

# Lao Rural Livelihoods in Times of Crisis

**Evidence from  
a Qualitative Community Survey**

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This qualitative community survey was conducted as part of the World Bank's welfare monitoring initiative in the Lao PDR.

The survey aims to (i) provide a better understanding of the economic and social impact of the COVID-19 pandemic and the deteriorating economic situation, particularly spiraling inflation, on rural livelihoods; and (ii) complement the World Bank's Rapid Monitoring Phone Survey of Households, which is conducted biannually to monitor household welfare.

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## 1

# Introduction



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**The population of the Lao PDR is predominantly rural.** While rapid economic growth has accelerated the urbanization process over the past three decades, 63 percent of the population continue to live in rural villages. A village is the lowest level of administrative unit in Laos, with villages falling into three categories: i) urban; ii) rural with road access; and iii) rural without road access. Each village has an officially - recognized village chief, or Nai Ban. Rural villages vary greatly in terms of geographical conditions (lowland, midland, highland) and ethnic composition (Lao, Hmong, Khmu, etc.). Most residents of rural areas still rely on subsistence agriculture as their primary source of livelihood.

**With relatively limited access to infrastructure, basic services, and employment opportunities, rural areas experience a greater incidence of poverty than do urban areas.** In 2018, the poverty rate stood at 23.8 percent in rural areas, compared to 7 percent for urban areas, with nearly 90 percent of the country's poor living in the former. In remote rural villages, concentrated in midland and upland areas, residents often have limited access to basic services and poor road connections. For example, the average time taken to travel to the nearest hospital from a rural village with road access

is 35 minutes, while for those without road access, it is about an hour. In particularly remote rural villages, this time can extend to several hours. By contrast, the average time for an urban village is 10 minutes. Limited employment opportunities and market access are also key constraints for rural communities.

**Most of the rural population continue to derive a livelihood from subsistence agriculture, albeit with an increasing rate of commercialization.** More than 90 percent of rural households engage in agricultural activities, with about 70 percent relying on farming as their main source of livelihood. Farming remains largely rice-based, with rice farmers mainly cultivating this crop for their household consumption. In 2018, about 70 percent of farming households grew rice, with only 5 percent of them producing it for commercial purposes. By contrast, the production of other crops, particularly maize, cassava, coffee, tea, cardamom, and rubber, was predominantly for commercial purposes. Nearly 30 percent of agricultural households grew non-rice crops of this sort. Rural households also engaged in animal husbandry and hunting, with more than one-third of households engaged in livestock and poultry production, fishing, aquaculture, or hunting, mostly for commercial purposes.

**Since 2020, the Lao economy has faced a series of shocks, including those related to the COVID-19 pandemic, which exacerbated macroeconomic instability and contributed to severe inflation.** Following the advent of the pandemic, the lockdown measures, travel restrictions, border closures, and the closure of schools and businesses resulted in employment and income losses that affected the livelihoods of a large proportion of the population, with the country's international borders remaining closed for two years, reopening only in May 2022. Apart from its direct impacts, the pandemic had the effect of seriously exacerbating macroeconomic instability that predated it. Prior to the pandemic, signs of this instability were already apparent, with public debt, publicly-guaranteed debt, and other contingent liabilities having increased significantly. Fiscal space had already eroded, largely owing to poor revenue collection performance and rising debt service payments. Together with the impact of the pandemic, foreign currency shortages, low reserve buffers, and high financing needs contributed to a depreciation in the value of the Lao Kip, which declined by more than 80 percent in the period from January 2021 to January 2023.

**In December 2022, consumer price inflation reached a two-decade high, largely due to the decline in the value of the kip and rising global commodity prices.** Headline inflation increased to 39.3 percent in the year to December 2022, its highest level in more than two decades. Sharp increases in food and transport prices were the



key factors contributing to this increase, with the food price inflation rate standing at 45.9 percent and with transport prices (including fuel) increasing by 50.4 percent. Initially, the spike in inflation was driven by the increase to domestic fuel prices, with these increases subsequently impacting the production costs of a broad range of consumer items, which in turn resulted in higher retail prices. With Laos heavily dependent on imports, the kip depreciation exacerbated these increases.

**In order to understand the economic and social impact of these shocks on rural livelihoods, the World Bank conducted a qualitative community survey.** The survey investigates the impacts of the pandemic and price shocks in four focus areas: (i) livelihoods and coping strategies; (ii) social assistance (iii) public service delivery; and (iv) administrative services and citizen engagement. In May-July 2022, 139 key informants were interviewed across 70 villages in six provinces. In November 2022, 20 follow-up interviews were conducted to collect additional information, particularly related to the impact of inflation <sup>1</sup>. The survey fieldwork was implemented by Indochina Research (Laos), with interviews conducted by phone. Interviewees were asked to provide an assessment of the situation in their respective villages, with some questions regarding their personal experiences. The sample was not intended to be representative, but rather to provide insights into the experience of rural villagers during the crisis. The findings from this community survey are intended to complement those from the high-frequency phone survey of households, which was designed to produce nationally representative results and which has been implemented in six rounds since the onset of the pandemic.

**This brief presents the main findings from the qualitative community survey.** The brief is structured around the four focus areas, as described above. Following this introductory section, Section 2 discusses the impact of the COVID-19 pandemic and inflation on households' livelihood and their coping strategies. Section 3 focuses on perceptions and experiences related to the delivery of public services, including education, healthcare, assistance, and communication. Section 4 looks at the respondents' levels of satisfaction and expectations regarding public service delivery, and the extent to which they were engaged in village development activities. Section 5 attempts draws these issues together to provide an overall conclusion, with suggestions for necessary interventions.

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<sup>1</sup> These villages are located in Luang Prabang, Luang Namtha, Savannakhet, Saravan, Sekong, and Attapeu province. The villages are considered poor and are, or used to be, the villages targeted by the Poverty Reduction Fund.

# 2

# Household Livelihoods

## 2.1

## Livelihoods before the pandemic

**Prior to the COVID-19 pandemic, residents in the survey areas were primarily engaged in agronomy and animal husbandry, together with the exploitation of forest and other natural resources.** The primary agricultural activity was highland and lowland (na and hai) subsistence rice cultivation, with secondary crops, particularly maize, being produced to generate supplemental income. In areas with access to irrigation facilities, some villages yielded biannual rice crops (two-season). Many respondents stated that, in addition to engaging in wet season rice cultivation, upland rice cropping, the cultivation of cassava or copy, gold mining, animal husbandry, members of their communities also exploited non-timber forest products (NTFPs), either for sale or personal use. When the respondents were engaged in animal husbandry, particularly involving large animals such as cattle, goats, and pigs, they tended to regard these animals as a store of value and as a system of saving, with these assets sold in times of need, particularly to finance education and healthcare spending. Cattle were considered to be the most reliable store of value for such purposes.

**A small but not insignificant proportion of respondents were engaged in waged employment and non-farm household businesses, at least supplementally and/or on a seasonal basis.** One-fifth of community members in the southern provinces, excluding Savannakhet, reported receiving wages from activities such as weeding and performing other tasks on plantations for crops such as coffee, cardamom, sugarcanes, cassava, and banana. The demand for these services was mostly seasonal, with employment usually available in the post-plantation and post-harvest periods. Some respondents stated that in the pre-pandemic period they and other community members had sought work in neighboring Thailand, while others were employed as civil servants. During this period, some community members were engaged in small-scale retail trade in the villages, usually selling food and drinks. Many respondents stated that due to the decline in demand following the pandemic, these vendors were forced to cease these activities, with only a few managing to continue them.



