດ້ານອຳນາດ ກຳນົດ ບໍ່ພຽງແຕ່ສິ່ງທີ່ນັກລົງທຶນຕ້ອງການເຮັດ ແຕ່ກຳນົດວ່າ ແມ່ນຫຍັງແດ່ທີ່ເຂົາເຈົ້າສາມາດເຮັດໄດ້. ການເຂົ້າໃຈເຖິງ ກົນໄກທີ່ສະຫຼັບສັບຊ້ອນເຫຼົ່ານີ້ ແມ່ນສິ່ງທີ່ສຳຄັນ ຕໍ່ການເຂົ້າໃຈເຖິງພາບລວມທີ່ຮອບດ້ານ ກ່ຽວກັບ ການລົງທຶນຂອງ ຈີນໃນຂະແໜງການກະສິກຳໃນລາວ.

ອີງໃສ່ສິ່ງຄົ້ນພົບແລະ ຂໍ້ສະຫຼຸບຕົ້ນຕໍເຫຼົ່ານີ້, ບົດລາຍງານຈຶ່ງສະເໜີຂໍ້ສະເໜີແນະນຳດ້ານນະໂຍບາຍ ໃນ 4 ຂົງເຂດຫຼັກ ຄື:

- 1 ບົດບາດຂອງພາກລັດ:** ສິ່ງທີ່ສຳຄັນທີ່ສຸດສຳລັບພາກລັດ ກໍ່ຄືການຜັນປ່ຽນບົດບາດ ຈາກການເປັນຜູ້ດຶງດູດການລົງທຶນ ມາເປັນຜູ້ປະສານງານລະຫວ່າງການລົງທຶນ. ນອກຈາກນັ້ນແລ້ວ ພາກລັດ ຄວນ ມີບົດບາດເປັນເຈົ້າການໃນຂະບວນການຈັດຕັ້ງປະຕິບັດການລົງທຶນ, ການໃຫ້ທິດຊີ້ນຳ ແລະ ການມີສ່ວນຮ່ວມຢ່າງຫ້າວຫັນ ໃນແຕ່ລະໄລຍະຂອງການລົງທຶນ.
- 2 ການແບ່ງປັນຄວາມຮູ້ລະຫວ່າງບັນດານັກລົງທຶນຈີນດ້ວຍກັນ:** ບັນດາອົງການຈັດຕັ້ງພາກລັດ, ອົງການພັດທະນາ ແລະ ຊ່ຽວຊານ ຄວນ ຍົກສູງບົດບາດ ແລະຄວາມໄດ້ປຽບຂອງບົດບາດຂອງເຂົາເຈົ້າ ເພື່ອເອົາອຳນວຍການແລກປ່ຽນບົດຮຽນ ແລະ ແບ່ງປັນຂໍ້ມູນລະຫວ່າງນັກລົງທຶນຈີນດ້ວຍກັນ.
- 3 ການສຶກສາຄົ້ນຄວ້າທາງດ້ານວິຊາການ:** ບັນດານັກຄົນຄ້ວາ ແລະ ສະຖາບັນການສຶກສາຕ່າງໆ ຄວນລົງທຶນເພື່ອເຂົ້າໃຈທັດສະນະ ແລະ ມຸມມອງຂອງບັນດາຜູ້ກ່ຽວຂ້ອງ ແລະ ຜົນກະທົບຈາກຄຸນລັກສະນະທີ່ແຕກຕ່າງກັນຂອງ ພຶດ ເພື່ອກຳນົດຂົງເຂດທີ່ຕ້ອງການ ການປັບປຸງດ້ານນະໂຍບາຍ.
- 4 ຄວາມຊຳນິຊຳນານຂອງຊາວກະສິກອນດ້ານການຕະຫຼາດ ແລະ ດ້ານເຕັກນິກ:** ລັດຖະບານລາວ ຮ່ວມກັບບັນດາອົງການຈັດຕັ້ງສາກົນ ແລະ ຄູ່ຮ່ວມພັດທະນາ ຄວນສຸ່ມໃສ່ການສ້າງສາຍພົວພັນທີ່ແໜ້ນແຟ້ນຂຶ້ນກັບລັດຖະບານຈີນ ແລະ ສະຖາບັນສຶກສາ ຫຼື ນັກຄົ້ນຄວ້າທີ່ກ່ຽວຂ້ອງ ເພື່ອ ໃຫ້ສາມາດຕອບສະໜອງໄດ້ຕາມຄວາມຕ້ອງການຂອງຕະຫຼາດ ແລະ ມາດຕະຖານດ້ານເຕັກນິກ.

Table 1: Basic Case Information

Case	Age & origin of the Person in Actual Charge (PAC)	Main business	Business model	Long-term employees	Start year and Entry Point	Language level of PAC
Linsui Private Partnership (PP)	59 Yunnan	Tea	50ha tea trees concession for 30 years	Chinese and Laotian	1998, through Lao relatives in Lao	Fluent in Lao
Senvo Family business	58 Chongqing	Non-Timber Forest Products (NTFP), Tea, Mulberry, Information	130 ha land concession for 30 years. NTFPs purchasing	Chinese and Laotian	2003, through Business partner	Fluent in Lao
Yunfeng PP	52 Hunan	Tea	10-year fresh leaf purchasing contract during specific seasons from a household (HH)	Chinese and Laotian	1998, through Relatives on L/C border	Intermediate in Lao
Huafeng Joint venture	46 Yunan	Tea	Concession (exclusive purchasing rights) for 30 years together with local partner	Chinese and Laotian	2013, through Business partner	Intermediate in Lao
Yuanda Family business	58 Sichuan	Banana	30ha land leasing for 6+6 years	Chinese and Laotian	2011, through Business partner	Basic in Lao
Yitu Family business	29 Sichuan	Vegetable and logistics	Contract farming with 1,000 HHs during the dry season	Chinese and Laotian	2017, expansion from Yuanda	Intermediate in Lao
Alex Joint venture	30 Luang Prabang	Vegetable (project ended)	Contract farming with 46 HHs during the dry season	-	2019, beginning as a broker	Basic in Chinese, Intermediate in English
Civet coffee Family business	44 Luang Prabang	Coffee and organic crops	40ha land concession and contract farming with 25 HHs	Laotian	2008, met a Tai-lue from Yunnan.	Basic in Chinese

Source: Fieldwork in 2023 by study team.

Table 2: Investor's Engagement with Local Stakeholders

Case	Government Instance issuing Permit	Working Model	Labour preference	Relationship with		Expected period ¹
				Community	Government	
Linsui PP	Provincial	Typical 3+2 ² . Long-term training for local labours, particularly withering	No preference	Strong connection with both village heads and some villagers	Strong connection with both provincial and district	20-30 years, break-even at end of the 1st decade
Senvo Family business	Provincial	Typical 3+2 Long-term training for local labour	No preference	Strong connection with both village heads and some villagers	Very strong connection with both provincial and district level	Mulberry for 30 years, 7 – 8 years to break-even
Yunfeng PP	District	3.5+1.5 ³ , no training. Exclusive purchasing right for fresh leaves in specific seasons, floating price	No preference	Strong connection with some villagers	Strong connection with district level	10 years contract, break-even asap.
Huafeng Joint venture	Provincial but district for local partner	3+2 ⁴ . Very few trainings. 3 years fixed price.	Hmong-mien	No private relations while Local partner wedging locals	Strong connection with provincial, local partner with district level	3+3 years contract but 25 years right, 3 years to break-even
Yuanda Family business	Provincial	3+2 ⁴ , land from local labour from around, long-term training	Khmu & Hmong	Strong connection with village heads	Strong connection with both provincial and district	6+6 years contract, 2 years to break-even
Yitu Family business	Provincial	Typical 3+2 Long-term training for local labour	No preference	Strong connection with both village heads and some villagers	Strong connection with both provincial and district	Flexible contract but trying collaborate as long as possible
Alex Joint venture	Provincial	Typical 3+2, trying Long-term training for local labour	No preference	Strong connection with village head	Strong connection with both provincial and district	Year by year
Civet coffee Family business	Provincial	4+1 for owned farm but promoting 3+2 now.	-	-	-	Flexible contract but trying collaborate as long as possible

Source: Fieldwork in 2023 by study team.

¹ It includes investment period and expected break-even time if indicated.² Typical 3+2 model, where investors supply capital, materials and technologies, while local communities contribute their land and labor.³ Some labors from Phonsaly who worked with Yunfeng before.

Table 3: Categorisation of Investments by Non-Human Perspective

	Short-term	Mid-term	Long-term
Representative Plantation	Vegetable and Watermelon ¹	Banana ¹	Tea and Rubber (Lu, 2017) ¹
Production cycle	Around 4 months	8 – 12 months maturation, two 3-year harvestings ²	Tea plantation needs 3-10 years, rubber needs 7 – 9 years maturation period, then rubber 25 – 35 years productive latex tapping, tea as long as possible
Land sizes	Normally small (< 20 ha)	Prominently small-middle (> 20 ha but < 1,000 ha), a few large ones (> 1,000 ha)	Tea mostly middle (around 100 ha), rubber normally large (> 1,000 ha)
Land property types	Prominently private	Private and communities	Prominently community or state forests
Business types	Family and individual partnerships	Mostly family and individual partnerships, a few big corporates	Family and individual partnership for tea, while rubber normally suited for large corporates
Location	Low irrigated flatlands	Irrigated low and midlands, both flat and sloping but trend forward to sloping	Uplands
Technical standards	Highly standardized	Highly standardized	Diversified approaches for tea while highly standardized for rubber
Land use replaces	Rice paddies (during the dry season when rice not growing)	Rice paddies, seasonal vegetable producing plots and shifting cultivation fallows	Normally shifting cultivation fallows and forests
Land use change	Slightly	Significantly but can be rehabilitated	Significantly and irreversible
Financial and policy support	None from both China and Lao sides, family and private network supports	Some supported under the Opium Replacement Programme (ORP) while many only family and private network supports	No official support for tea, while rubber mostly under the ORP, tax incentives and preferential policies from both countries
Local engagements	Prominently short-term relations with Lao Loum, highly relied on local brokers.	Mid-term relations with both Lao Loum and Lao Theung. Establishing close relations with local authorities.	Prominently long-term relations with Lao Soung and Lao Theung. Establishing close relations with both local authorities and communities.

Source: Fieldwork in 2023 by study team.

¹ Information of watermelon and banana plantation collected during fieldwork in 2019, while rubber based on the fieldwork and cited references in the table.

² Banana yields continuously for 3 years after planting. Subsequently cutting trees while leaving the root intact, allows for another 3-year harvesting before uprooting the tree.

Table 4: Power Relations during the Investment Cycle

Cases	Plan & Design	Implementation	Evaluation	Adjust & Result
Tantai (Linsui)	Liusui, village head and government dominated based on the political, capital, market and tech powers.	Some villagers against the project and neither village head nor government stop it due to slight damage or “weapons of weak” ¹	Investors realized the importance of relationships with different stakeholders rather than village head and government only	Establishing long-term relationship with all villagers. Also long-term skill training to reduce technician cost
O-an (Yunfeng)	Champa through government had an exclusive deal based the power of politics, capital, market and techs.	NGOs provide more market and capital/skill access to local farmers, Champa quit in 2013 due to out-of-control of side selling	More Chinese investors as Yunfeng came while Champa withdrew, local farmers develop their own skills and market, fierce competition	Local elites dominate skills and markets, tea quality drops, no long-term investment and management from both sides.
Nakout (Huafeng)	Mr. Khamxai has developed the tea since 2008 based on his access of market and skills	Khamxai monopolize the access to the market and then introduced Chinese investor to strengthen the capital power	Tea has become the most important income for local villagers but is highly dependent on investors. Dissatisfaction spreads	Investors sow division among villagers, further consolidating their power, misunderstanding between both sides increasing
Namet (Yitu)	Mr. Ding shifted his focus from banana to off-season vegetable in 2018, along with his access to tech, capital, market, politics	Failed the first year due to his relying on outside labors, which was the experience from previous banana business	Ding recognized the significance collaboration with the local communities, and managed to dispel biases through in-depth understanding.	Favourable actions would be rewarded while negative behaviour would be penalized. Vegetable farming expanded and long-term.
Ban Na Hai (Alex)	Alex came together with Chinese investors based on their capital, market and tech access, making a plan with the government and village head	Investors neglected management, village head promoting his own techniques, led to quality problems	Investors and village head both hold the belief that the other party is primarily responsible.	Terminated after one single crop season. Villagers tried developing market by their own but no success yet.

Source: Fieldwork in 2023 by study team.

¹ Scott, J. C. (1985). *Weapons of the weak: Everyday forms of peasant resistance*. Yale University Press.

Table 5: Gains and Losses Analyses for Local Communities

Case	Gains	Losses
Tantai (Linsui)	Relatively stable income and skill training, Potentially considering the interests of the majority due to the accessible training for everyone.	Excluded from free access to market, Autonomy on tea forest management, Bargaining power.
O-an (Yunfeng)	Certain level skills and technologies on tea processing, Complete autonomy on tea forest management, Multiple market access besides China, Relatively higher bargaining power.	Stable market demands and Chinese standard technology transfer, Carefulness on cultivating of ancient trees as a result of intense competition, quality drops down quickly, Diversity of livelihood loss ⁷ and elite capture.
Nakout (Huafeng)	Diversify the livelihood and increase income, Access to the tea market turning natural resource into capital.	Autonomy on tea forest management, Bargaining power and request on technology transfer, Excluded from free access to market.
Namet (Yitu)	Access to the vegetable market and technology, Diversify the livelihood and increase income.	Water resource shortage, Potential environmental damage, Free time used to have during the dry season.
Ban Na Hai (Alex)	New option of livelihood, Certain technology of green beans, Awareness of marketing.	Excluded from the capital, proper technology and large market.

