

# **The cultural geography of economic inequality: A mixed-methods study of livelihood and landscape transitions in Luang Namtha Province, Lao PDR**

Master's Thesis Abstract

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## **Background**

As cash crop investments increase through the previously subsistence-level landscape of Lao People's Democratic Republic (PDR), farmers are forced to adapt by developing new farming practices and methods of food procurement. This thesis focuses on the current changes occurring in Luang Namtha, an agrarian northern province of Lao PDR and a region where ethnic minority groups often represent the largest populations of the poor. The promotion of foreign investments and increased cash crop cultivation are some of the ongoing approaches to bolster rural incomes. However, as can be seen in much of the market transition literature, previously hidden dimensions of poverty and inequality often emerge as a result of the transformation.

In the context of development studies, much focus has been placed on the inequalities between individuals or households across a broad scale. However, the study of inequalities between different groups is also crucial in understanding the determinants of poverty. Group affiliations and cultural identities have been shown to have a strong influence on the well-being of individuals and subsequently on their economic outcomes. Further, because different groups embody different ideologies, broad applications of development agendas may heighten existing income differences. Hence, it is potentially meaningful to examine what spatial variations emerge as a result of cultural processes and use this as a point with which to analyze income distributions among groups. The synthesis of these dimensions can be analyzed through the field of cultural geography, a field which explores how cultural outcomes vary (or remain constant) spatially. Earlier literature has focused on individual or household based determinants of poverty across a broad scale as well as group dynamics in an urban environment. However, the

influence of ethnic group affiliations on spatial variations in a rural landscape and the subsequent economic outcomes that arise from these divergences have not been previously researched.

## Objectives

This thesis seeks to explore the correlations between village-level geography and culture and how these variations influence income distribution through a cultural geography approach. Given the speed at which cash crops are diffusing throughout northern Laos, the central question that frames my research is: How does culture influence the geographic distribution of villagers' incomes from cash crops?

## Methodology

This study is based on a four week field visit to the Luang Namtha Province in November 2009. To assess the relations between geography, culture and income, I triangulated using data gathered from:

- *Ethnographical fieldwork*

The in situ research centered on semi-structured interviews with three main actors: Lao farmers, Lao government officials, and Chinese rubber companies.

- *Quantitative secondary data*

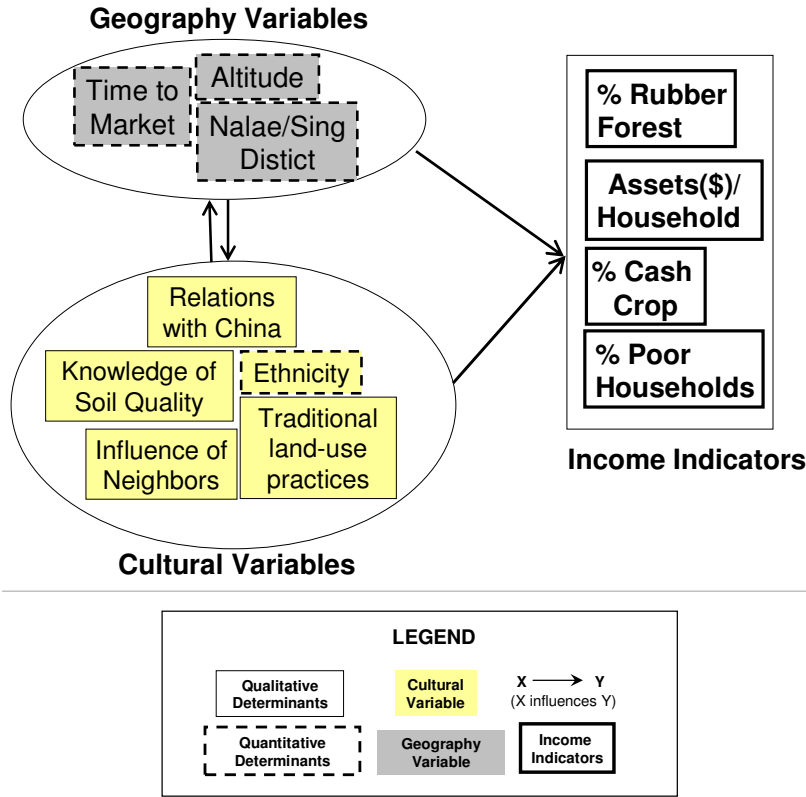
Statistical analysis was performed on secondary village-level raw data gathered from 127 villages to examine relations between culture, geography, and income. For the purpose of this study, the self-classified ethno-linguistic family that a village belonged to was used as the cultural indicator. Spatial indicators included: Time of Access to Market; Altitude; and District (Sing or Nalae). Income was interpreted as a measure of potential and real welfare and is determined based on % Rubber/Production Forest Area (potential); % Cash Crop/Total Land Area (potential); Assets (\$)/ Household (real); and % Households below Poverty line<sup>1</sup> (real).

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<sup>1</sup> The poverty line was based on factors determined by the District Planning and Investment Office.

Qualitative interview data was organized through the thematic clustering of the transcripts. The quantitative segment of the analysis was then aggregated with the themes that emerged from the interview analysis in order to substantiate the outcomes. A further analysis was conducted to assess the individual spatial differences between real income and potential income with regard to the cultural geography indicators.

### Results



In this study, I illustrate that many generations of the low-input practice of shifting cultivation have resulted in relatively undisturbed soil that is consequently very fertile. Along with policy and market reforms intended to conserve the nation’s natural resources while at the same time improve local economies, the fertile environment has culminated in the recent influx of foreign investment in cash crops. From this point of departure, the findings indicate that there is an income distribution gap along the group-level that has arisen as a result of the spatial dynamics of culture. These cultural factors include the social influence of neighbors, relationships with China, and land-use traditions, all of which stem from the geographic variations of culture shown in the figure above. In turn, cultural factors influence geographic variables by affecting

the locational decisions of village settlements and the subsequent changes to soil quality. Further, in an examination of cultural geography variables' influence on decoupled potential and real incomes, statistical analysis revealed that villages that require less time to access a market have higher potential incomes than real incomes. This can be attributed to the fact that companies are more likely to invest in locations that have convenient market access. Further, upland villages also tended to have slightly higher potential incomes than real incomes. This can be explained by the fact that while highland regions have traditionally been associated with swidden agriculture, they are increasingly being converted to lands for permanent agriculture.

## **Conclusions**

Policies that view determinants of poverty as solely quantifiable dimensions do not fully capture the interdependencies between the different cultural factors that shape villages' responses to the changing physical and economic environment. Hence, along with the incorporation of traditional quantitative frameworks, policies should identify underlying cultural identities and group values. Support measures that take these nuances into consideration can potentially reduce socioeconomic group inequalities while maintaining their values and traditions. Such strategies may include improved access to information and agricultural endowments that are better suited to a location and custom.

While this study was limited in its scope and data availability, it has pointed to some of the complex interrelations between culture, geography, and income in Luang Namtha Province. Cultural geography has strong explanatory potential regarding how agricultural practices with deep historical origins are linked with the spatial variations of the present. However, the study does not aim to exclude other approaches and variables in issues of culture and income inequality. Rather, it presupposes that examining a situation through different social and geographical contexts will help provide yet another angle with which to understand issues related to poverty and the environment.