**There was a wide degree of variation in the nature of the rural livelihoods in the six surveyed provinces, as summarized below:**

### Luang Namtha

Located in the northern part of the country on the border with China, most villagers in this province were engaged in farming, with the predominant activities being lowland rice cultivation, upland rice cultivation, and the seasonal cultivation of crops such as cardamom, galangal, inka (star bean), and maize. Residents of this area produced rice primarily for household consumption and food security, while they engaged in seasonal cropping and the exploitation of NTFPs for commercial purposes.

### Luang Prabang

Located in the northern part of the country, most of this province is covered by mountainous hills. Most residents of the surveyed areas engaged in upland rice cultivation, with some involved in low land rice cultivation in valleys and terraces. In both cases, the rice was produced primarily for subsistence purposes. To generate supplemental income, communities cultivated other crops, mainly maize. They also raised cattle, which were mainly allowed to roam free, with these cattle being the primary source of cash incomes. Despite the dramatic increase in the unit price of food over the period of the survey, the production of food commodities decreased, resulting in an overall decline in farming incomes and food consumption levels. Sources of livelihood in this area were relatively highly diverse, with migrant workers, traders, and civil servants, in addition to farmers.

### Sekong

Located in the southern part of the country, the majority of respondents in this province stated that members of their communities were engaged in lowland rice cultivation, with a smaller proportion engaged in the cultivation of rice in upland areas. In addition, some community members were engaged in the cultivation of commercial crops, primarily cassava and coffee. After rice cultivation, the main source of livelihood was animal husbandry (cattle, goat, pig). There were also reports of villagers engaging in traditional gold mining in this area and in the collection of NTFPs for sale and for household consumption, usually as supplemental activities.

### Savannakhet

Located in the central part of the country, a relatively high proportion of this province consists of lowland landscapes compared to the two previously described provinces. The main sources of livelihood for rural villagers in this province were animal husbandry and wet-season subsistence rice cropping. While chickens and other smaller animals were raised primarily for household consumption and ritual activities, larger animals, such as buffalo and cattle, were reared as store of value to be sold only in times of household need, mainly for expenditure on healthcare and education. Some respondents reported stated that members of their communities were trialing the cultivation of cassava on a small scale, with the intention of expanding production for commercial purposes. In some villages, households grew vegetables for their own consumption. Some community members operated small family-run businesses, primarily engaged in small-scale trade and the provision of services. Others were also engaged in wage labor, although this was mainly seasonal, with work available mainly on coffee plantations during growing and harvesting. In some villages, respondents produced charcoal for sale.

### Saravan

With surveyed respondents residing in villages with access to irrigation facilities, a significant proportion of community members were reported to practice two-season rice cropping. They also raised animals such as goats, pigs and poultry for commercial purposes. Some community members engaged in wage labor, usually involving weeding and other services on cassava and banana plantations. In this area, the majority of vegetables cultivated in household gardens were sold, with only a small proportion used for household consumption. In Thaphangthong and other areas in the southern provinces, some respondents reported community members producing charcoal for sale.

### Attapeu

Located in the southern part of the country on the borders with Cambodia and Vietnam, the majority of respondents in this province lived in communities that were engaged in the cultivation of lowland and upland rice. About 20 percent of community members engaged in wage labor were employed in areas outside their villages, usually in weeding and other forms of agricultural labor on coffee, cardamom, sugarcanes, cassava, and banana plantations in urban and peri-urban areas of the provincial capital and district towns. As elsewhere, these activities tended to be seasonal, with employment available in the post-plantation and post-harvest phases of the cycle. The other 80 percent of community members engaged in wage labor mostly worked as farm laborers in their own villages.

## 2.2

# Impact of the pandemic and inflation

**Most respondents reported that the series of shocks associated with the pandemic, the ensuing fuel price hikes, and spiraling inflation, had severely negative impacts on their livelihoods.** In particular, they stated that the shocks had impacted their lives and livelihoods and those of other community members due to the disruptions to domestic supplies, to job losses, to a decline in farm gate prices and household incomes, and to a decline in the availability of employment opportunities.

**During the pandemic, farm-gate prices declined, with a resulting decline in household incomes.** For example, in Luang Namtha, it was reported that the farmgate price of maize declined from 3 - 4 million kip per metric ton in the pre-pandemic period to 1 million kip per ton following its advent. Similarly, the price for cardamom declined from 40,000 - 47,000 kip per kg to 27,000-30,000 kip per kg, with other crops also experiencing similar declines to a greater or lesser extent. These declines in prices disincentivized farmers from engaging in commercial agriculture.

A respondent in Saravan said:

“During the pandemic, we weren’t really afraid. We continued our lives as usual, working in the fields. Some Vietnamese buyers came to buy cassava in the village illegally, but they only offered low prices, from 800 kip down to 500 kip per kilo for unprocessed cassava. We didn’t have any choice, because we can’t store it for long periods.”

In Luang Prabang, several respondents stated that they and other community members experienced loss of income and cash shortages because social distancing requirements meant they could not engage in their usual form of employment. Travel restrictions also had a severe impact on those dependent on benefits, pensions and other similar forms of payments, particularly affecting veterans, retired civil servants and disabled people, who usually travel to district towns to receive these payments.

**Transportation services were heavily impacted, both by the COVID-19 containment measures and, later, by fuel price increases.** The pandemic containment measures severely limited the supply and transportation of goods to and from villages, which meant that many small shops and retail businesses in villages were forced to close. Villagers who had migrated to seek employment on banana and other plantations in other districts or provinces were not permitted to return to their villages. In Luang Prabang, where members of certain ethnic groups traditionally produce handicrafts for sale to generate income when other remunerative activities are unavailable, they were unable to sell these handicrafts because lockdown measures prevented traders coming to the village to purchase them.

**While the fuel price spike and spiraling inflation resulted in increased farm production costs, most farm-gate prices remained at or below the pre-pandemic levels.** In the period following the pandemic, tractor service providers were unable to provide services at acceptable prices due to fuel price increases. In Savannakhet, with fertilizer in short supply and very expensive when available, the use of fertilizer decreased.

A lowland rice paddy farmer said:

“With the increase to the price of fertilizer,  
most farmers have reduced the amount of fertilizer they use  
and turned to animal manure instead”

**It was reported that household income from the sale of animals and NTFPs declined by about half during the pandemic period.** In recent months, the cost of tractor services for sugarcane and cassava has increased because of increases in the price of fuel associated with the increase in the global oil prices and the depreciation in the value of the currency, while the daily charge for the services remained unchanged. Since then, while farm-gate kip prices have increased from pre-pandemic levels, they have still not kept up with the increased costs of production. Farmers with 2-3 hectares of land are now often electing not to cultivate the whole area, but only a small portion of it, due to these increased production costs.

A farmer in Savannakhet stated:

“The fuel price has increased more than 50 percent from last year, so the cost for hiring a tractor has increased from 1.5 million kip per to 2.5 million kip per hectare. I decided to reduce my land under cassava from two hectares to one hectare this year because the post-harvest sale prices are uncertain.”