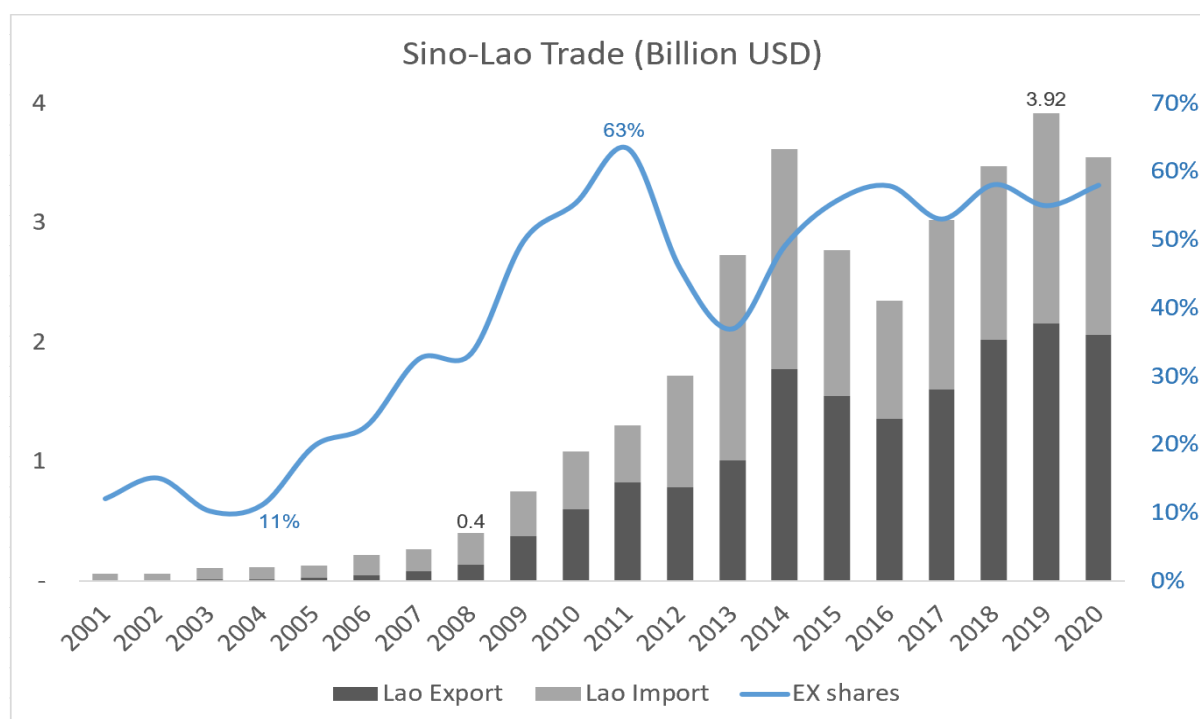
Source: Fieldwork in 2023 by study team.

⁷ Unlike other cases where tea is a side business, local tea farmers in O-an invested heavily and rely mainly on tea for their livelihoods.

1 Background

In the early 2000s, Lao PDR (commonly referred to as Laos), classified by the UN as one of the least developed countries, opened its land markets to foreign investment by initiating the policy of "turning land into capital", aiming to encourage Foreign Direct Investment (FDI) in the agricultural sector for economic growth (Dwyer, 2007). Simultaneously, China's fast-paced development led to a substantial increase in its demand for agricultural products. Against this backdrop, Chinese investments have poured into the country and in the late 2000s China overtook Thailand and Vietnam, the two main traditional trade partners for Laos, becoming the top investor in Laos (Ponghkao, 2007). As a result, Sino-Lao trade has experienced rapid growth in the past two decades, particularly with Laos witnessing a steady surge in its exports to China, achieving record highs (*Figure 1*). The inauguration of the Laos-China railway (LCR) in December 2021, further fuelled the growth trajectory along the rail corridor.

Figure 1: Sino-Lao trade volume



Source: NSBC (2022).

Before the opening of the railway, the influence of China's agricultural investment in Laos had already garnered extensive attention and debate from various circles, fuelled by China's "Belt and Road Initiative" and the current global phenomenon of land grabbing. In response to this situation, academic institutions and development organizations have begun researching the impact of Chinese agricultural investment in Laos, resulting in considerable outcomes. Academics have conducted extensive and thorough research on China's investments in prominent agricultural sectors in Laos, namely, rubber (Lu & Schönweger, 2019) and banana (Friis, C., & Nielsen, 2016) plantations. Their focus pertained to land grabbing and crop booming (Kenney-Lazar, 2018), aiming to uncover the profound social and environmental ramifications stemming from such investments. Concurrently, development organizations like the World Bank (2022) and FAO (2023), have undertaken comprehensive discussions on the opportunities and challenges brought about by the investment along the rail

corridor, as well as the sustainability of it as a business model (Thiphavong, 2023). The studies conducted by both academic and development agencies highlight the concern and challenges that must be overcome within the investment, specifically, in relation to the smallholder farmers who make up most of the producers in this sector. Often positioned in a disadvantaged stance throughout the investment process, it is imperative to ascertain whether they can indeed benefit from the investment. Currently, existing literature largely portrays the situation as one in which the investors managing agricultural plantations and processing factories and who are endowed with resources tend to capture most of the benefits (Yang & He, 2021). Hence, failure to address these inequalities may result in significant social and environmental consequences, leading to sustainability issues of the investments. Hence, an essential focus of current studies on Chinese agriculture investment revolves around the power relationships between investors and local communities, particularly smallholder farmers.

However, the current studies lack a crucial aspect – the perspectives and practical experiences of Chinese investors and buyers. Several reasons contribute to this issue, including language barriers and stereotypical perceptions on Chinese businessmen (Lu, 2021). Additionally, some personnel from development organizations contend that Chinese investors display reluctance to participate in surveys⁸. Regardless of whether it pertains to the academic analysis of power dynamics concerning "land grabbing" or the exploration of the "win-win" model in the development process, this dearth of information results in highly unilateral analytical outcomes. Existing research has underscored substantial variations among Chinese investment models. These disparities, in turn, give rise to distinct collaborative relationships forged with local stakeholders, ultimately leading to significant variations in the sustainability of these investments. Consequently, it is crucial to comprehend the perspective of Chinese investors and their relationships with local communities, each one assuming pivotal roles in agricultural development, as this will be a prerequisite for facilitating mutually advantageous partnerships between the two.

To address this gap, the LURAS project, which has a strong emphasis on rural development and foreign agricultural investments in Laos, has undertaken an in-depth study on the interplay between Chinese investors and local communities. The primary objective is to attentively engage with the perspectives of both Chinese investors and local communities. By amalgamating these invaluable perspectives with preexisting research findings, the study aims to offer a more comprehensive and holistic understanding of China's agricultural investments in Northern Laos. This contribution will further advance our insights into the sustainability of agricultural investments.

This report is structured into four sections. The first section offers the aforementioned background information. The second section introduces the study sites and the methodology employed in this study. Following that is the central section of the report, which focuses on the analysis and categorization of all the examined cases. Finally, the report concludes by summarizing the research findings and furthering the discussion on the subject matter.

⁸ The author of the aforementioned working report by FAO, along with representatives from other development organizations, have conveyed this perspective during their interactions within the study.

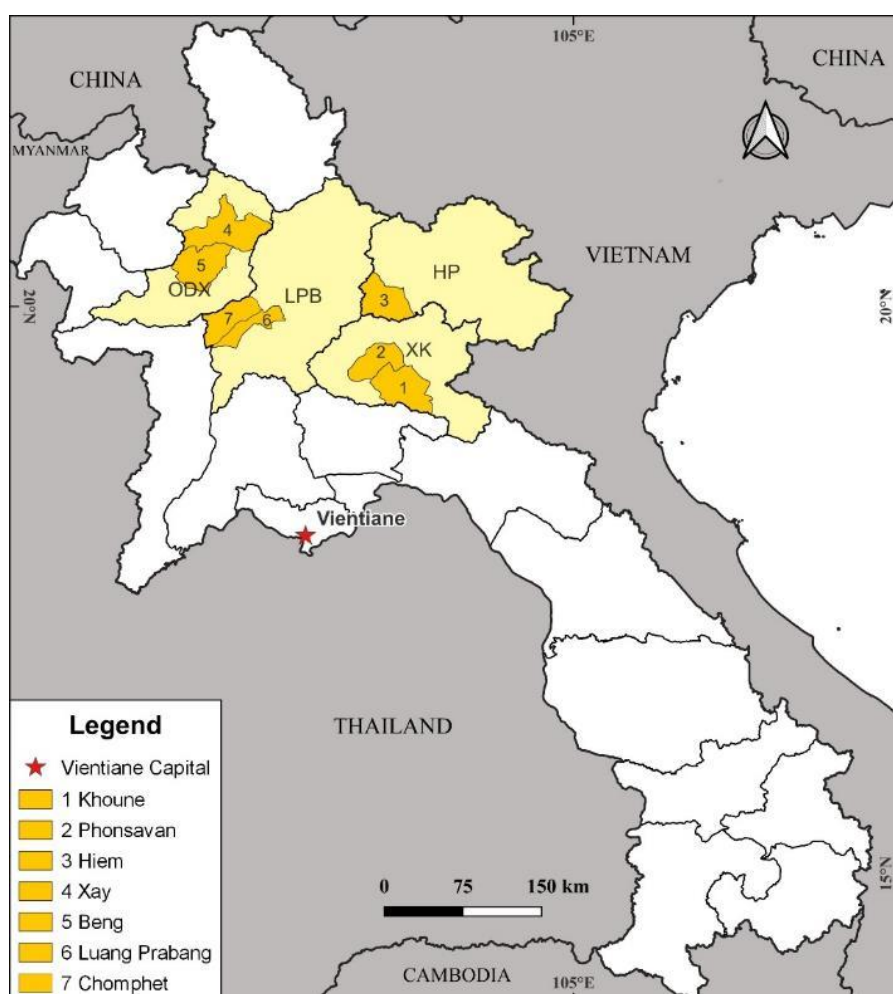
2 Study Sites and Methodology

To gain insights from both Chinese investors and the local community, LURAS hired a Chinese expert who, in collaboration with LURAS' local colleagues in Laos, conducted fieldwork spanning nearly two months in four provinces of northern Laos where LURAS operates. During this period, the research team visited a total of eight agricultural investors and their associated local communities across four provinces, thereby collecting primary data via semi-structured and in-depth interviews. Subsequently, by incorporating existing research findings of features of crops, the report reclassified different agricultural investments through the lens of 'human and non-human', and scrutinized the gains and losses experienced by the local community throughout the investment process. In addition to the fieldwork, this research also employed a satellite image analysis. The ensuing sections elaborate on the study sites and employed methodologies.

2.1 Study Sites

The team conducted field research in seven districts across four provinces in northern Laos from March to June 2023 (*Figure 2*).

Figure 2: Study Sites



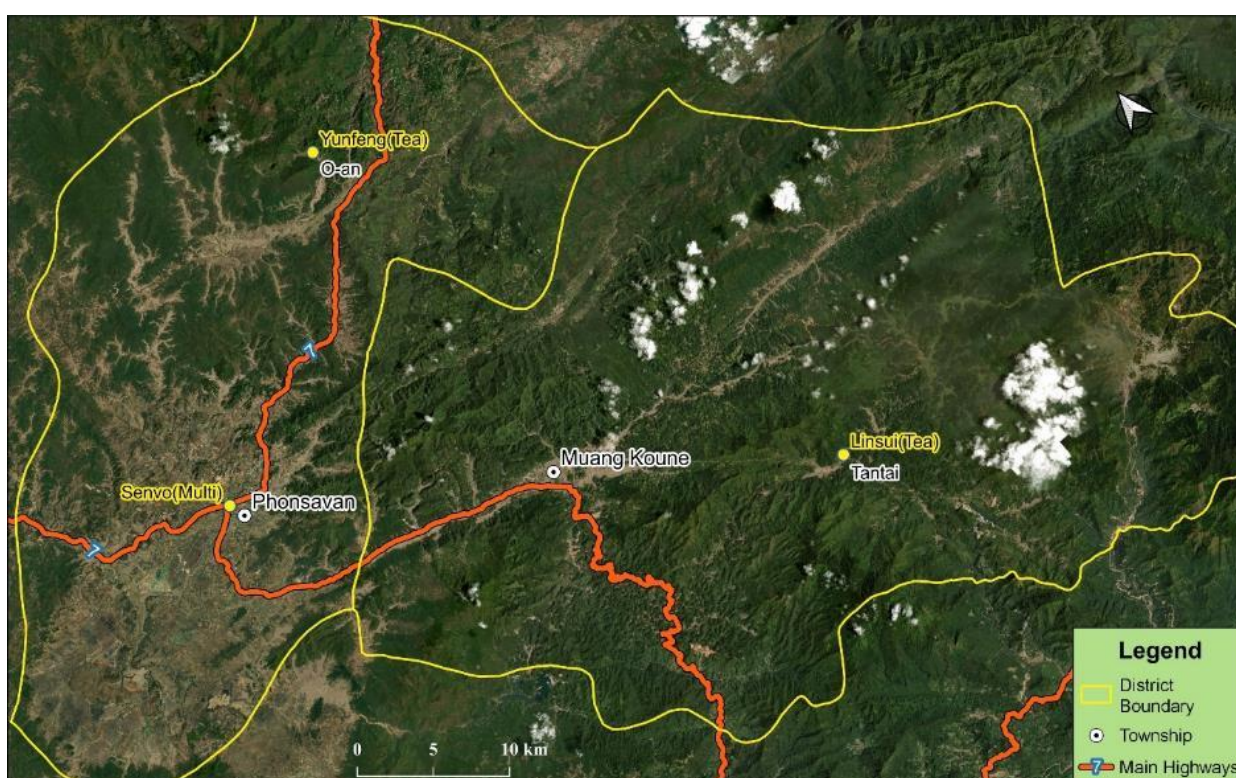
Source: Author. Boundary data: OCHA, HDX (2023)

The selection of these four provinces was driven not only by the implementation of the LURAS project but also by the anticipation that their agricultural development would be influenced by the operation of the LCR. The field research was divided into two phases. The first phase took place in March 2023, primarily focusing on investigating three Chinese agricultural enterprises in Xieng Khouang and one Sino-Lao joint venture in Houaphan, all involved in tea business. The second phase was undertaken in June 2023, focused on surveying one Chinese diversified family-owned enterprise in Oudomxay, and two local Laotian agricultural investors in Luang Prabang. Additionally, some of the field data utilized in this report originated from surveys conducted by the author in 2019.

1.1.1. Xieng Khouang

In Xieng Khouang, the study explored three Chinese establishments (*Figure 3*). The initial one was Linsui, a tea company situated in the secluded mountainous village Tantai within the Muang Koune district. Next in line was Senvo, located in the town of Phonsavan, engaging in a diversified range of activities including plantation management, import-export operations involving agricultural materials, tea, NTFPs, and livestock. The final visit took place at Yunfeng, a small tea company located in O-an village, nestled in the renowned Phoosane area, known as Laos' premier tea hub. In O-an, the research team had the opportunity to engage in conversations with the village head, leaders of the tea cooperatives and small farmers, thereby obtaining insights from diverse stakeholders.

Figure 3: Study Cases in Xieng Khouang



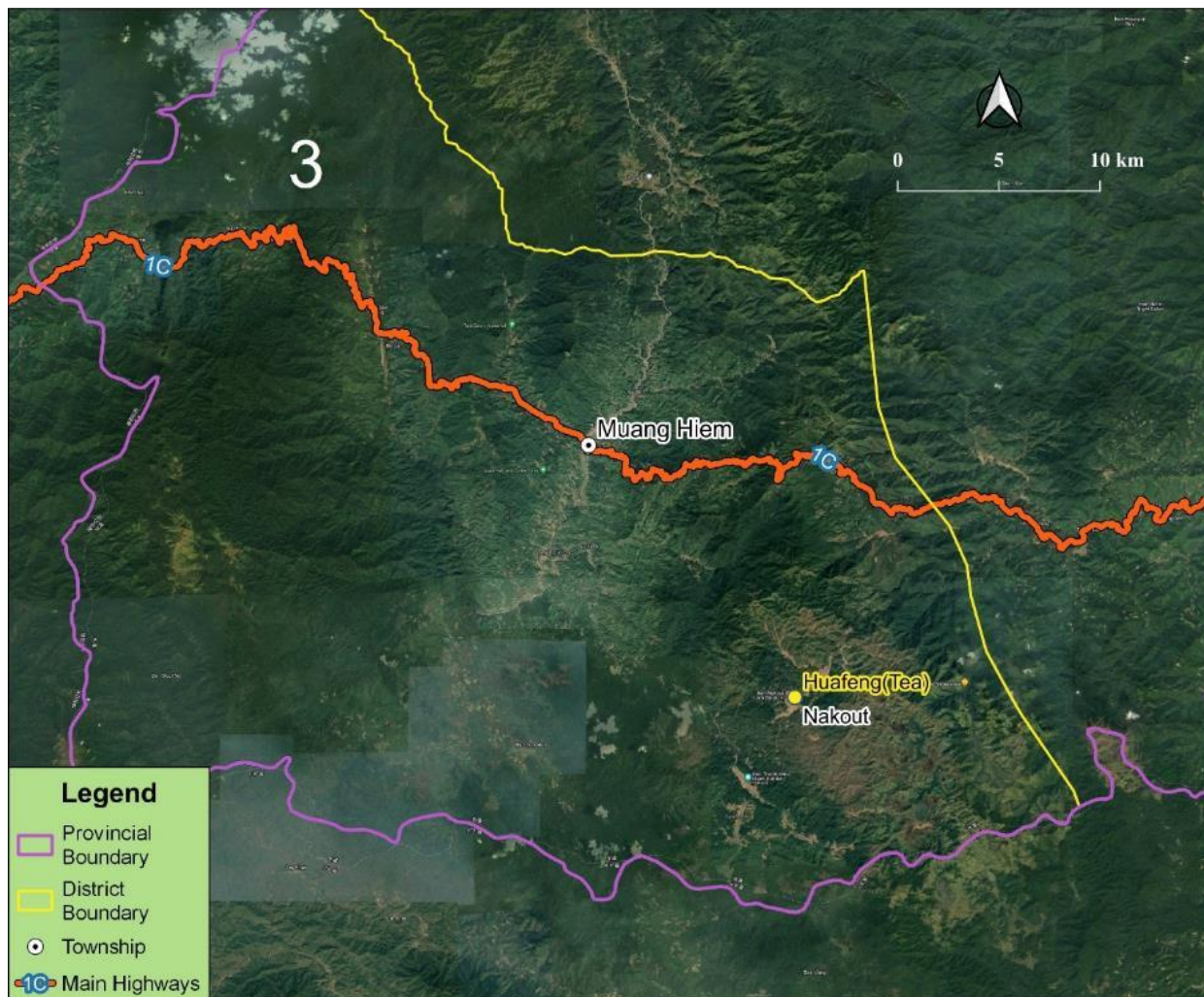
Source: Author, Google satellite (2023). Boundary and road vector data: OCHA, HDX (2023)

1.1.2. Houaphan

Beyond the daunting mountainous landscape of Phoosane, across the provincial boundary mountain, the study explored Huafeng. This Sino-Lao joint venture focuses on tea and is located in Nakout village within the Muang Hiem district (*Figure 4*). In Nakout, the research team conducted interviews with Chinese investors as well as their Laotian counterparts, officials from the local District Agriculture and

Forestry Offices (DAFO), former and current community heads, as well as smallholder farmers. The Houaphan case, coupled with the tea cases in Xieng Khouang, constitutes a compelling comparative study aimed at elucidating the impact of different behaviours of investors on agricultural investments.

Figure 4: Study Cases in Houaphan



Source: Author, Google satellite (2023). Boundary and road vector data: OCHA, HDX (2023)

1.1.3. Oudomxay

The aforementioned establishments constituted the core of the fieldwork conducted in March 2023. Additionally, in early March, the author of this report visited a family-run enterprise known as Yuanda, which originated from Sichuan, China, and which had previously been surveyed in 2019. While it was observed that Yuanda, initially focused on banana cultivation in Oudomxay, had diversified its operations. As a comprehensive analysis could not be conducted due to the limited duration of the visit in March, a follow-up interview was conducted in June. The individual currently in charge of this family-run enterprise is registered and operating a company named YITU, primarily engaged in vegetable cultivation, agricultural products storage, and transportation. YITU possesses a logistics base on the outskirts of Muang Xay, which includes a substantial frozen warehouse for agricultural products. YITU's vegetable cultivation primarily focuses on Muang Beng and Phongsaly, encompassing an area of over 100 hectares. The study primarily investigated the vegetable cultivation base located in Beng (*Figure 5*).

Figure 5: Study Cases in Oudomxay

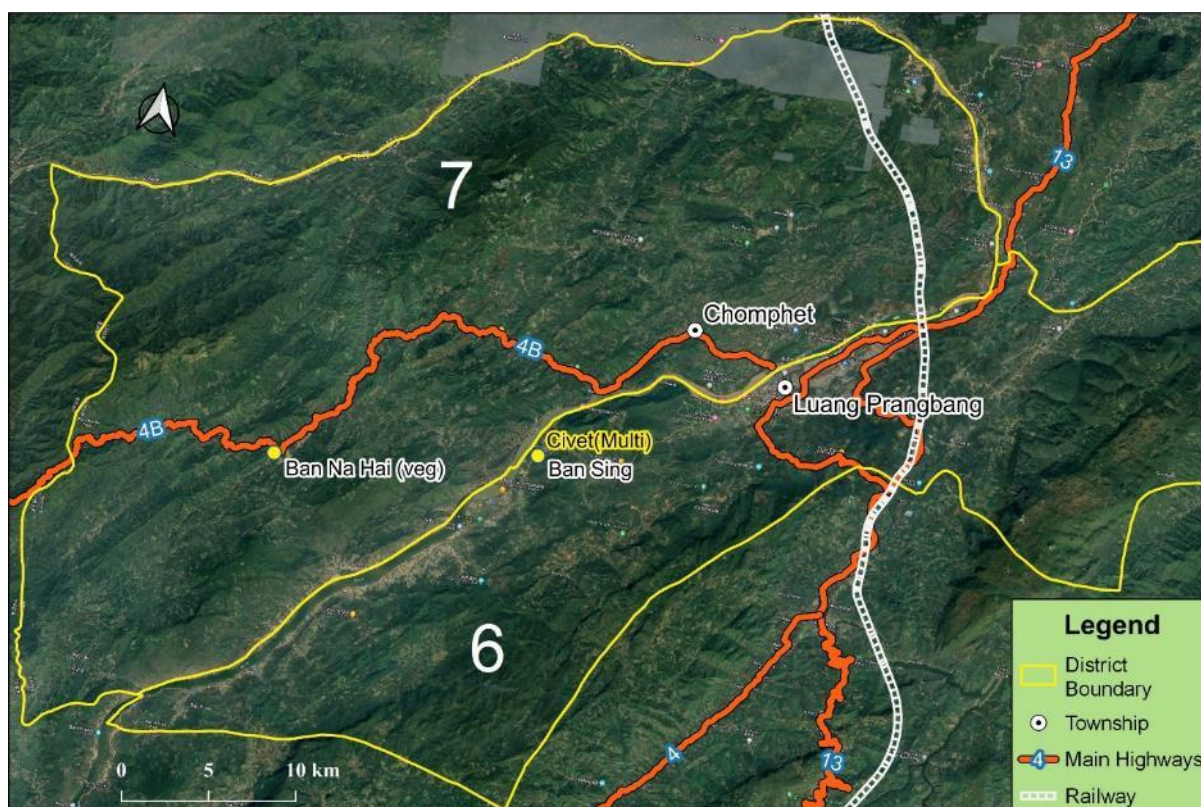


Source: Author, Google satellite (2023). Boundary and road vector data: OCHA, HDX (2023)

1.1.4. Luang Prabang

Following the interview with YITU, the study proceeded to Luang Prabang to investigate two local agricultural investors who maintain close business ties with China (*Figure 6*). One of them is Alex, who previously collaborated with Chinese investors to cultivate green beans in Ban Na Hai village, Chomphet district, for export to China. The other is a local Laotian business Civit Coffee next to Ban Sing village, situated along the road from Luang Prabang to the Kuangsi Waterfalls, with a prominent customer base comprised of Chinese individuals. These two instances of local investors in Laos were primarily utilized for conducting comparative research. Notably, the case of Civet coffee, which did not involve an analysis of power dynamics due to lack of information, is presented concisely, primarily offering a perspective of a Laotian businessman concerning the Chinese market and Chinese investments.

Figure 6: Study Cases in Luang Prabang



Source: Author, Google satellite (2023). Boundary and road vector data: OCHA, HDX (2023)

2.2 Methodology

The study adopts a qualitative approach based on case studies. The cases were selected based on the following criteria: (1) Small and medium-scale Chinese agricultural investors as there exists ample literature on large-scale companies having been granted land concessions (Kenney-Lazar et al, 2023); (2) connections to or awareness of presence of Chinese agricultural investors due to an absence of a reliable comprehensive list thereof; (3) diversity of species to allow an analysis of differences in investor behaviour based on non-human factors.

In this study, the primary method employed for qualitative research and gathering field data were semi-structured interviews. This form of interview allows the study to organize questions to some extent in alignment with the research objectives and interests, while also providing the interviewees with a sufficient degree of freedom to express their opinions and experiences (Kallio et al, 2016). Please refer to *Appendix A* for the semi-structured interview questions used in this study. At the same time, this study also conducted in-depth interviews with other stakeholders to gather additional primary data (please refer to the detailed list in *Appendix B*).

Employing the lens of multi-species ethnography, this study undertakes a comparative analysis of investment patterns from non-human and human angles for a reclassification and systematic organisation of the cases. This study draws on two main sources of data: The non-human perspective will largely be based on previous research primarily centred on the features of crops such as their cultivation and land use cycles (Lu, 2021) and examine the impact of these on investment patterns. The human perspective will analyse how the behaviours of different investors within the same crop

investment may influence the investment outcomes. Subsequently, employing the theory of access (Ribot & Peluso, 2003), this study will assess the gains and losses experienced by local communities throughout the investment process. Through these comprehensive analyses, this study endeavours to thoroughly explore the intricate dynamics that transpire between small and medium-scale Chinese agricultural investors and local communities. It will discern the advantages, risks, and challenges that accompany each investment pattern, thereby contributing to a holistic understanding of sustainable agricultural investments.

2.3 Limitations of the study

As previously noted, this study is subject to constraints imposed by various objective factors, and consequently, it has been carried out as a series of qualitative case studies. While our utmost efforts were dedicated to conducting interviews with a broad spectrum of Chinese investors and other stakeholders, constraints related to time and budget have precluded the possibility of a larger sample size. Consequently, this study primarily offers qualitative insights into the multifaceted relationships between Chinese investors and local communities without seeking to be representative. Subsequent studies, contingent upon available resources, could explore the inclusion of quantitative research with a larger sample size.

3 Case studies

Constituting the core of this report, the case analysis comprises a detailed overview of each case focusing on the investments patterns, power dynamics, gains and losses and connecting these findings to previous lessons learned. Hence, this section is divided into five subsections: The first subsection will introduce the detailed information of each case. The second subsection will focus on the categorization of the investments. The third subsection will encompass a power analysis that delves into interactive dynamics between investors and local communities. The fourth subsection will summarize the gains and losses experienced by local communities in the context of investments, aiming to reveal valuable insights and lessons. Finally, the last subsection will consolidate lessons learned from various perspectives.

3.1 Case information

In this subsection, the eight cases from seven districts across four provinces are presented in chronological order. The two cases from Oudomxay, being affiliated with the same family business, will be addressed jointly. Additionally, the case of Civet coffee is only briefly presented as previously mentioned. Following this, a synthesis of the key information extracted from all the cases will be provided.