**This tendency for farmers to reduce the area of the land that they cultivate was also observed in Luang Prabang, for similar reasons.** In Sekong, the fuel price increases affected the frequency of travel, with respondents in this area refraining from travel if at all possible and often choosing to walk long distances if it was unavoidable. Cassava plantations were also affected. Increasingly, farmers sought wage labor to generate income, using their earnings to invest in their own farmland. With both reduced incomes and increased expenditure, residents tended to reduce all but absolutely essential expenditure.

**The security situation in rural areas declined during the pandemic.** Many respondents reported an increased incidence of theft during the pandemic, particularly of motorbikes and animals. During the lockdown, many farmers were required to remain on their land for extended periods of time if the land was located some distance from the home, which is

often the case, to avoid travel. These thefts tended to occur when they were absent from home. Respondents also reported an increase in the use of drugs and alcohol by community members, to which they attributed the increase in insecurity. Village authorities reported that the security situation had improved following the lifting of the lockdown restrictions. In part, this could have been because following the lifting of the restrictions, officials were stationed in the villages to test and monitor drug and alcohol use.

**As a coping strategy to manage the decline in incomes and increasing prices, residents of rural areas tended to rely on natural resources from forest areas, including fish, frog, small wildlife and NTFPs<sup>2</sup>.** Local employers who did not have cash available to pay wage laborers sometimes resorted to payment in kind, with labor provided in exchange for essential daily goods. If rural residents faced health-related emergencies that required significant expenditure, they usually attempted to borrow money from the Village Development Fund (VDF), with loans from this source provided at a 2 percent interest rate. However, if no funds were available from this source, they were often forced to borrow from other sources at considerably higher interest rates.

A respondent from Saravan said:

“People taking out loans at higher interest rates has become more frequent, which means they unavoidably fall into debt. Before the pandemic, interest rates were lower and people borrowed less frequently.”

**Both domestic and international migrant workers were affected by the pandemic, although in different ways.** The number of villagers seeking work overseas was significantly higher in Savannakhet than in the other provinces. While most of these migrant workers returned to Laos from Thailand following the advent of the pandemic, at the time of the survey, almost all of them had returned to Thailand following the opening of borders, with the higher wages there a significant pull factor. Villagers who migrated to surrounding areas or cities within Laos to seek work during the pandemic were not able to return home on a daily basis, as

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<sup>2</sup> See Annex 3 for a full set of coping strategies.



they often did prior to it. In Luang Prabang, the majority of these workers were employed at foreign-owned banana plantations while in Attapeu a significant portion worked for gold mines.

**In many villages, the decline in economic activity affected the collection of state budget revenues.** In particular, a number of village heads reported that the collection of village-level taxes was affected, and that they were able to collect only half of the planned amount, as many residents were simply unable to pay. Given that the village authority is permitted to retain 30 percent of the revenue collected for village use, this had a significant impact on resources available to village administrations.

**The majority of respondents stated that the impact of the pandemic was still felt during the post-pandemic period.** For example, in Sekong, many respondents stated that since the pandemic there were fewer jobs that paid cash available and fewer traders visiting villages to purchase forest products, resulting reduced or flat incomes. It was reported that many young people had left their communities in search of employment, with a significant number travelling to coffee farms to work as laborers.

# 3

## Public Service Delivery and Assistance

### 3.1

### Healthcare

The majority of respondents reported that the initial response of community members to a health issue was to treat themselves and other members of their households with self-bought medicine and traditional spiritual treatment. The most commonly reported health issues were colds and coughs. It was found that many rural villagers combined contemporary medicine with religious or spiritual practices to treat their ailments. Respondents from Luang Prabang reported that members of their communities, especially the poor, tended to visit hospitals only when they had exhausted their supply of over-the-counter and traditional medicines or when these treatments proved ineffective. In Attapeu, respondents reported that members of the community suffering from seasonal ailments such as colds, coughing, and malaria were more likely to receive home care provided by dispensary employees. It was clear that travel costs were a significant factor in preferences.

One member of a community in a remote village who had travelled to a district hospital in Savannakhet to seek treatment said:

“It usually involves a trip of at least 5 km to reach a health center and about 10 - 30 km to reach a district hospital. It costs at least 500,000 kip to rent a truck to get to the district hospital!”

**Respondents stated that village health volunteers provided useful assistance to members of local communities.** With some of the surveyed villages not having ready access to pharmacies or hospitals, community members almost always contacted village health volunteers in the event of a serious illness. These volunteers make a range of medicines available to treat common illnesses, as well as providing data related to health issues to clinics and hospitals. The majority of respondents said that these volunteers were helpful and accessible. Respondents from one hamlet stated that community members valued and appreciated the assistance provided by the medical staff at the outpatient clinic located there.

**Respondents stated that dispensaries, health centers and district hospitals provided only limited treatment options and rudimentary services, often of inadequate quality.** With the high travel and associated costs, most members of rural communities in Savannakhet, Sekong and Saravan stated that they would not seek treatment at district hospitals unless they were seriously ill and that they resorted to provincial hospitals only in extreme cases. Many members of rural communities prefer to pay for expensive traditional ceremonies to treat unresolved ailments than to seek care at formal facilities.

**Respondents stated that the majority of community members had complied with COVID-19 prevention measures when they were in force and had received two doses of COVID-19 vaccine.** Village health volunteers tried to enforce and implement government-mandated measures and assisted with the distribution of vaccines. Relatively well-off members of communities were most likely to practice social distancing and to implement mitigation measures, while poorer people tended to avoid travel and remain on their farms. Requirements to wear masks were widely socialized, with most community members complying. When cases of COVID-19 infection were suspected, these cases were referred to a district hospital, with those testing positive placed under quarantine. Members of rural communities were willing to be tested by government health services and to receive vaccinations. However, a respondent from Luang Namtha reported that while most members of their community had received two doses of the COVID-19 vaccine, many missed the third dose because it was administered during the harvest period, when a large proportion of farmers were working in the fields and absent from their usual place of residence.

## 3.2 Education

**Respondents from all provinces, but most particularly the southern provinces, reported that many students had dropped out of school following the advent of the pandemic.** Respondents in all villages stated that there were no cases of students having to repeat a grade due to school closures during the lockdowns. However, all respondents also stated that the quality of teaching was low during this period, with students in rural communities lacking the opportunity to engage in the kind of online study that was provided to students in some provincial centers and to those who attended private schools.

**While young students who left school during this period hoped to find paid employment, the quality of the jobs available to them was low.** Following the reopening of the borders between Laos and Thailand, students at the lower secondary levels often attempted to find work in Thailand. However, those under the age of 18 years cannot legally obtain work permits for employment in Thailand, so they either worked there illegally or sought employment on banana plantations in the central and southern provinces. One respondent stated that many youths sought work in China, but that many were not able to perform their jobs satisfactorily. Some respondents stated that many of these youths started to use drugs or engage in other bad behavior that meant they were sent back to their hometowns. A respondent from Savannakhet reported that parents and other family members often travelled to banana plantations in Saravan to intervene on behalf of young workers experiencing poor working conditions, including non-payment of wages.