1.1.5. Linsui – Sharing empathy at Tantai village

Linsui is a tea company established by a Chinese Tai-lue⁹ woman originating from Mengla, located adjacent to the China-Lao border in Yunnan province. The owner possesses extensive experience exceeding two decades in doing business in Laos. In 2019, the owner decided to directly manage the forest tea plantations rather than solely relying on purchasing tea from local residents. Currently, Linsui has been granted exclusive management rights by the Xieng Khouang Provincial Industry and Commerce Offices (PICO) and PAFO for the ancient tea trees located within a 50-hectare forest area¹⁰, shared among five villages. This decision was motivated not only by business profitability considerations but also by the owner's personal experiences. The owner's hometown Mengla, bears striking similarities with Laos in terms of language, culture, and natural environment. It's also renowned in China for its Pu-erh tea production. Having grown up amidst tea gardens and then spent over a decade in the tea business in Laos, she is well aware of the abundant resources of ancient tea trees in the country. Yet, she explains that she has also observed that the local management of these tea trees falls short of meeting the standards of the Chinese market. As a dedicated businesswoman deeply connected to both the country of Laos and the tea culture, she aspires to improve the management of forest tea plantations of Laos while simultaneously promoting the Laotian tea brand and culture in China.

Apart from the owner, most of the company's Chinese employees also belong to the Tai-lue ethnic group from Xishuangbanna. Remarkably, they have swiftly acquired proficiency in the Lao language and readily assimilated to the local way of life. As Ai Kan, the 29-year-old technical manager of the company, expressed,

⁹ Tai-Lue is a branch of the Tai group, an ethnic group in Xishuangbanna (Sipsongbanna) in China, with wide distribution in Laos, Thailand, and Myanmar. Author's note. Moreover, the business owner is a woman, and among Chinese overseas investors, the representation of women is relatively low, with even fewer being from the Tai-lue ethnic group. Regrettably, this study was unable to conduct an interview with her due to her unavailability.

¹⁰ It is not a land concession. The forest still belongs to the local community. Villagers are allowed to continue other activities in the forest but are prohibited from damaging the forest tea trees, such as burning around them.

Culturally and in terms of lifestyle, we are quite similar to the local people. For example, even though we have a company canteen providing delicious Chinese food, we often visit the homes of local residents to eat Khao Niao¹¹ together because that's how we eat at home. As a result, our relationship with the local community is very good.

Ai Kan, 14 March 2023¹²

Indeed, the similarities in language and culture provide substantial advantages for conducting business in Laos. However, Linsui found it challenging to establish a good rapport with the local people. As an outsider, Linsui initially had limited familiarity with the local situation. Initially, the owner relied on past business experiences and focused on building relationships with the local government and village elites, thinking that would suffice. The company also employed around 30 – 40 local villagers as security guards, tea guardians, and tea processors, believing that this would prevent major issues. However, it turned out that there were land disputes between local elites who had promised the land to investors and some local residents who cultivated it. The company was unaware of these conflicts beforehand. Some villagers felt that their interests were compromised, leading to some damages to the tea trees. Consequently, the company had to employ locals to live in the tea plantation to guard the valuable trees, which increased costs. The company realized that merely dealing with the village elites was insufficient, and therefore, they started regularly visiting households during festivals and important occasions. Furthermore, it was extremely challenging to cultivate a sense of management awareness among the local people. Ai Kan believed that this awareness would only arise when the locals truly recognized the value of tea. He anticipated that it would take a considerable amount of time, with a starting point of 5 – 10 years based on his own experience. Despite these difficulties, Ai Kan remained patient. Apart from his genuine passion for tea, his childhood experience and understanding of tea cultivation in his hometown in China made him aware that this kind of awareness can only be cultivated over time.

I grew up near a tea plantation when I was young. Initially, tea was not very valuable, so people didn't pay much attention to them. However, when Pu-erh tea became popular in China and its prices skyrocketed, many tea traders from the upland region such as Pu-erh¹³ came to our area to lease and cultivate tea gardens. They used to mock us Tai-Lue people for our lack of knowledge in tea garden management and tea processing. In fact, it was just because our access to information was limited. As soon as we realized the value of tea, we immediately started learning. Drawing upon my personal journey as an exemplar, in addition to practical experience in the tea gardens, I also studied theoretical knowledge and tea culture at the Tea Research Institute in Menghai¹⁴ for years. Now I know more than most of the traders. Therefore, I believe that no ethnic group is naturally ignorant of tea management, just as no ethnic group is naturally knowledgeable. It all comes down to recognizing the value, having the motivation, and then find a right way to learn. Just as we started having our lunch today, you asked me about where the origin of the company's cook from, speculating that the cook must be a Chinese. I informed you that the cook is a young girl from local village. At the age of 17, she worked in Vientiane as an apprentice to Chinese chefs, learning how to cook Chinese cuisine. Upon returning to

¹¹ “Khao Niao” means sticky rice, which is pronounced similarly in Tai-Lue and Lao languages. It is a staple food among the local people. Author's note.

¹² Quoted from the interview transcript with Ai Kan, conducted on 14 March 2023, at the Linsui's tea base in Tantai. The original interview content was in Chinese and was translated into English by the author.

¹³ In southern Yunnan, the Tai-lue historically resided in tropical lowland areas such as Xishuangbanna, while the main tea traders lived in cooler upland regions like Pu-erh. Tea leaves from southern Yunnan would be gathered in Pu-erh for further processing, packaging, and sale, hence the name Pu-erh tea. In fact, the majority of Pu-erh tea originates from Xishuangbanna. Author's note.

¹⁴ Menghai is a county in Xishuangbanna and serves as the location of the Tea Research Institute of Yunnan Academy of Agricultural Sciences. Author's note.

here, we hired her. With our consistent demands and her dedication, you can see how remarkably well she handles stir-frying now. That's why I am patient, and patience is crucial. Finding the right way for tea management and processing requires a significant amount of experience and professional technical guidance. Without these essential elements, the task can be quite challenging.

Ai Kan, 14 March, 2023¹⁵

1.1.6. SENVO – Lao Su's embeddedness in Phonsavanh

Adjacent to the highway hub in Phonsavanh, the capital city of Xieng Khouang, there stands a three-story building accompanied by two annexed structures, all of which belong to Xu, the owner of Senvo hailing from Chongqing. The ground floor, along with the attached buildings, serve as a reception area and restaurant, while the second and third floors are partially used as Xu's residence and partially as accommodation for others. Due to the unfamiliarity of many Laotians with the pronunciation of Chinese pinyin "X," local officials in adherence to Laotian linguistic conventions commonly address Xu as "Lao Su". In Chinese, "Lao" means elder and is habitually added as an honorific before the surname when addressing someone older. Indeed, Lao Su, who has been working diligently in Laos for over 20 years, is a senior individual nearing the age of 60. However, his fluent command of the Laotian language demonstrates his ability to bear the "Lao" prefix. Lao Su's building is bustling with activity from noon onwards, with a continuous stream of visitors including a large number of Chinese investors and officials from various levels and departments of the local government. In the center of the ground floor, a photograph depicting Lao Su with the former President and First Lady of Laos seems to observe everything within that space. It can be easily deduced that, this place serves for Chinese investment, acting as an information hub.

The aforementioned depiction might give the impression that Lao Su possesses a remarkable demeanour, whereas in reality, he is quite modest in character and does not stand out in appearance. If one were to meet him for the first time, it is highly probable to mistake him for a kitchen helper in his restaurant, as he dedicates himself tirelessly in the kitchen each day. After completing junior middle school, Lao Su followed a few uncles to Yunnan to engage in the herbal medicine trade. Initially, he supplied raw materials to a well-known pharmaceutical company in China. However, as sought-after medicinal herbs like *Dendrobium* were facing shortages domestically, Lao Su became aware of the abundant resources available within Laos through his business connections. Consequently, he embarked on his venture in Laos in 2003. After two years of intermittent visits, Lao Su permanently settled in Laos in 2005. Initially, he explored most towns and villages in Xieng Khouang on a second-hand motorcycle, personally seeking out local individuals who collected medicinal herbs and traded at local markets. Through continuous interactions, he established cooperative relationships and, in the process, acquired proficiency in the Lao language. Additionally, he began to comprehend Lao society and culture, gradually realizing the nuances one must consider when conducting business in Laos. Throughout, he remained humble and unassuming, embodying the demeanour expected of a self-reliant overseas Chinese businessman.

In 2010, Lao Su established Senvo and commenced expanding the export of tea, medicinal herb raw materials, and other NTFPs to China. Eventually, the export destinations broadened to include agricultural products exported to Thailand and Vietnam. Distinct from many other Chinese investors who primarily engaged in crop plantations with acquired land concessions upon arriving in Laos, it wasn't until 2018 that Senvo finally leased 280 hectares of land, as promised by provincial government, located 20 kilometres west of Phonsavan city. Currently, 150 hectares of the land are actively utilized.

¹⁵ Quoted from the interview transcript with Ai Kan, conducted on 14 March 2023, at the Linsui's tea base in Tantai. The original interview content was in Chinese and was translated into English by the author.

Among these, 130 hectares are dedicated to cultivating mulberry trees for silkworm rearing, and a silk weaving factory already established. The silk is sold to Thailand, Vietnam, and China. Additionally, there are approximately 20 hectares dedicated to orange trees, mainly for local sales. Since the onset of the pandemic, the NTFPs business has encountered obstacles, prompting Lao Su to redirect more of his efforts towards agriculture and his "restaurant business." Drawing upon his prior experiences with local suppliers and vendors in the field, Lao Su did not strictly adhere to the instructions of government officials when acquiring land, even though he had cultivated strong political and business relationships over the past 20 years. Initially, he approached the village head and local elites to gain insights and consulted with small farmers regarding the land situation. This cautious approach also explains why Senvo has only cultivated 150 hectares of land so far, as Lao Su seeks to avoid land conflicts with the local residents. Thus far, this method has proven effective, apart from one incident where a local farmer's shift cultivation resulted in burning damage to some orange plantation.

My relationship with the government is good, which is also a strong suit among Chinese entrepreneurs. Additionally, I possess a deep understanding of the local conditions, so when Chinese investors consider investing in Xieng Khouang, they usually approach me, seeking my assistance in making connections and facilitating the process. That's why my restaurant is bustling with activity, with reservations for dining events fully booked every day.

Lao Su, 22 March 2023¹⁶

1.1.7. Yunfeng – Catching up in tea booming at O-an village

O-an is a village located in the Phoosane region, renowned for its ancient tea tree resources that have garnered significant popularity in recent years. Numerous Chinese tea merchants have flocked to this area, and this phenomenon can be traced back to the mid-2000s. At that time, Pu-erh tea was experiencing a tremendous surge in popularity in China, leading to escalating prices every year. The domestic supply of ancient tea trees in China quickly became insufficient, prompting many Chinese merchants to turn their attention to Laos. Notably, several areas in proximity to the Chinese border within the Phongsaly province of northern Laos have long served as traditional Pu-erh tea production regions. The practice of Chinese merchants procuring tea from Laos dates back over a century (He & Guo, 2016). Thus, Laotian tea resources are not unfamiliar to Chinese tea merchants.

In 2006, the Champa Company, which had operated in Vientiane for years, ventured into O-an and secured the exclusive rights to buy and process the local tea leaves, offered very low price compared to the rates in China. The local inhabitants in Phoosane region have developed their own unique tea-drinking practices, and are well acquainted with tea resources although different from the Chinese methods. Unlike the Chinese, local people do not solely focus on gathering the prized "one bud, two leaves¹⁷" as valued by Chinese tea merchants, but instead, they collect both fresh and aged tea leaves. The older tea leaves are roasted directly over an open flame along with their stems, then rolled and left to air-dry in bamboo baskets before consumption (*Figure 7*). However, this traditional tea culture has been seeing a stark decline in the region.

¹⁶ Quoted from the interview transcript with Lao Su, conducted on 22 March, 2023, Phonsavan city. The original interview content was in Chinese and was translated into English by the author.

¹⁷ The term "one bud, two leaves" refers to the freshest tea leaves on the tea trees, which are considered essential for producing high-quality tea and is widely adhered to in the commercial tea harvesting in China. However, unlike the EU's certification system, China relies solely on stringent agricultural safety standards for tea, lacking a well-defined quantitative quality standard. In China, tea quality is typically evaluated by seasoned tea tasters, much like the grading processes used for coffee and wine. Author's note.

Figure 7: Traditional tea processing in O-an



Source: Photos taken by Author in March, 2023.

Champa's entry has rekindled the awareness among the local population about reutilizing tea resources, albeit through a different approach. Nevertheless, discontent among local residents has arisen due to the excessively low purchasing prices, prompting a desire to break free from this exclusive contract. Concurrently, certain local NGOs such as Lao Farmers Products (LFP) and The Agro-biodiversity Initiative (TABI) recognized that local tea farmers found themselves at the bottom of the value chain. In response, these NGOs and development agencies like the Asian Development Bank (ADB), initiated projects that provided technical training to the farmers and facilitated their access to new markets. As a result, the bargaining power of the tea farmers significantly increased, thus undermining the dominance of exclusive dealings. During this period, an increasing number of Chinese tea merchants entered O-an, ultimately leading to the failure of the exclusive business rights. Consequently, Champa effectively withdrew from the area in 2013.

Yunfeng agriculture Co, Ltd., one of the Chinese newcomers in O-an, entered into a tea leaf procurement agreement with a local villager. The agreement granted Yunfeng the priority purchase rights for tea leaves from the villager's 20 hectares of mountainous land. The purchase was based on a fluctuating price slightly above the market rate, rather than a fixed price. Additionally, unlike Champa, Yunfeng did not concern itself with the remaining tea leaves and did not interfere with their sale to other buyers. These strategies set Yunfeng apart from Champa's approach. The company openly acknowledged that these differing strategies were primarily adopted to gain a firm footing in the fierce competition. The representative of the company in O-an, Xiao, who has worked in Laos for more than 20 years, stated,

They (Champa) offered the villagers a very low and fixed price while prohibiting them from selling to others. We, on the other hand, adopted a different approach. We only stipulated the tea leaves from specific mountain areas and specific harvesting periods. As for the rest, we did not interfere; the farmers were free to sell to anyone they wished. With this approach, Champa would surely struggle to continue, while we thrived.

Xiao, 16 March 2023¹⁸

¹⁸ Quoted from the interview transcript with Xiao, conducted in 16 March, 2023, O-an. The original interview content was in Chinese and was translated into English by the author.