Village chiefs in the southern provinces stated that:

“During the COVID-19 lockdowns, schools were closed and children did not have lessons for at least a month. Students at the lower secondary levels were not interested in continuing their education when the school reopened. The village authority conducted a meeting with parents to encourage them to make their children to return to school. Even so, some boys dropped out and stayed in the field with their parents.”

## 3.3 Social Assistance

**Most respondents reported that members of their communities had received government disaster relief support, mainly following floods and fire.** They stated that the support provided usually took the form of food and clothing to meet short-term needs, rather than for reconstruction or to meet other long-term needs. A key concern raised by the respondents related to a failure to maintain villages' gravity-fed water supply systems because of a lack of support from the government. Respondents stated that group loans were available from the government's Nayobi Bank for community groups involved in cattle production and agriculture. Respondents stated that they did not receive any form of government support to mitigate the impact of spiraling inflation. Communities in the southern provinces tended to suffer the most from the effects of this inflation because agricultural activities there are relatively heavily dependent on fertilizers and tractors and other machinery.

**Respondents in all surveyed provinces reported that small development-project funded loans and grants were available to build infrastructure and for other purposes.** A description of the type of loans and grants available in different provinces follows:

### Luang Namtha

In Nalae District, respondents stated that Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Access to Finance Project and the World Bank-supported Poverty Reduction Fund (PRF) provided grant funding for the construction of an access road connecting the village to the main road, the renovation of schools, and the installation of gravity water supply systems (GWSS). Respondents stated that their communities required additional assistance for purposes such as rebuilding access roads to a hamlet and to repair GWSS, which are inadequate to meet the needs of the inhabitants.

### Luang Prabang

Respondents stated that World Vision had provided assistance to promote poultry farming as an effort to increase food security in village communities; that the Lao Red Cross had donated money to establish schools; and that Nayobi Bank offered loans to farmers who wanted to raise animals for sale, at interest rates of 7 percent interest. A respondent in one village reported that their community had received funds for a new GWSS from the PRF.

### Savannakhet

Respondents stated that the PRF had provided assistance to enable members of communities to meet their food needs and that Nayobi Bank had provided loans to support agricultural and livestock-raising activities. Public health authorities provided support for the implementation of sanitation and hygiene activities.

### Saravan

Respondents stated that World Vision had provided in-kind support in the form of rice and vegetable seeds, student-learning materials, and health center equipment and that the PRF had provided assistance to build roads, schools, and water supply facilities, as well as small funds.

### Sekong

Respondents stated that the World Food Programme had provided food assistance for students (rice, canned food and beans) during the period when the school feeding project was being handed over to the government. Care International Laos provided support for goat husbandry and aquaculture activities.

### Attapeu

Respondents stated that the PRF provided support to construct and maintain borehole systems and access roads and that the Korea International Cooperation Agency (KOICA) had provided support for disaster preparedness and climate resilience projects to rural communities along the Sekong River.



## 3.4 Communication

**The survey found that village meetings and broadcasts are the main channels for public communication, with households with Internet access tending to use social media to obtain more comprehensive and up-to-date news.** Respondents in all locations stated that the official reporting system is not fully effective. Most of the time, there was no feedback or response after they reported an issue to the district governor's office through the village chief. As a result, villagers decided to wait for a visit by the governor officers to their villages to directly report the issue. Village broadcasts and meetings are the primary channel of communication to make community announcements in rural villages without speakers and public address systems for local broadcasts. Most respondents who had access to the internet stated that Facebook was their main source of information related to the COVID-19 pandemic. They stated that the news received through this source was more up-to-date and comprehensive than news provided by COVID-19 committees, although this source was clearly limited to communities with access to internet connections. Respondents from the southern provinces stated that while community members were interested in news related to the pandemic in the first year (2020), by 2021, they no longer followed it. Most respondents from Sekong and Attapeu stated that at the time of the survey, they were more interested in news regarding fuel prices and the exchange rate with the Thai baht because the fertilizers and other agricultural inputs they used were mostly imported from Thailand, so this news was highly relevant to them.

## 4

# Citizen Engagement

## 4.1

## Satisfaction and expectation regarding public infrastructure, service, and assistance

**Community infrastructure:** Many respondents in the southern provinces complained about the quality and availability of community infrastructure. One respondent stated that while repairs to the village road had been completed, the quality of the work was unsatisfactory, with the level of the road lower than that of the surrounding rice fields, which made the road surface prone to flooding and inundation. In the south, respondents stated that access roads were of very poor quality, making it difficult or impossible to travel during the raining season. In contrast, some respondents from the north expressed satisfaction with public infrastructure in terms of both quality and efficiency, with these respondents mentioning work on and repairs to public facilities including roads, schools, and GWSS. They stated that members of rural communities contributed labor for these repairs. Most respondents expressed the need for improvements to road conditions, including village roads, district roads and access roads to their farming areas. In particular, they emphasized the need for improved access roads leading to the district town, which would lower the costs of transportation and attract more traders.

**Healthcare:** Many respondents from the southern provinces complained about the quality and availability of health care. Respondents from Savannakhet stated that medical supplies were inadequate, while in Sekong, they stated that while access to healthcare was good, public communications, reception and treatment services were unsatisfactory.

Respondents stated that there was a need for more qualified medical staff and better equipment in district hospitals and health centers. All respondents said that the health center was their primary resource when they needed health care services. They said that the Village Health Volunteers (VHV) provided services during the COVID-19 outbreak, disseminating information, distributing masks and prevention equipment, and reporting to health officials. Particularly in cases where villages were located at a significant distance from the health center, they stated that the VHV played an important role during the COVID-19 restrictions.

One respondent stated:

“Villagers preferred to seek health services as close as possible to avoid travel because of the COVID-19 restrictions and fuel price increases. We go to the VHV to buy medicine if we have colds, coughs, or stomachaches. The prices of these medicines have gone up because of difficulties traveling to the district town.”

A mother in Luang Prabang said:

“I don’t understand why the health center always runs out of medicine, particularly Deewat and Tiffy Liquid [the medicines commonly used to treat children with colds] and amoxicillin. I have children under five years old. Normally, if there are medicines available at the health center, they are free of charge if we have a family book. We only pay a registration fee of 5,000 kip. But if the health center doesn’t have them, health officials tell us to buy at a pharmacy. Most of the pharmacies are owned by health officials.”

**Education:** Regarding education, the most commonly reported complaints related to its low quality. Respondents who complained stated that the quality of teaching was low, with a limited availability of learning and teaching materials. During the lockdowns, all schools were closed, without any online learning system available to communities. Respondents from the northern provinces complained about shortages of teachers and the need for repairs to school facilities. They stated that distance from schools and difficulty of travel led to high dropout rates, resulting in a great number of young people migrating to seek employment in Thailand (southern provinces) and in Bokeo at casinos. Respondents also said that the presence of a lower secondary school in the village would play a major role in reducing travel difficulties, which in turn would contribute to a lower dropout rate.

One mother from Savannakhet stated that:

“I would like district and provincial education officials to supervise teachers more closely. They are often absent from classes because they are working on their own fields. We understand their situation. They do not have the cash to pay for labor in the rice fields. Teachers often say that they don’t receive their salary for three months or more.”

**Water facilities:** A relatively greater number of respondents from the southern provinces reported experiencing water shortages than from the northern provinces. It was found that women and girls were largely responsible for collecting water for household use. Respondents from the southern province stated that there was no regular supply of water, with communities dependent on natural sources of water (underground water/dug wells and streams) and experiencing water shortages in dry seasons. Respondents from the northern provinces were more likely to report issues related to the need for maintenance to communal water facilities.