With the increasing popularity of O-an's tea and the intense market competition, it is no longer difficult to find buyers for the local tea leaves. Consequently, local tea farmers have started harvesting three seasons a year, including the rainy season, which should be a period for tea trees to rest and recover. The harvesting during the rainy season has a considerable impact on the tea trees, resulting in a decline in the quality of fresh leaves the following year, and in some cases, even leading to the trees' ultimate demise. Although the local population has their own methods of utilizing tea, and the market extends beyond China, it is undeniable that the primary market for local tea remains in China, and the adopted technical standards largely originate from China. Yiama, the head of O-an village candidly admits:

Yiama, 16 March 2023¹⁹

Compared to ten years ago, the quality of tea leaves here has been declining rapidly. Currently, the sales of tea leaves in this region still rely on the reputation of Phoosane. However, if this trend continues, it may not be sustainable in the Chinese market in the long run. Just like many similar stories happened in Yunnan²¹, many Chinese tea merchants have already stopped coming here to buy tea, and it is possible that in a few

²¹ During the peak of Pu'er tea prices, many previously lesser-known tea-producing regions in southern Yunnan experienced a surge in popularity, leading to rampant speculation and blind expansion. As a consequence, the tea quality varied significantly. However, when the market eventually experienced a downturn, the local tea industry suffered a severe setback and was unable to recover. Author's note.

more years, the market's preference for this place will diminish. However, this may be good news for us, as it would lead to reduced market competition. We may have the opportunity to acquire more tea plantations in the future and gradually establish our brand.

Xiao, 16 March 2023²²

1.1.8. Huafeng – a Sino-Lao joint venture at Nakout village

Departing from Phonsavan city to the northeast, after driving 50 kilometres along national Highway 7 when one turns north, there is a rudimentary road that is only passable during the dry season. Winding its way amidst the towering mountains and traversing a turbulent river and several mountain passes, the road leads to a small patch of flatland. This location is Ban Tam La Tai, a village situated in Hiem district, Houaphan Province. Upon crossing another mountain, Nakout can be reached. Continuing further north along a gravel road, expanded just few years ago and as of yet unmarked on any online mapping platform, for a distance of 30 kilometres, one arrives at the township of Muang Hiem. Before its expansion, this road was essentially impassable, even for a well-equipped land cruiser.

In 2007, Mr. Khamxai, a Tai Nua from Phongsaly, undertook an entire day's journey on foot from Hiem to Nakout, then Tam La, initiating his tea business and collaborations with local villagers in this remote area that lasts till now. Mr. Khamxai had been engaged in the tea business long before venturing to this area. His hometown, and the Tai Nua ethnic community to which he belongs, maintains intricate ties with China's Pu'er tea-producing areas. These affiliations have historically fostered substantial engagements in the tea trade. With the ascendancy of Pu'er tea, his homeland naturally experienced a tea boom. As a result, much like Khamxai, a segment of Tai Nua commenced seeking tea tree resources in alternative regions within the country. Through interpersonal connections, Mr. Khamxai found such resources in this area. In collaborating with local villagers, he partook in the transplantation of tea saplings from the forests. Years later, Khamxai sought collaboration with Chinese companies he was acquainted with to expand operations and establish a tea processing for exporting to China. In later developments, a falling out occurred between Khamxai and the previously cooperating Chinese firm, leading him to partner with Huafeng Agriculture from Pu'er City, Yunnan, starting in 2019. At present, the cultivation of tea, a resource that had been marginalized by local villagers over decades, has evolved into their principal source of cash income. Based on the information from interviews with villagers, smallholder farmers can annually generate a cash income ranging from 5 to 10 million kip from tea.

According to the former village head of Nakout, Sengphet, the local populace had been consuming tea early on. In the generation of Sengphet's grandfather, tea remained an integral part of daily life, referred to as "Miang" in their language. However, by the time of Sengphet's generation, tea consumption had significantly waned, and the tea trees were left unattended, with many being inadvertently destroyed during slash-and-burn cultivation. During the 1960s and 1970s, a contingent of Vietnamese soldiers stationed in the area began consuming local tea, referring to it as "Tsa," a Vietnamese term that was adopted by the local population as well. Subsequently, with the investment of Khamxai and his Chinese counterparts, the village underwent a resurgence in tea consumption. Presently, apart from an important income resource, tea is enjoyed in every household, and is called by the Lao term "Sa". However, dissatisfaction among the villagers regarding tea investments is rapidly proliferating. The recently retired village head of Nakout, Thanla, has expressed various complaints.

Our activities are restricted to tea leaves picking without the prerogative for processing. The company strictly dictates the prices, leaving no room for autonomous decision-

²² Quoted from the interview transcript with Xiao, conducted in 16 March, 2023, O-an. The original interview content was in Chinese and was translated into English by the author.

making. Even the picking, predefined quotas are established, as the company only purchases a designated amount in certain period, and selling to alternative tea merchants is prohibited. The current procurement prices were negotiated and solidified in 2019, with the highest value attributed to spring tea at 18,000 Kip/kg. Summer and autumn teas are even lower, priced at a mere 10,000 Kip/kg²³. Given the current rampant inflation, the procurement price has dissuaded number of individuals from tea leaves picking.

Thanla, 18 March, 2023²⁴

The company mentioned by Thanla is Huafeng Agriculture, a joint venture between Khamxai and Chinese investors, led by two brothers from Yunnan, Pu'er. The owner of Huafeng, the younger brother, previously cultivated and traded various agricultural products in the northern region of Oudomxay. He remains active in Oudomxay, while the tea business in Nakout is overseen by the older brother, Zhang Wei. The brothers have been conducting business in Laos for a decade, and in 2019, they encountered Khamxai through business interactions in Oudomxay. As Khamxai was seeking a new business partner, the brothers established a joint venture in Hiem. The siblings contributed capital and expertise, accounting for a 60% stake, whereas Khamxai's 40% stake is a resource of nearly 20,000 tea trees committed through a 25-year agreement with local villagers, coupled with his village connections. In response to the villagers' complaints, Zhang Wei offered the following explanation:

Our company does not impose limitations on the quantity of tea harvested during the picking season. Our intention is to achieve modest profits through extensive sales, so as to expedite the recovery of the substantial investment here that exceeds 3 million CNY²⁵. We merely stipulate certain quality criteria; as long as the quality standard (one bud, two leaves) is met. However, farmers often bring even mature leaves for sale, which we understandably decline. Furthermore, there are certainly restrictions on tea picking during the rainy season, as continuous harvesting would lead to the exhaustion of tea plants. At the same time, entering the tea garden in the dry season is also restricted due to the ongoing slash-and-burn farming activities here. Regarding the restriction on tea processing, it stems from the fact that the local people lack the skills. Moreover, they have entered into an exclusive agreement with us for the procurement rights, which naturally precludes them from selling to other entities. To be frank, the prices we initially offered weren't considered low. However, the unprecedented extent of inflation resulting from the pandemic caught everyone off guard. We also experienced significant losses inflicted by the pandemic, nonetheless, we eventually implemented a 20% increase in the procurement price. The contract is renewed every three years, and at present, negotiations are imminent for the revision of the price. Based on the experiences over the past years, I have the impression that the villagers here exhibit a limited grasp of collaboration.

Zhang Wei, 19 March 2023²⁶

²³ 10,000 Lao Kip \approx 1.21 USD during the signing of the agreement between Nakout and Huafeng. However, the Kip underwent significant devaluation amidst the pandemic, and by the time of this interview, the exchange rate had plummeted to 10,000 Kip \approx 0.59 USD.

²⁴ Quoted from the interview transcript with Thanla, conducted in 18 March, 2023, Nakout. The original interview was through translation between English and Lao by a Lao colleagues of HELVETAS.

²⁵ 1 USD \approx 6.91 Chinese Yuan (CNY) at the time of this interview.

²⁶ Quoted from the interview transcript with Zhang Wei, conducted in 19 March, 2023, Nakout. The original interview content was in Chinese and was translated into English by the author.

Figure 8: Slash-and-burn practices around Nakout



Source: Photos taken by Author in March, 2023.

Through the perspectives of the various stakeholders mentioned above, a glaring reality emerges that effective communication among them has been lacking. In truth, the issue of timing and quantity restrictions for tea plucking, including the reasons behind it as understood by the local DAFO, remains unknown to the local villagers. The different viewpoints reveal that this lack of mutual understanding is attributed to various factors: The villagers acknowledge the substantial economic gains that tea cultivation brought them. However, as time progresses and the conditions change, coupled with their increasing understanding of the tea business, they have developed their own notions regarding the business. Unfortunately, these ideas go unheard, and no one is available to address their concerns. With Huafeng's advantageous position in facilitating connections between this remote area and the tea market, an assertive stance is adopted. Simultaneously, Khamxai holds his own intentions and interests during negotiations. The culmination of these factors has resulted in a situation where all parties are currently dissatisfied.

1.1.9. Yuanda and Yitu – Ding's multi-business in Oudomxay

In 2019, during fieldwork in Oudomxay, the author took a trip from Xay to Nam Kat waterfall and encountered a banana plantation named "Yuanda" along the way. The following day, the author visited the plantation and engaged in a cautious and meticulous conversation with Mr. Ding, the person in actual charge of the plantation who was less than 30 years old. It took some time before he gradually eased his guardedness and elaborated on his family business. His mistrust extended beyond just the author; at that time, he exhibited a strong mistrust towards local workers and didn't speak any local language. After a lapse of four years, the author revisited Mr. Ding in March and June of 2023. This time, the meeting took place at Mr. Ding's new company named "Yitu," located along the ring road of Xay township. As soon as we entered, he was engaged in lively conversations with his local Lao employees, conversing and laughing in Lao language. Eventually, we joyfully had dinner, accompanied by BeerLao, together with some local employees.

Mr. Ding's father had previous involvement in banana trading in China and ventured into banana cultivation in Laos in 2009. Initially, he formed a partnership with other Chinese investors in Muang Houn, where made significant banana investments. Subsequently, due to challenges in the partnership, they relocated to Xay in 2013. While not explicitly divulging the challenges or conflicts

with business partners, Mr. Ding and his father did elucidate the intricate landscape of investments in Muang Houn and Oudomxay during that period.

Around early of 2010s, the prices of fruits, such as bananas and watermelons, were exceptionally favourable. At the same time, the leasing costs of land in Laos had not yet surged, resulting in substantial profits for those who engaged in fruit investment in Laos before 2010. This scenario enticed a flurry of Chinese investors to enter the market. The land conditions in Muang Houn were notably favourable for the investments, characterized by flat topography and convenient irrigation. Just in few years, the cultivated area escalated from thousands to tens of thousands Mu²⁷. During this time, most investors were predominantly driven by a desire for swift financial gains. Most aimed to recoup their investments within the first year and double their profits by the third year, due to the relatively short investment cycle of tropical fruits. As a result, the investments were an unregulated expansion that culminated in chaos. Numerous investors encountered conflicts with local communities and fellow investors due to disputes over water sources and land management. Furthermore, during periods of market declining, many of investors defaulted on wage payments to laborers and absconded, leaving plantation abandoned without any restoration. Gradually, local inhabitants were not willing to cooperative well, frequently breaching agreement and going through the motions during the work.

Mr. Ding and his father, August 2019²⁸

Due to the chaos in Muang Houn, Mr. Ding's father sought a relatively isolated piece of land at Ban Mai, a Khmu village in Muang Xay, secluded from other Chinese investors. Precisely due to their past experiences in Muang Houn, the vigilance of Mr. Ding's family remained notably heightened. This sense of wariness extended towards unfamiliar fellow Chinese individuals and local communities. By the year 2019, aside from leasing land from local residents in Ban Mai, Mr. Ding's family had minimal interactions with the local residents. They typically hired labor from highland Lao Soung communities, located several kilometres away, as they believed this approach facilitated better management. However, events outlined hereafter prompted a considerable shift in Mr. Ding's stance, leading to the aforementioned scene of him sharing a drink with his Laotian employees.

Prior to 2019, Mr. Ding's family commenced a strategic shift towards diversification in business operations. This move was prompted by concerns about Banana Bans from the Lao central government and market instability. As a result, his family established the current Yitu company, with a specialized focus on cold chain logistics (*Figure 9*) and the off-season vegetables and fruits during the dry season in Laos. The dry season in Laos coincides with China's winter, the climatic conditions in Laos during the wintertime enable the natural growth of vegetables and fruits that typically thrive in China's spring and summer seasons. This alignment creates a lucrative opportunity for substantial profits in off-season cultivation.

²⁷ Mu is ssland measurement unit in China, 15 Mu = 1 ha.

²⁸ Quoted from the interview transcript with Mr. Ding and his father, conducted from 10 to 16 August, 2019, at Ban Mai, Muang Xay. The original interview content was in Chinese and was translated into English by the author.

Figure 9: Refrigerated Warehouse at Yitu



Source: Photo taken by Author in March, 2023.

In 2019, Mr. Ding ventured into off-season cultivation for the first time, engaging in the planting of yard long beans. Adhering to the cultivation approach employed in the banana plantation, he leased local land and heavily relied on external laborers. However, an unexpected departure of these external laborers significantly delayed the harvesting timeline. By the time the beans were transported back to China, they had already ripened rendering them unsellable and resulting in substantial losses for Mr. Ding. This incident prompted him to earnestly contemplate collaborative arrangements with the local community as a necessity. In fact, Ding's family had already accumulated some experience in interacting with the local community through their banana cultivation. They had come to realize that for sustainable long-term business operations in a foreign country, establishing a relationship of mutual trust with the local community was imperative. Despite harbouring this awareness, the older generation of the Ding's family, however, did not manifest any tangible changes in their actions. The failure of their initial attempt at vegetable cultivation solidified Mr. Ding's determination to transform the business model inherited from previous generations.

My father's generation grew up in adversity. Apart from severe resource scarcity, they also experienced serious betrayals during their childhood, leading to a habitual inclination toward meticulous calculation and distrust of others. Although they were aware of the importance of building trust, the cost of trial and error deterred them from doing so. For my generation, we don't carry the same psychological burden. My father also recognized this and thus entrusted me with the local relationships he had developed, allowing me to take charge. I collaborated with a business partner of similar age who had traversed many countries, and together we delved into the lifestyle and farming habits of the local community, adjusting our production methods accordingly.

For instance, in the past, we were accustomed to monthly wage payments in China and continued the same practice upon coming to Laos. However, this approach wasn't well-

received by many Laotians who preferred weekly payments. Yet, they often wouldn't show up for work the day after receiving their wages, opting to attend parties instead. The older generation viewed this behaviour as laziness and indulgence, believing that stringent rules could alter their habits. However, upon close observation, we discerned that this was a lifestyle developed over time in a tropical environment. Consequently, we altered our strategy: we organized and paid for a party every other week, allowing everyone to enjoy themselves, but they were required to return to work the next day. This brings positive results, indicating that they sought a certain lifestyle rather than a constant desire to spend money on leisure.

Mr. Ding and his business partner Mr. Wang, June 2023²⁹

As Mr. Ding and Wang stated above, their new approach has yielded remarkably positive outcomes. Currently, Yitu collaborates with over a thousand smallholder farmers in Muang Beng, Oudomxay, and some villages in Phongsaly through contract farming. This collaboration involves cultivating over 2,000 mu of vegetables during the dry season. Yitu provides technical expertise, partial funding and agricultural resources, while the farmers grow vegetables on their own land. Yitu guarantees the purchase of the produce. Although there have been disagreements along the way, Mr. Ding believes that "the approach works for the majority of smallholder farmers, and the returns can certainly outweigh the losses incurred by a small fraction of non-compliant behaviours." Yitu also employs specific strategies to prevent the spread of misbehaviours. Furthermore, Yitu is not concerned about farmers venturing into independent work after acquiring skills. Mr. Ding emphasized, "expanding the cake is beneficial for us," pointing to their refrigerated warehouse for agricultural products. He added, "Our plan is to turn short-term crops into a long-term business. There's no need for us to constantly move around like other short-term investors."

1.1.10. Ban Na Hai – A Divestment of a Vegetable Project Facilitated by Alex

Ban Na Hai is a village located along the 4B highway from Luang Prabang to Hongsa district in Sainyabuli, comprising 44 households. It is situated approximately 46 kilometres from Luang Prabang. In 2018, with the introduction of a local businessman in Luang Prabang named Alex, a Chinese investor prepared to engage in the off-season cultivation of green beans in Ban Na Hai. Alex had a long history of collaborating with foreign investors, and facilitated the entry of the Chinese investor into Luang Prabang to undertake off-season vegetable cultivation as his main project before the pandemic. The intention behind this initiative was to harness rural land resources during the dry season, increasing farmers' income while promoting vegetable cultivation skills. Ban Na Hai was chosen as one of the cultivation sites for this purpose. Subsequently, the case of Ban Na Hai was documented in a film produced by a development agency, portraying a purported "win-win" scenario between the investor and local farmers. However, in reality, this case turned out to be a failure. Thanks to Alex's unavailability to accompany us to Ban Na Hai for fieldwork, the study was able to independently conduct separate interviews with both the village head and Alex himself. This approach prevented mutual interference between the two parties. By gathering perspectives from both sides, the study was able to reconstruct the narrative of this unsuccessful case.

In 2018, Alex and the Chinese investor arrived in Ban Na Hai with a plan to utilize paddy rice fields during the dry season to cultivate green beans for export to China. After discussing the plan with the village head, both parties expressed interest in the investment. By the end of 2018, the entire 4 hectares of available rice fields in the village were cultivated with green beans. However, the village

²⁹ Quoted from the interview transcript with Mr. Ding and his business partner Mr. Wang, conducted from 3 to 8 June, 2023, in Muang Xay. The original interview content was in Chinese and was translated into English by the author.

head's perspective on this investment has since become more negative. His grievances primarily revolve around two aspects: Firstly, the purchasing price of 1,000 kip per kilogram was considered too low as the prevailing Luang Prabang market rate was 3,000-4,000 kip per kilogram. Secondly, despite this low purchase price, the Chinese businessman only bought 40% of the initially promised quantity. Consequently, the collaboration between the two parties lasted only a year. Nonetheless, local residents did acquire some cash income during the dry season. Subsequently, even after the withdrawal of the Chinese investor, some villagers continued cultivation. However, due to the absence of technical support and the inability to find suitable market outlets, the cultivated area continuously decreased. In 2020, the entire village still cultivated 2.3 hectares of green beans, but by 2023, only 0.04 hectares remained under cultivation (*Figure 10*). Three days after visiting Ban Na Hai, Alex provided us with another version of the story.

Figure 10: Green Beans Plantation Changes in Ban Na Hai



Source: Combination of interviews and satellites image analysis (2023). Charting by author.

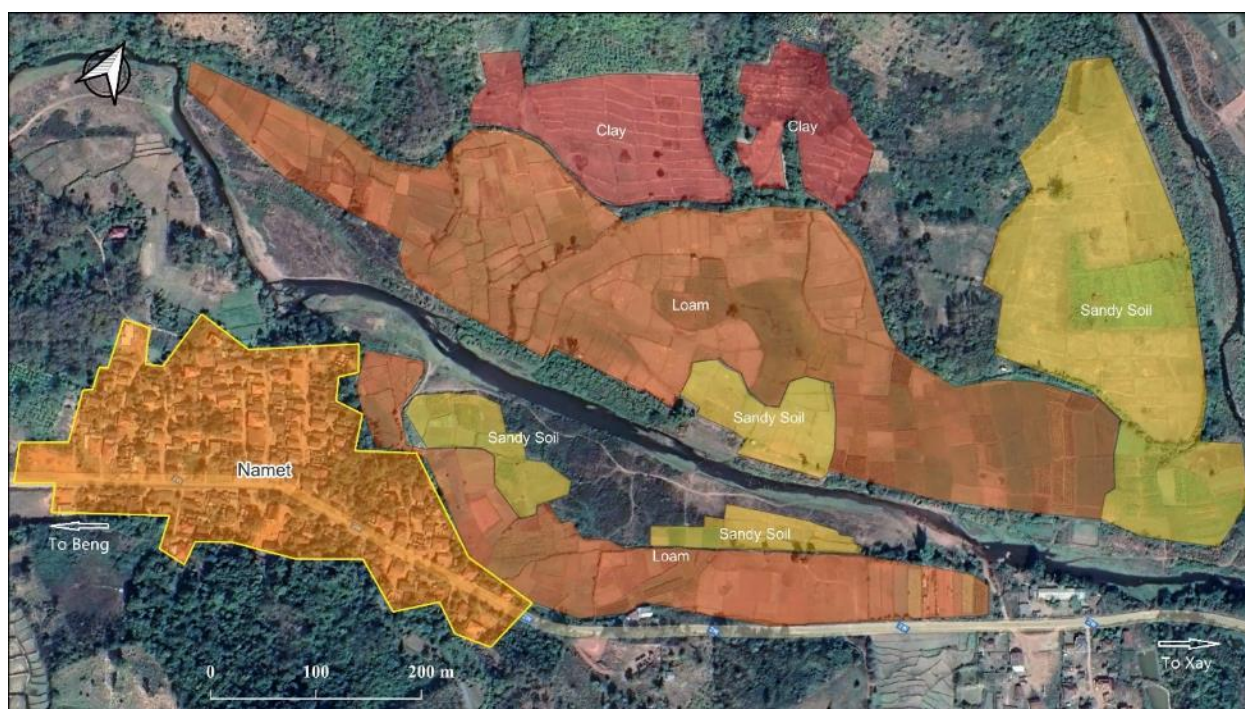
The purchase price we actually proposed was 2,500 kip/kg, but the village head offered the villagers 1,000 kip/kg. The Chinese investors mentioned that as long as the village head was on board, it was his prerogative to determine the price for the villagers, and we had no jurisdiction over it, nor did we possess the capability to intervene. The initiative was experimental; success would lead to a long-term collaboration, while failure would prompt a swift withdrawal. Furthermore, only approximately half of the products were accepted due to the majority failing to meet quality standards. Although their fields appeared contiguous, the soil types exhibited slight differences. Diverse soil types necessitated distinct fertilization quantities and management approaches, yet the villagers uniformly implemented the same management practices. As a result, some beans grew excessively

rapidly, leading to curling, while certain others exhibited desiccation. We offered technical guidance, but the villagers didn't follow.

Alex, 15 June 2023³⁰

During the interview with the village head, he claimed that the technical guidance provided by Alex and the Chinese was rather limited. Being personally educated in agricultural sciences, the village head relied on his own past knowledge to direct the villagers' cultivation practices. To corroborate this, the study consulted Alex, who indeed confirmed that a significant portion of the technical guidance was eventually administered by the village head and local technicians from DAFO. The primary rationale behind this was that the technical methods introduced by the Chinese were comparatively intricate, and the guidance was primarily offered only during the initial stages of cultivation. There was no dedicated workforce to ensure the consistent implementation of technical standards thereafter. Consequently, this situation contributed to the substandard quality of the products.

Figure 11: Different soil type at Yitu's plantation in Muang Beng



Source: Field survey accompanied by Yitu in June, 2023. Charting by author.

By way of contrast, Yitu Company's approach to cultivation management and technical guidance are considerably more meticulous. Taking their cultivation site in Muang Beng as an illustration, they have subdivided the soil into three types (*Figure 11*), each necessitating distinct techniques and management approaches. Furthermore, Yitu maintains a team of technical experts stationed on-site to provide guidance. During the initial two years, some farmers did not implement differentiated managing practices, resulting in certain products failing to meet the required quality standards. In response to these substandard products, Yitu did not refuse purchase; instead, they required farmers to classify their products. The one meeting quality standards was bought at agreed-upon prices, while those falling short were acquired at a comparatively lower rate. Only products mixed together were

³⁰ Quoted from the interview transcript with Alex, conducted in 15 June, 2023, Luang Prabang. The original interview was through translation between English and Lao by a Lao colleague of Helvetas.

declined for purchase. Through such a practice, a vast majority of collaborating farmers have learned how to manage their cultivation practices to secure higher incomes. Yitu Company perceives the initial years as a necessary learning phase, outweighed by the benefits of avoiding the adverse cycle of changing locations every year due to perpetual failure. As the effectiveness of their management gradually becomes evident, the company also finds relief, as the cost paid in the early years has long been recouped.

Through comparison with Yitu, it becomes more evident that exemplary technical standards hold little efficacy without meticulous implementation. The implementation demands prolonged and strenuous practice; it is not achieved merely by establishing a set of standards, as proactive implementation is not an automatic outcome. Additionally, the Ban Na Hai case highlights that neglecting smallholder farmers in favour of establishing connections solely with local elites could significantly undermine the sustainability of investments. This phenomenon is also reflected in the earlier Tantai case.

1.1.11. Civet coffee – an alternative thinking

Before visiting Civet, it was challenging to envision a close business relationship between a Laotian coffee shop and China. Coffee, unlike tea, lacks widespread popularity in China, and furthermore, Laotian coffee bears minimal recognition within the Chinese market. The study team embarked on a journey by car from Luang Prabang, proceeding approximately 20 kilometres southward along the Mekong River to reach Civet Coffee beside Ban Sing village. Situated conveniently along the route from Luang Prabang to the renowned local attraction of Kuangsi Waterfalls, the establishment boasts an entranceway exuding a distinct Lao French resort style ambiance. What sets this entrance apart from comparable architectures is the prominent and conspicuous display of the Chinese script (*Figure 12*). The owner, Mr. Simmavong, aged 44, has leased nearly 20 hectares around Civet and established the Oumbug Organic Farm. This encompasses a diverse range of crops, including perilla, mulberries, peppers and many others. Mr. Simmavong speaks some Chinese, and at the onset of our interview, he promptly addressed our inquiries, thereby dispelling the earlier perplexities.

In 2008, I initiated a timber trade endeavour, exporting from Laos to China. During that period, I established a lasting partnership with my Chinese business partner, Ai Xiang, who hails from the Tai-lue ethnic group in Xishuangbanna. She deeply understands both Chinese and Laotian markets. By 2013, I realized the noticeable surge in tourists visiting Kuangsi Waterfalls, and it prompted me to conceive the notion of establishing a coffee shop for tourism service. Initially, I hadn't conceived the idea of tailoring the coffee shop for the Chinese market; it was a simple expansion of my business ventures. However, I discovered that Chinese tourists outnumbered visitors from other countries to the Waterfalls. Upon reviewing the situation, Ai Xiang suggested me erecting a Chinese signboard, attracting the curiosity of Chinese tourists and offer them a place to rest upon returning from the waterfalls. As a result, the major consumer for my coffee turned out to be Chinese. Subsequently, I commenced cultivating perilla and producing organic perilla sea oil. Starting from 2018, I ventured into online sales of our products, which helped me weather the most challenging three years during the pandemic.

Mr Simmavong, 12 June 2023³¹

³¹ Quoted from the interview transcript with Mr. Simmavong, conducted in 12 June, 2023, at Civet coffee, Luang Prabang. The original interview content was in Chinese and was translated into English by the author.

Figure 12: Entranceway of Civet



Source: Photo taken by Author in June, 2023.

After providing the introduction of the connection between Civet and the Chinese market, Mr. Simmavong invited his elder daughter to continue our interview. The young woman displayed an impressive command of American English, leading one to assume she had studied in the United States. However, she revealed that she taught herself through online resources. She has completed her high school education and is currently awaiting admission to university. While she personally leans towards studying in an English-speaking country, Mr. Simmavong holds an alternative idea. He envisions his daughter pursuing her university education in China, offering well-founded reasons for this preference.

You introduced yourselves as a research team on sustainable business studies. I'm not sure about the definition of sustainable business in your academic sphere. For my business, it primarily involves the Chinese market as I said, the majority of buyers are Chinese, even coffee. Furthermore, in any business, there must be someone to carry it forward. As you can see, my elder daughter is smart and adept at interpersonal interactions, she is the best one to carry on the business in the future. For these reasons, I hope she can receive university education in China. Additionally, if she studies in China, my Chinese friends can also look after her.