**Livelihoods and income:** Respondents expressed a need for more agricultural extension services, particularly to enable community members to raise livestock to provide household income. Respondents in most surveyed areas also raised the issue of access to longer-term loans to develop land and the animal husband. They stated that investment in larger scale animal husbandry requires low-interest financing from the government. Respondents from areas in which low land rice cultivation is

practiced expressed the need for funds to expand lowland paddy fields. Most respondents stated they had little or no power to negotiate the price they received for agricultural products, with buyers only prepared to negotiate with larger producers and traders. They also complained about the lack of community markets to sell their products. Respondents in all areas complained that the cost of consumable goods had increased markedly, stating that they hoped that these increases could be controlled. At the same time, they stated that the price of agricultural products, particularly sugar cane, was low. Many requested government assistance to help them to negotiate with buyers or trading companies so that they could receive higher farm-gate prices.

**Social assistance:** Respondents stated that the availability of social assistance was limited. When communities had suffered from heavy flooding in 2019, emergency support and assistance had been inadequate to address the damage and economic losses experienced. While district officers came to collect data related to the disasters experienced by the community, no assistance was provided. The majority of respondents had low expectations regarding government support . They also stated that village authorities did not have budgets to implement projects to meet their needs.

A secondary school teacher and a cassava farmer said:

“I don’t expect to receive support from the government. Only technical officials come to work with villagers, and they have no power to respond to our needs. Senior officials are only interested in visiting mining and other large investment projects.”

**Members of a village authority committee stated that revenue collection had declined significantly in the three years since the advent of the pandemic.** Village administrations depend on these revenues to finance administrative tasks such as reporting to the Kumban (local authority), attending meetings at the district office, and to pay for a cost of providing hospitality to officials who visit the village. Without these resources, village administrations resorted to collecting rice from households to provide for visiting officials. Respondents stated that development projects implemented under the supervision of project officers or donors were more effective and met their needs better than those implemented under the supervision of government officials.

**Response to disasters:** Many respondents expressed concerns regarding natural disasters, particularly flooding and drought, which have occurred with increasing frequency over the past few years, causing significant agricultural losses and damage to residences, particularly those located near rivers. It was reported that there were many cases that resulted in significant damage in 2021, including crop losses from storms and rat infestations. Respondents also cited a rice fungus outbreak as a major disaster for rural communities.

**Respondents stated that there were generally no early warning systems for flash floods in their communities.** Instead, community members relied on their own experience and knowledge to predict and manage such incidents. Many cases were reported of people having to flee rising waters. Respondents in southern provinces frequently complained that when the Vietnamese authorities released water from their dams, this increased the likelihood of flash floods. However, it was reported that in Sekong and Attapeu, following the collapse of one of a Xepien-Xenamnoy Hydro Power Plant saddle dam, the corporation did establish an early warning system in the village.

A respondent from Saravan said:

“Last year (2021) there were strong winds that damaged five-six houses in our village. I don’t remember the name of the storm. People were talking about it beforehand, with warnings through Facebook. Some villagers dug a large hole [2.5m x 2.5m] to provide shelter for around 15-20 people, mainly the old and children. Some houses were damaged, but there was no support from government. Village leaders sent a damage report to the district authority.”



## 4.2 Voice and engagement

**Surveyed village leaders confirmed that village development plans were prepared once every five years, with support from district officials.** They said that they did not prepare annual plans, as there were no funds to implement activities. In some provinces, village authorities had no funds to initiate and implement projects, and the authorities only conducted an activity when they received instruction from higher levels of government. Without such instructions, village officials focused on their personal livelihood activities. One respondent stated that during the pandemic, the village office was only open for about one hour each day from Monday to Friday, with its only activities being to announce news and information on restrictions and to encourage the uptake of vaccines.

**Respondents stated that community members were not involved in the formulation of the village development plan, with village administration characterized by a top-down approach.** Surveyed village heads and deputy village heads admitted that they acted solely based on instructions issued by higher levels of government. Village meetings were held only to disseminate information from the district offices, mainly with political instructions, regulations, and orders. Respondents who are not members of the village administration committee stated that there was no community involvement or public discussions related to village-related issues and potential solutions. It was found that poor and marginalized villagers, including alcohol and drug users, rarely or never attended village meetings. Village authorities reported that only about 30 percent of community members, always the same people, regularly attended village meetings.

**Respondents stated that members of rural communities want officials to listen to community feedback and to take action to resolve issues of importance to them.** Respondents stated that the village meetings are held for two main purposes, to discuss village activities or to disseminate notifications and policies from district, provincial or central authorities. In theory, representatives of all households should attend meetings to discuss village, or development activities so that a joint decision can be made. In the case of meetings to disseminate policies and notifications, it is sufficient for representatives of all the main administrative village units to attend, with these representatives further disseminating the content of the meeting to households. In some provinces, respondents stated that

before the implementation of development activities in the village, a public consultation is meant to be held so that a collective decision can be made. In some northern provinces, respondents complained that while they had made reports on impacts from mining and plantation companies, the Laos-China railway project, and other foreign investments activities to government officials, the officials never responded or resolved the issue.

**It was found that while the government is attempting to implement a revenue collection sharing system to promote community-driven development, communities are not able to collect sufficient revenue to make this viable.** To implement the so-called “sam sang approach” to community-driven development, the government has established a revenue collection sharing system at community level. According to government instructions, village administrations should receive 10 percent of total revenues collected at the village level, with the expectation that these funds will be used to implement Village Development Plans . However, the value of revenue collected in poor villages is too small to implement meaningful projects.

A village leader stated:

“In one year, we collect only about 1 million kip in land tax and sales of cattle and NTPFs”.

Another village leader also said:

“While we collect some revenues from gold mining workers, workers on banana plantations and shops in the village and use this budget to fix the village office and water distribution systems, the budget is not large enough to address larger items such as village roads, the school and so on.”

## 5

# Conclusion



By Simon Berger on Unsplash

**The survey found that communities in all locations surveyed experienced economic difficulties as a result of the pandemic and spiraling inflation, with significant impacts for health care and general socio-economic conditions.** Poor relationships between villagers and health services and a lack of local ownership over decision-making processes mean that local authorities and communities are disempowered and limited in their ability to take action. The negative impact on education, employment, physical and mental health and the well-being of communities continues to be felt.

**The high rate of inflation and increasing fuel and food prices have had a larger impact on local communities than did the pandemic itself.** In particular, the economic crisis has a major negative and direct impact on farmers by increasing input costs. In some villages, fuel prices have doubled from the previous year's planting season. At the same time, farm wages have increased only slightly, with farm owners and employers unable to increase them further. Villagers have reduced their intake of food, particularly of food purchased from markets rather than grown by themselves. Thus, farmers who did not grow sufficient rice to meet their household needs often reduced their intake of rice and supplemented their diets with less nutritious maize and potato. Most respondents reported that community members were increasingly collecting food from forests to cope with rising food prices. They also stated that there was an increase in the number of households raising poultry and growing vegetables to meet their household needs. Many respondents stated that

they are had been a decrease in the availability of jobs that provide cash income, fewer intermediary traders visiting villages for forest products, and less access to adequate health services.

**The survey indicates that there is a strong need for the health sector to work with local authorities and communities to address health care issues.**

It found that the medical care provided in health centers and district hospitals was limited in both quality and availability, with only basic services available. Members of rural communities tended to self-treat with medicines and resorted to traditional cures. They tended to visit hospitals only in cases of serious illnesses and when these remedies had failed, especially in the case of poorer members of remote communities who live far from a hospital. While community members do sometimes receive free medicines from health centers, there were reports of shortages of basic medicines, in which case they were forced to buy them from a pharmacy. This suggests that that there is a strong need for the government to improve the quality of health services to ensure the sufficient supply of medicines through health centers and district hospitals. There is also a need for more frequent and intensive outreach to rural and ethnic communities to disseminate knowledge related to the treatment of potentially serious ailments.

**The survey also suggests there is a strong need for measures to keep youths at school for longer, with employment opportunities for dropouts being severely limited.**

The factors contributing to high dropout rates were the low quality of education provided and travel difficulties. Young people who dropped out of school to seek employment generally ended up in low-quality jobs. Thus, there is an urgent need for policy actions that prevent youths from dropping out of school, thereby, supporting long-term human capital development.

**The survey found that members of rural communities require more technical and financial support to help them engage in more productive agricultural activities, gain better access to markets, and increase their bargaining power.**

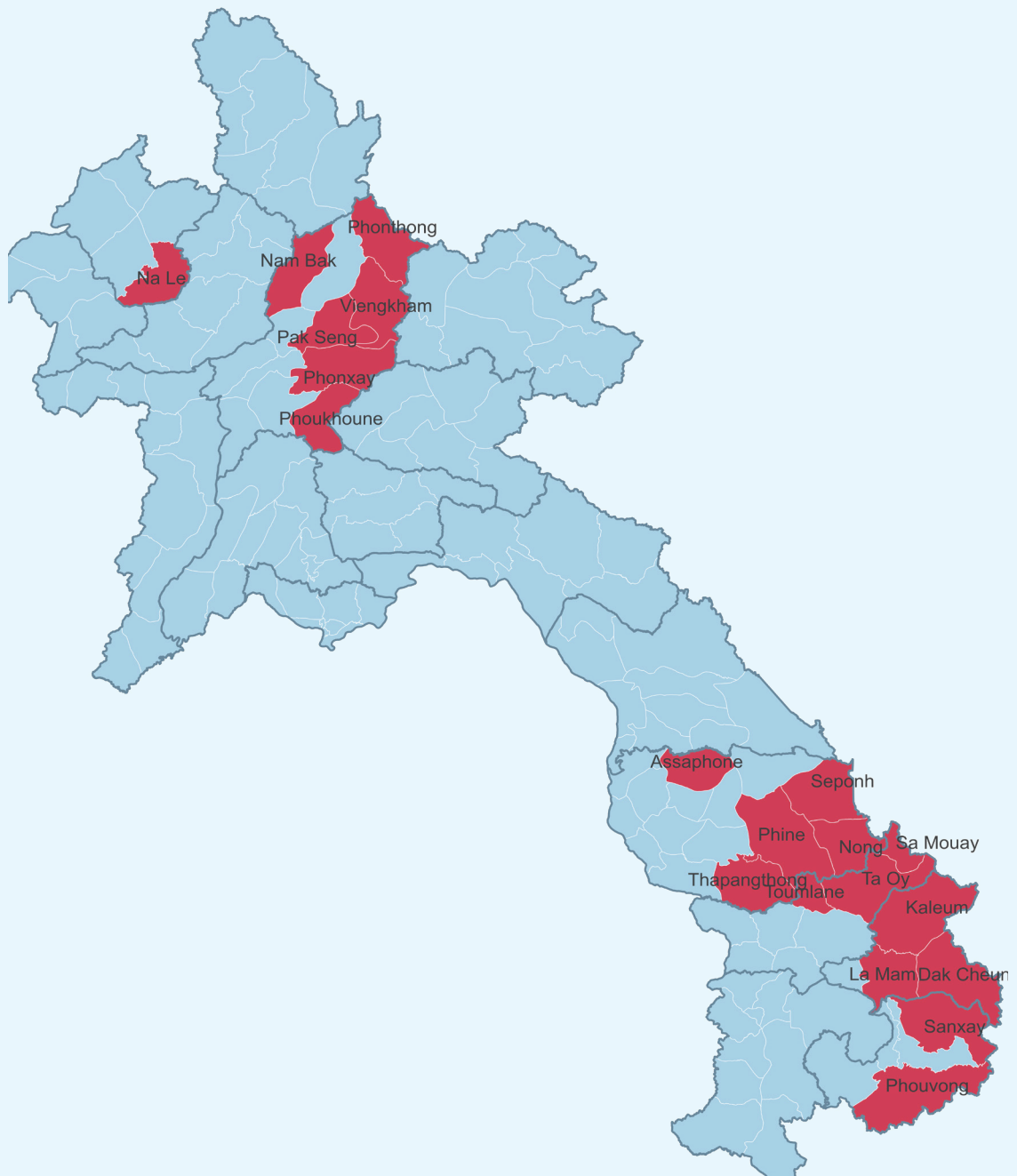
Respondents in most locations expressed a need for greater access to longer-term loans to facilitate land development and animal husbandry. Investment in large animal husbandry requires low-interest financing from the government, while lowland farmers need funds to expand their lowland paddy fields. Many respondents stated that they had little power to negotiate the prices they receive for their agricultural products, with buyers usually only prepared to negotiate with larger producers. Support for the establishment of producer groups could play a role in addressing this issue by facilitating collective bargaining. The

provision of training in leadership, bargaining and negotiation skills, and of market information for these producer groups is also critical.