Mr Simmavong, 12 June 2023³²

The 17-year-old girl didn't exhibit strong resistance to her father's plans. She conveyed that her inclination towards studying in English-speaking countries stems from the fact that most of the

³² Quoted from the interview transcript with Mr. Simmavong, conducted in 12 June, 2023, at Civet coffee, Luang Prabang. The original interview content was in Chinese and was translated into English by the author.

information she encounters on the internet originates from these nations, whereas her knowledge about China remains limited. Mr. Simmavong seemed to grasp the essence of our conversation and supplemented it with a profound statement:

China is our neighbouring country, and neighbouring country never moves away. We need to know our neighbours. However, in our country, there relatively few people who comprehend China. Although more and more villagers around us are realizing the importance of doing business with China, the information available is still limited, and they don't know the true demands of the Chinese market, even my daughter. I hope that my family and our business can serve as an information bridge.

Mr Simmavong, 12 June 2023³³

According to Mr. Simmavong's introduction, Civet coffee's role as an information conduit is gradually becoming a reality. He has established an organic perilla oil factory in Ban Sing, employing many local villagers. At the same time, he has forged partnerships with 25 households in growing perilla. He claimed that the collaboration has been very pleasant because these 25 households rapidly expanded from a mere 7 households in the previous year. Mr. Simmavong explained that the villagers had never heard of the many uses and business opportunities associated with perilla before. Now, some villagers have started thinking about growing unique agricultural products to sell to the Chinese market. Although the research team did not have the opportunity to interview the stakeholders from the local communities and, consequently, could not verify all of Mr. Simmavong's claims, a pattern similar to what transpired in Ban Na Hai is emerging. Regardless of the outcomes, the villagers are beginning to recognize new market opportunities.

Of particular significance for the study is Mr. Simmavong's perspective on Laos' most significant export market: "a neighbouring country never moves away." In contrast to the prevalent emphasis on local community "resistance" in existing research, Mr. Simmavong's pragmatic perspective offers an alternative thinking for future studies. This viewpoint, as reflected in the educational plans for his own daughter, could pave the way for a more practical and constructive approach to understanding Chinese investment and their engaging with local communities.

3.2 Categorization of investments

The aforementioned content constitutes a comprehensive introduction of the eight cases. Aligned with the pre-designed semi-structured interview framework, the basic information of each case, in conjunction with the interactions between Chinese investors and local stakeholders, have been encapsulated within *Table 1* and *Table 2* at the beginning. These tables not only consolidate the key information but also encompass additional details not explicitly showcased in the case descriptions. These cases reveal both similarities and notable distinctions among them. It is evident that varying investment cycles and management approaches for different crops give rise to divergent investment behaviours. The tea investment in Xieng Khouang and Hoaphan presents significant differences when compared to the vegetable cases in Oudomxay and Luang Prabang. These differences arise from distinct growth cycles, suitable geographical conditions for cultivation, and scale of cultivation. Preexisting research has already acknowledged this aspect and attempted to categorize China's agricultural investments in Laos (Lu, 2021). Indeed, the implications of these divergent investment behaviours stemming from crop differences, along with their distinct societal impacts, have garnered substantial scholarly attention in recent years, particularly through the lens of multi-species

³³ Quoted from the interview transcript with Mr. Simmavong, conducted in 12 June, 2023, at Civet coffee, Luang Prabang. The original interview content was in Chinese and was translated into English by the author.

ethnography. This perspective adopts a multi-centric theory that places emphasis on the inherent characteristics of crops rather than a human-centric approach, thereby investigating the impacts of differences in non-human species on human behaviour (Ogden et al, 2013). However, it is also clear that even within the same crop investment, substantial variations exist among different investors, leading to entirely disparate outcomes. Therefore, this study will categorize investment cases by employing distinct analytical perspectives: the non-human and human viewpoints.

1.1.12. Non-Human Viewpoint: Different Crops

Commencing with a comparative analysis of the most emblematic cases in this study – tea cultivation and vegetable farming – reveals a prominent disparity between the two. The foremost distinction lies in the significantly protracted growth and harvesting cycle of tea plants juxtaposed with the markedly brief months growth cycle of vegetables. Furthermore, tea cultivation predominantly transpires in remote mountainous regions, necessitating substantial expanses of contiguous land. Many of these tracts are directly communally owned by local communities, thus entailing engagement with the entire village. Conversely, vegetable cultivation is typically situated alongside pivotal transportation routes, adjacent to well-irrigated paddy fields. Investors, if disposed, can choose to collaborate exclusively with a select few farming households. At the same time, to attain favourable prices in the fiercely competitive Chinese market, tea producers must cultivate novel varieties that offer distinctive flavours. Achieving these divergent demands, prolonged periods of practical experimentation and exploration are a prerequisite in tea tree cultivation and management, as well as in the processing of tea leaves. In contrast, vegetables represent highly standardized crops, characterized by well-established management practices and techniques, thus requiring proficient execution of established protocols.

These characteristics of tea cultivation dictate that investors, regardless of their willingness, must possess a considerable amount of patience and establish enduring, harmonious relationships with the entire village over the long term; otherwise, their investments may prove futile. The case of Tantai aptly illustrates this dynamic. In the Nakout case, the Chinese investors from Huafeng displayed deep apprehension due to their failure to fulfil the aforementioned prerequisites. In contrast, short-term investments like vegetable cultivation do not necessitate investors to establish long-term relationships with the village, as demonstrated in the case of Ban Na Hai. In fact, both the author's prior fieldwork and Yitu's account underscore the significant fluidity among short-term investors. Individuals like Mr. Ding, and his business partners from Yitu, who are making efforts in "turning short-term crops into long-term business", represent a minority within this context. On the other hand, despite short-term investments giving rise to instances of myopic behaviour, vegetable cultivation and analogous short-term ventures do possess their merits. These investments are concentrated within dry season in Laos, aligning harmoniously with traditional agricultural activities. In this manner, for local farmers, supplementary income is generated without significantly disrupting their traditional livelihoods. Conversely, long-term investments such as tea cultivation precipitate alterations in local traditional livelihoods, concurrently prompting land use change. For instance, forests land may be repurposed for cultivation (*Figure 13*), often with irreversible consequences that are challenging for rehabilitation.

Figure 13: Tea Cultivation Replacing Forest at Nakout



Source: Photo taken by Author in March, 2023.

Apart from the aforementioned distinctions, varying crops exhibit divergent requirements concerning investment enterprises and financial scales, as well as differing degrees of policy support, and other aspects. This study, utilizing field survey data from both 2019 and 2003, alongside existing research outcomes, classifies different investments from a non-human perspective, as delineated in *Table 3*.

1.1.13. Human Viewpoint: the Willingness

While distinct crops undeniably entail variations in investment approaches, the analyses conducted earlier have repeatedly underscored the divergent outcomes arising from different investor behaviours. Within the context of the cases examined in the study, the diverse actions of investors can largely be attributed to their intentions and awareness. This pertains to whether they are genuinely willing to comprehensively understand the novel environment they find themselves in and adapt accordingly, or if they opt to heedlessly adhere to practices grounded solely in their prior experiences within China. This willingness manifests itself in various ways such as whether investors are inclined to speak the local language, make efforts to understand local social norms and culture, and treat each ethnic group without bias. These considerations by far surpass the mere establishment of relationships solely with local authorities and brokers; this aspect has been repeatedly emphasized in the cases explored within this study.

Certainly, the relationships with local authorities also hold paramount significance, which is consistent across FDI worldwide. In fact, all investors in the cases examined in this study have fostered tight relationships with different levels of government. To a certain extent, this has enhanced the management capacity of the Lao central government (Creak & Barney, 2018; Lu & Smith, 2023). This aspect has been corroborated in conversations with officials from PAFO in various locations and MAF in Vientiane. However, in their interactions with local communities, investors' willingness varies significantly.

There exists a prevalent notion that Chinese investors abroad face significant challenges due to language barriers (Dang & Zhao, 2020). Indeed, many Chinese investors might not be proficient in globally recognized languages like English or French. However, within the cases encountered in this study, all Chinese investors possess varying degrees of proficiency in the Lao language, and Mr. Ding

from Yitu, in particular, has progressed from not knowing a single sentence four years ago to now engaging seamlessly in everyday communication. While the limited sample size of this study does not permit generalizations, the widespread occurrence of Chinese investors speaking the local Lao language across all cases indicates a different perspective on this matter. Nevertheless, language skills, more often than not, serve as a fundamental tool for achieving investors' business interests. Beyond possessing the language skills, the willingness to comprehend local society and culture, and to approach different ethnic groups without bias, significantly influences the investment outcomes observed in the cases within this study. Senvo's Lao Su, Linsui's Ai Kan, and Yitu's Ding provided relatively positive demonstrations, while the cases of Huafeng and Ban Na Hai present precisely the opposite scenario.

Up to this point, the analysis from a human perspective can be concluded based on the willingness factor, categorizing investments as "strong willingness/positive" and "weak willingness/negative" to explain varying investment outcomes. However, the situation is not quite so straightforward, as differences can be observed among three positive cases as well. From the preceding case descriptions, it becomes evident that Senvo's Lao Su indeed displays a robust willingness to actively learn about and engage with the local culture. On the other hand, the adaptations of Linsui and Yitu resulted from conflict and ensuing negotiations with the local community. In cases where Chinese investors have refused to adapt their approach, we could observe more negative outcomes for both the communities and the investors (Nakout and Ban Na Hai). This illustrates that delving into the dynamic of power relations between investors and local stakeholders is critical for elucidating the underlying reasons behind the diverse investment outcomes.

3.3 Power Relations between Investors and Local Stakeholders

Existing research often posits that investors and local elites play a dominant role in land and agricultural investment (Yang & He, 2021). However, the cases examined in this study sufficiently demonstrate that the reality might be considerably more complex. Each case within this study possesses distinct power dynamics, warranting a focused discussion within this subsection.

In order to better illustrate the diverse investment outcomes resulting from varying power relations, this study employs an analysis of power relations within the context of similar crop investments. Therefore, the study focuses on three cases involving tea investments – Tantai, O-an, and Nakout – and two cases involving vegetable cultivation – Namet and Ban Na Hai – for examination. Additionally, recognizing that power relations are dynamic in nature, the study dissects power relations in each case over four stages of the investment cycle: plan and planning, implementation, evaluation, and adjustment/results, as depicted in *Table 4*.

From the analysis of power dynamics, it becomes evident that all five cases initially engaged solely with local governments and elites during the investment design and planning stage, effectively excluding small farmers. The investors presumed their exclusive contracts would suffice to address all concerns. Naturally, conflicts arose with smallholder farmers during project implementation. While these investors established strong relationships with authorities, these ties remained primarily commercial in nature, lacking additional support. The home country China also did not provide any financial or policy backing, nor did they possess the kind of potential soft power influence as Western ideologies functioned. Overall, these Chinese investors abroad relied entirely on their own resources. Confronting these investors, local smallholder farmers devised their own strategies to resist this form of investment, which Scott (1985) terms as the "weapons of the weak". The O-an case presents a somewhat unique scenario due to their initial engagement with capacity building provided by development agencies, affording them more bargaining leverage and obviating the need for "weapons of the weak".

At this juncture, a noticeable divergence in the responses of Chinese investors becomes apparent. Those who display less willingness to understand the local social and cultural context, while also exerting absolute market access control due to the remote location of investment, adopt a more assertive stance, as exemplified by Nakout. However, there are also investors who proactively adjust their approach, as observed in the case of Tantai. On the other hand, smallholder farmers situated in transportation corridors and flat areas inherently possess more options. Consequently, some investors quickly withdrew their business and left, while others like Ding gradually learn and eventually adapt to the local condition. Corresponding to Scott's concept of "weapons of the weak," this study labels these adjustments made by investors as "compromisers of the strong". In the case of O-an, however, the investors were less able to position themselves as the "strong" due to the presence of NGOs. Even so the outcomes were not entirely satisfactory either due to the mismatch of capacity and market demands. The underlying cause for these varying outcomes lies in the shifting power dynamics, where the local community experiences both gains and losses. Therefore, this study employed a gains and losses approach to analyse and summarize the lessons and experiences of these cases.

3.4 Analyses Gains and Losses for Local Communities

The "gains and losses" analysis employed in this study draws inspiration from the Theory of Access (Ribot & Peluso, 2003). This theory posits that possessing a "thing" or resource does not automatically translate into benefiting from it; rather, access to other relevant resources is required for benefits to accrue. For instance, smallholder farmers owning land doesn't inherently generate benefits, as without a water source, the land cannot yield crops. Even if crops are cultivated, without access to the market, they cannot be sold, thus preventing any gains. Therefore, access is crucial. Correspondingly, the opposite of access is exclusion. The analytical framework of this study chiefly examines what the local community gains, or in other words, what they access, and what they lose or are excluded from, in the investment. Once again, this study employs the five cases of tea and vegetable cultivation to conduct the gains and losses analyses, with the results presented in *Table 5*.

The analysis demonstrates that regardless of the investment mode, there exist gains and losses. In terms of gains, irrespective of the investment's success, local communities have, to varying extents, received financial and technological inputs and gained market awareness, enhancing their potential for benefiting from available resources. On the other hand, concerning losses, it is generally observed that local communities have limited autonomy within the investment process, with restricted choices and limited access to technology. While some environmental issues arise from the investments, they are not the primary concerns for local communities yet. Notably, there are other losses that were previously overlooked in research. For instance, the highly regarded NGO-empowered O-an model showcases how third-party intervention significantly enhances the bargaining power of the local community. The NGO intervention has empowered the community, placing them on more equal footing in their interactions with Chinese investors. However, as illuminated by the case study, there is a discrepancy between the technical training provided through capacity building geared toward European quality standards and the quality standards required by O-an's primary market, which remains China. This consistently resulted in subpar quality of the locally processed tea. Furthermore, akin to the common occurrence of elite capture in most investments, O-an's empowerment project also encounters the issue of "empower for whom" (Vicol et al, 2018). Actual investigations reveal that indeed the head of the tea farmer unit in O-an controls the majority of resources in his unit. Finally, the competition among tea farmer units, coupled with Chinese buyers, has intensified the over-exploitation of tea plants, leading to more pronounced quality issues with tea leaves in O-an.