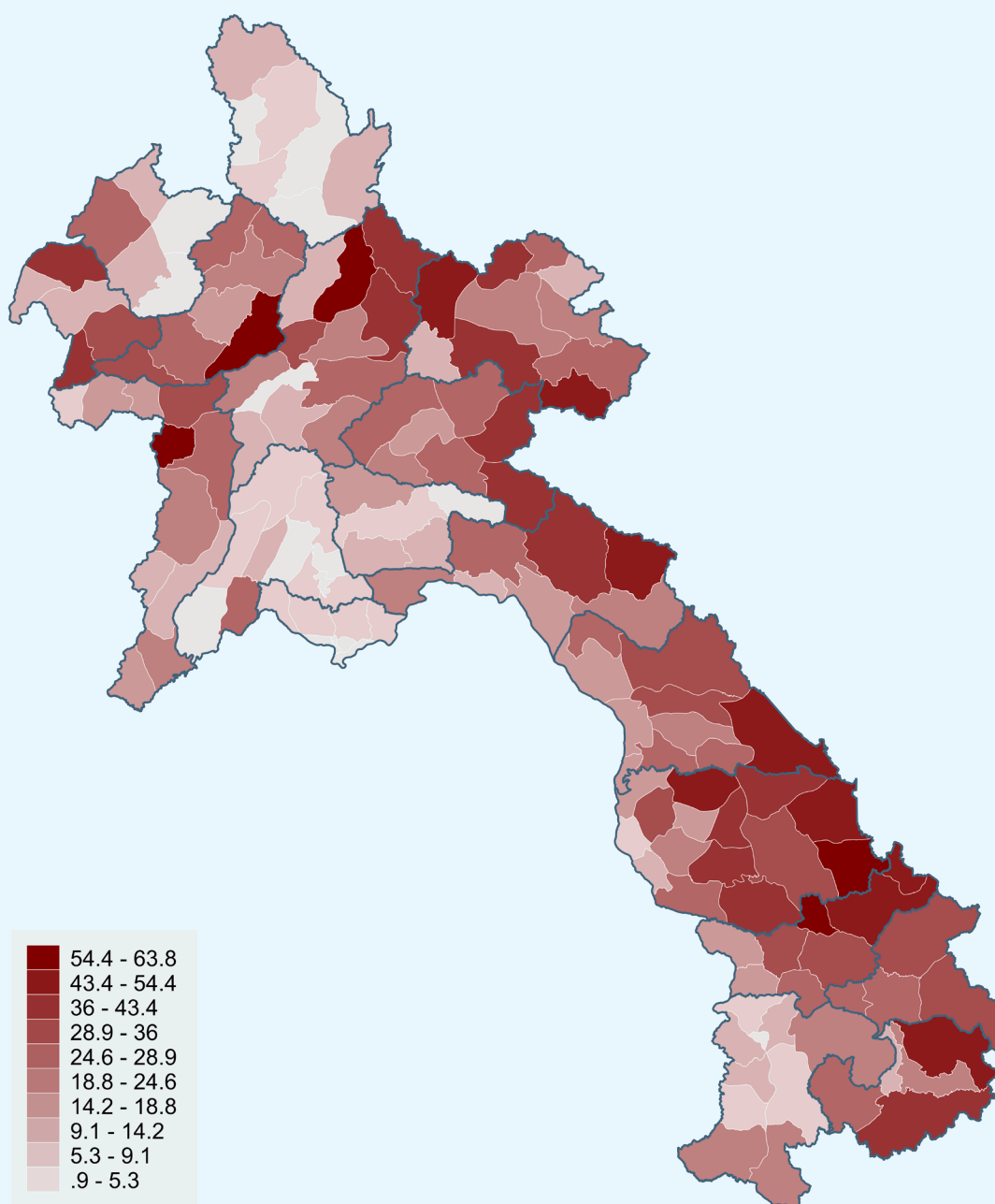
**The level of citizen engagement is limited, with members of rural communities expressing a strong desire for officials to take heed of their feedback and to implement actions to resolve issues of importance to them.** Most respondents described a top-down approach to village administration management, with little community involvement in the formulation of village development plans. Although the government has implemented a revenue collection sharing system to promote community-driven development, communities are unable to collect sufficient revenue to implement meaningful project development plans. Some respondents expressed the opinion that meetings and public consultations to discuss village development activities should be attended by representatives of all households to enable the community to make decisions jointly .

# Annex 1 Location of respondents

## Community Survey Participating Districts



## Laos' Poverty Map (headcount rate by district)



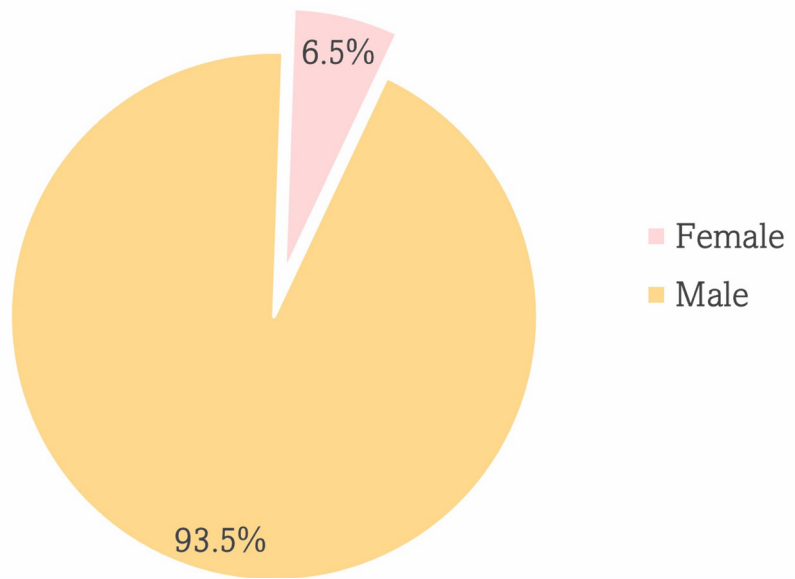
Source: Lao Statistics Bureau (2022)



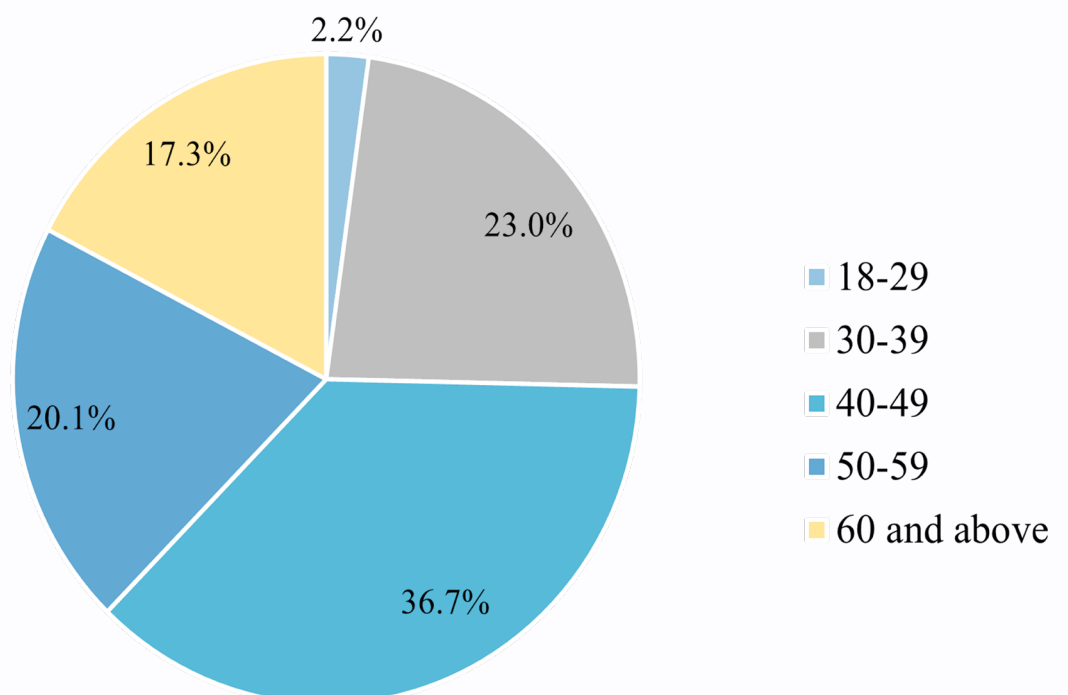
## Annex 2

## Profile of respondents

## Gender

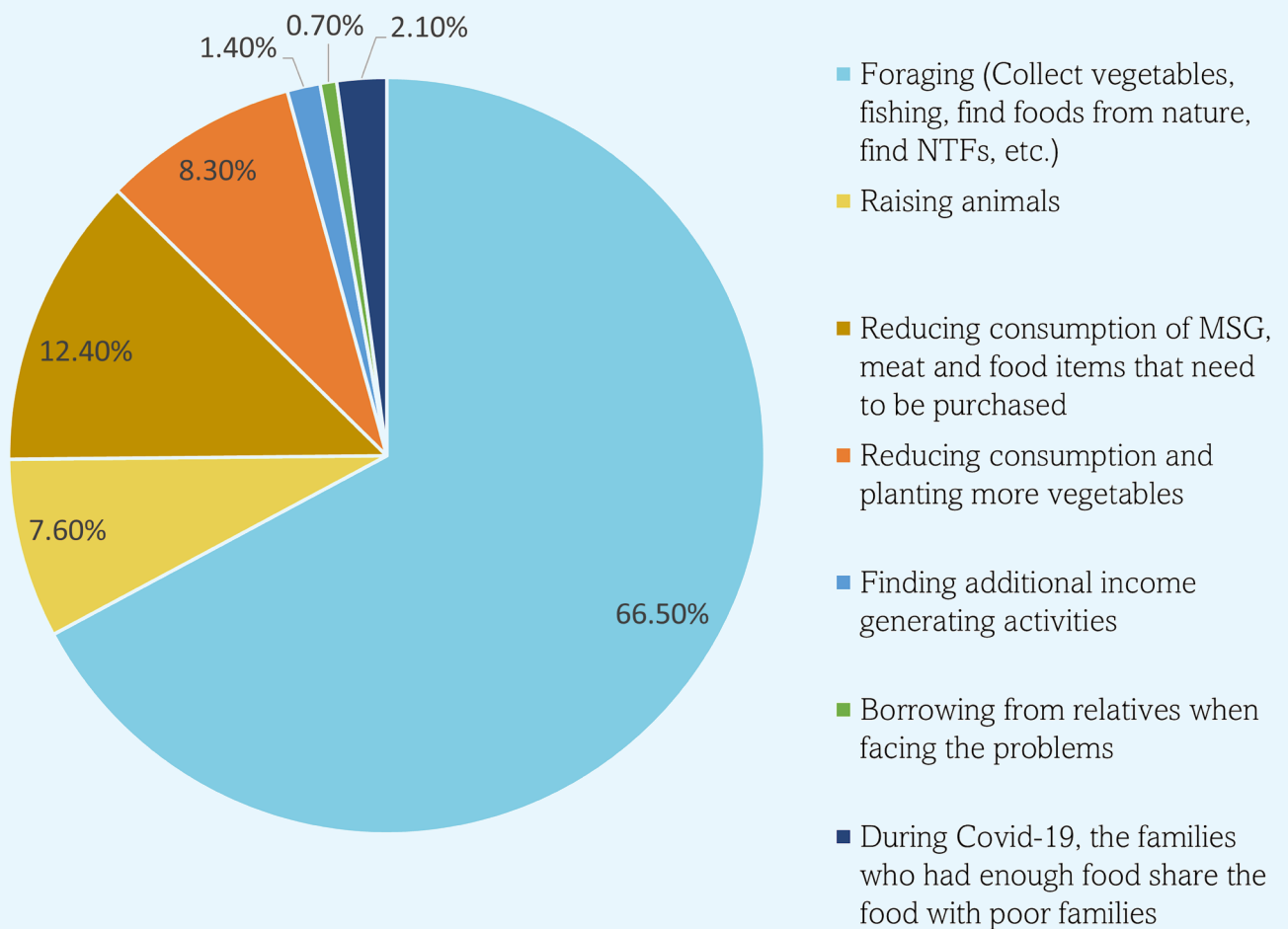


## Age group

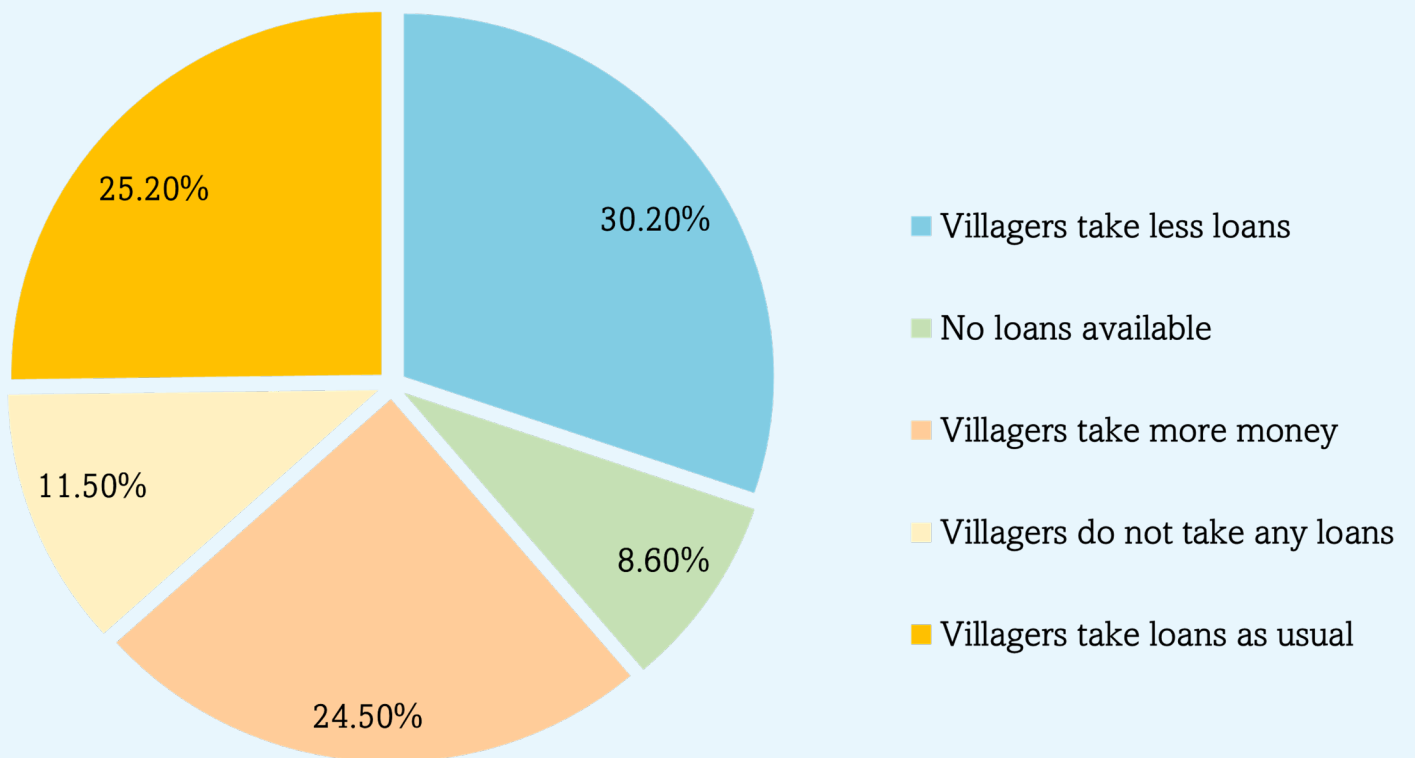


## Annex 3 Coping with the crisis

Villagers coping with their economic livelihood challenges by:



## Do villagers take out more loans?







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