3.5 Other Lessons from the Study

Apart from deriving insights from the gains and losses experienced by local communities, this study has also extracted valuable lessons from interviews with a range of stakeholders, enriching our understanding of the broader dynamics at play. From the investors' perspective, while the significance of cultivating relationships with smallholder farmers has been somewhat overlooked, an increasing number of investors are now recognizing its importance. Some investors have even invoked a traditional Chinese political adage, stating, "Those who win the trust of the people win the world"³⁴, to emphasize that gaining community support equates to gaining business success.

"Doing agribusiness in Laos, the most critical relationship in the field is with the villagers. Those who win the trust of local people will succeed in business."

Mr Wang, 3 June 2023³⁵

Senvo's Lao Su also echoed a similar sentiment, emphasizing that while dealing directly with local residents may not be considered more important than having relations with government, it is undoubtedly equally important. Regrettably, these positive and crucial insights have not been effectively shared or learned among Chinese investors. While the concept of collaborating with smallholder farmers might sound simple, its successful implementation requires substantial practical experience. These lessons have been learned through tangible investments, and the willingness to undergo such learning curves. In Mr Ding's (6 June 2023) words: "one can only learn by investing their own money, no one will share with you. Many Chinese businessmen only want to learn from others' experiences for free, without wanting to incur costs themselves".

From the perspective of local communities, many parts of Laos are just beginning to engage with market-oriented agriculture. They lack access to relevant information, technology, and experience in this domain. Consequently, while such behaviours such as side selling and over-harvesting may appear short-sighted to outsiders, they are not uncommon or even characteristic of the early stages of agricultural development. Contrary to some assumptions that smallholder farmers are ill-suited for or resistant to market-oriented agriculture (Yang & He, 2021), they possess a strong adaptive capacity and learn from investments. Their limitations stem from their existing knowledge, shaping their own interpretations. The cases examined in this study collectively underscore that local farmers are generally receptive to market-oriented agriculture itself; their grievances thus rather relate to specific approaches.

While this study has limited research and interviews with government agencies, the cases examined still underscore the crucial role that the government plays in investment promotion and maintaining close ties with investors. However, when it comes to the actual project implementation phase and the need for government intervention to address various issues, its presence seems to be lacking. Finally, from the perspective of development agencies, we can observe a tension: While these agencies have dedicated considerable resources and effort to studying Chinese agricultural investments in Laos, producing a wealth of valuable data for researchers like us, this information appears to consistently lack a clear understanding of the specific investment processes.

³⁴ Attributed to the Chinese philosopher Mencius, around 300 BC.

³⁵ Quoted from the interview transcript with Mr. Wang, manager and business partner of Yitu, conducted on 3 June, 2023, Xay, Oudomxay. The original interview content was in Chinese and was translated into English by the author.

4 Conclusion and discussion

After providing detailed case introductions and analyses, this study reaches several conclusions that shedding light on the dynamics between Chinese agricultural investors and local communities in northern Laos and the drivers behind them. Building upon these findings, the study will conclude by discussing potential policy implications and research recommendations.

4.1 Conclusion

This study shows clearly that the relationships between Chinese investors and local communities in Laos are dynamic and complex, not simply adhering to a one-size-fits-all investment model. While the underlying reasons for this complexity are multifaceted, the case analyses conducted in this study provide some insights into the matter. However, before delving into these reasons, it is essential to summarize the overview of the situation of Chinese agricultural investors in Laos based on the information from the cases. This aspect has been notably lacking in existing research and addressing it will enable a more thorough exploration of the relationships within investments.

As an overall framing of our analyses, two key dynamics must be understood: Firstly, Chinese investors are not a monolithic whole, they are a heterogeneous group, leading to varying investment behaviours and approaches. Secondly, mutual trust among Chinese investors is not particularly high as for instance evidenced through the lack of sharing of lessons learned.

Further, while to be considered with caution in view of the sample size, this study challenges the widespread notion that "Chinese overseas investors don't speak foreign languages." Indeed, their English proficiency was in most cases indeed limited, which can be largely explained by their relatively low education levels, particularly among the older generation. However, most of them are (close to) proficient in Lao language – a foreign language for them. Beyond this, their understanding of and integration into the local society vary significantly.

Summarizing the circumstances of Chinese investors in the framework of these case studies, it becomes apparent that different investors' behaviours and their willingness significantly influence investment outcomes. However, in many cases, investor behaviour is constrained by the power dynamics in relation to various stakeholders including communities who are able to leverage what we have classified as what Scott (1985) referred to as 'weapons of the weak'. Hence, in contrast to prevailing perceptions, Chinese investors are not completely free to do what they want. Delving deep into these power relations is crucial for a comprehensive understanding of China's agricultural investments in Laos. Concurrently, this research sheds light on the varying impacts of different crops on investment behaviours, an aspect often overlooked in previous studies. By considering these compounding factors, we can broadly elucidate the underlying reasons for the diverse relationships formed between Chinese investors and local communities in Laos.

4.2 Discussion and Recommendations

While this study focuses on examining the relationship between Chinese agricultural investors and local communities in northern Laos, its ultimate objective lies in the exploration of enhanced agricultural investment approaches. Particularly, the emphasis is on the sustainability of investments, ensuring that the benefits stemming from investments are not only shared among few elites but benefit the wider population. However, it is equally important to remember that for any investment to be sustainable, there must be conditions allowing for the investment to take place in the first place. Both present data and the cases study underscore the significance of Chinese investments in the

agricultural development of Laos. Furthermore, with the operationalization of the LCR linking the two nations, this significance is expected to amplify foreseeably. Thus, development institutions and academia ought to earnestly devote more attention to researching Chinese investments. Such research must imperatively encompass Chinese investors, as without this inclusion, revealing the true complexity of investments will prove impossible. Only through this approach can the inherent issues within China's agricultural investment in Laos be more effectively addressed.

Through the methods outlined above, this study has uncovered many phenomena and issues that remained concealed in previous research. While the primary focus of this study revolves around the relationship between Chinese investors and local communities, it has become evident that many of the problems and challenges extend beyond the scope of these two parties, encompassing a wider array of stakeholders and the external environment. Failure to incorporate these elements into future research and actions will hinder our ability to effectively tackle the challenges arising from Chinese agricultural investments in Laos, severely impacting the sustainability of these investments. Therefore, based on the findings above, this report provides the following policy recommendations:

First and foremost, the government plays a pivotal role in this context. As demonstrated by the case studies in this article, government agencies at various levels act as vital intermediaries between investors and local communities. Their involvement is indispensable, spanning activities from attracting investments to the practical execution. Simultaneously, the study has realized the substantial efforts made by the government in promoting investments, thereby bringing substantial external resources to rural development in Laos. However, as projects progress to the implementation phase, the interaction primarily becomes a negotiation between investors and local communities, with limited government participation. Given the local communities' limitations in terms of information, financial resources, technology, and expertise, they often struggle to effectively navigate the complexities of the investment process and access the appropriate methods and strategies.

- 1 It is imperative for the government to transcend its role of merely attracting investment attraction and acting as an investor liaison. It should assume a more proactive role throughout the entire investment implementation process, providing guidance and actively participating.

Secondly, let's delve into the behaviour and willingness of Chinese investors. The cases in this study suggested that many Chinese investors have accumulated valuable experiences and lessons, yet there is a limited exchange of knowledge among them due to their mutual wariness of one another. However, official platforms have the potential to facilitate such knowledge sharing. Many investors express their readiness to participate, acknowledging that it can enhance their visibility in the investment landscape and enhance their influence. As per the information obtained from DPF and DOA of MAF in Vientiane during this study, relevant governmental agencies initiated certain activities last year, although there is room for further formalization and improvement. At the same time, some development agencies are also embarking on similar initiatives, but their understanding of Chinese investors is inadequate, resulting in a lack of effective communication channels.

- 2 Relevant government and development entities and professionals should leverage their position to facilitate constructive knowledge exchange.

Thirdly, we should consider the role of academia in this process. This study has already revealed the significant influence of different crop characteristics on investments, an aspect that has been previously overlooked. Nevertheless, in practice, the implementation and adjustment of pertinent agricultural investment policies have already demonstrated this impact by promoting the cultivation of

specific crops while restricting others. This serves as a tangible manifestation of this influence. Therefore, deeper research can be directed towards this aspect, adopting a crop development planning approach to better and more sustainably chart Laos' agricultural development trajectory. Additionally, a more comprehensive and in-depth examination of the power dynamics between Chinese investors and local communities can unveil further complexities within the investment process.

- 3 Researchers and academic institutions should invest in understanding the perspectives of different stakeholders and the impact of crop characteristics to identify areas in need of improvement for policy.

Lastly, given that China is presently the primary destination for Laos' agricultural exports, it is sensible to focus on enhancing farmers' proficiency pertinent technical standards and certification systems most and foremost for the Chinese market. This, however, does not imply a complete dependence on the Chinese market for Laos, diversifying market channels is certainly worthwhile. However, currently, there is a mismatch between the quantity of products exported to China and the certifications and quality control standards implemented by government and NGOs for products like tea, which are geared toward the EU. This mismatch is a consequence of their inability to access China's relevant technology and institutions, which has left many smallholder farmers to navigate the learning process on their own, as exemplified by the case in O-an.

- 4 The Laotian government, along with relevant international organizations and other development agencies, can forge stronger partnerships with the Chinese government and relevant research or developmental entities to improve meeting market demands and technical standards.

Conclusively, echoing Mr. Simmavong's sentiment, "A neighbouring country never moves away," serves as a poignant reminder to confront the existing realities and diligently address the prevailing issues.

Appendix A Semi-structured interview outline

The **basic information** of the investors. Specifically:

- a) Where the investors originally come from? Other details about their personal information and language level for local communication.
- b) What type of business is the company engaged in? What does it produce, buy, process and/or export? Where and on what scale?
- c) How long has the company been operating this business and how did they get started? What is the investment payback period? How long do they expect to operate?
- d) What kind of agreement does the company have with local authorities? An exclusive right to buy, a quota, or other type of agreement?
- e) Has there been any involvement of a development project? If so, what?
- f) How many farmers are involved in the production and processing? What is the general relationship with these farmers: Land leasing, contract farming, or hiring labour?

What are the characteristics of the **relationship** between the investors and local communities?

- g) Are farmers involved in decision making during production and processing? Are they organised into a group, or does the company operate through local collectors?
- h) Were farmers provided with inputs, credit, training, equipment or regular technical advice so that they could meet market requirements?
- i) Does the company have written contracts with farmers or collectors? Do these contracts specify quantity and quality requirements? How are the terms negotiated? Are there price incentives for better performance?
- j) If seasonal labour is used, how is this recruited: through village authorities or an agent? Do investors have a labour preference?
- k) How does communication take place with the farmers? In what language, using what channels and methods, how frequently?

What **challenges** have these companies faced in working with small farmers?

- l) Have there been any difficulties in meeting the product requirements of the Chinese market in terms of quantity or quality?
- m) Any difficulties in getting and maintaining the required labour, and work being carried out in a timely and efficient manner?
- n) Any experience with farmers breaking agreements (i.e., side-selling)?
- o) Any disputes regarding payment, and/or complaints over working conditions?

What **lessons** have these companies learned about working with small farmers, and what can be done to create a win-win relationship?

- p) Are the companies satisfied with the Return on Investment (ROI)? Do they expect to continue at the same level of operation, expand operations, invest in something else or leave Laos?
- q) Do the companies think it is important for the local farmers to be satisfied with the operations of the company? How do they think farmers benefit from their business?
- r) What is the single biggest difficulty the companies have faced in working with smallholder farmers? How has this affected profitability? Is the relationship getting better or worse?

- s) Have the companies changed their business model or specific practices to overcome the challenges mentioned above? If so, how? Have these changes been a success?
- t) What action could be taken by the authorities to improve the relationship between companies and farmers?
- u) What advice would these companies give to any new investor who is considering starting an agribusiness in Northern Laos?

Appendix B List of stakeholder interviews (in chronological order)

Stakeholder type	Location	Position and organisation
Chinese Investor	Xay, ODX	Legal representative of Yuanda
Trader	Xay, ODX	Local individual business
Project	Vientiane capital	Agricultural investment advisor of TLI project
Project	Vientiane capital	Specialist of MRLG Laos project
Chinese Investor	Khoune, XK	Technical manager of Linsui
Chinese Investor	Phonsavan, XK	Legal representative of Senvo
Chinese Investor	Phonsavan, XK	Individual businessman
Government	Phonsavan, XK	Director of XK Foreign Affair Department
Government	Phonsavan, XK	Senior stuff of XK PICO
Project	Phonsavan, XK	Tea project manager of Helvetas XK office
Project	Phonsavan, XK	Team leader of Helvetas XK office
Farmer	O-an, XK	Village head
Farmer	O-an, XK	Head of local tea farmer unit
Farmer	O-an, XK	Tea producer, processor and trader
Farmer	O-an, XK	Tea producer and processor
Chinese Investor	O-an, XK	Legal representative of Yunfeng
Farmer	Hiem, HP	Former village head of Nakout
Farmer	Hiem, HP	Another Former village head of Nakout
Farmer/government	Hiem, HP	Current village head of Nakout
Farmer	Hiem, HP	Smallholder tea farmer
Laotian investor/Trader	Hiem, HP	Business partner of Huafeng
Government	Hiem, HP	Agricultural Staff, Hiem DAFO
Chinese Investor	Hiem, HP	Legal representative of Huafeng
Chinese Investor	Hiem, HP	Business partner of Huafeng
Project	Vientiane capital	Researcher of CDE Laos
Project	Vientiane capital	Consultant of FAO Laos
Government	Vientiane capital	Deputy Director General of DOA, MAF
Government	Vientiane capital	Deputy Director of International Cooperation, DPF
Chinese Investor	Xay, ODX	Legal representative of Titu
Chinese Investor	Xay, ODX	Manager and business partner of Yitu
Farmer/government	Chomphet, LPB	Village head of Ban Na Hai
Farmer	Chomphet, LPB	Smallholder farmer in Ban Na Hai
Laotian investor/Trader	LPB town	Business partner of Chinese/foreign investments
Laotian investor/Trader	LPB town	Individual businessman
Laotian investor/Trader	Ban Sing, LPB	Legal representative of Civet coffee
Chinese Investor	Vientiane capital	Manager of a Chinese banana company

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