

POLICY BRIEF

SUSTAINING LOCAL LIVELIHOODS OF FOREST – DEPENDENT VILLAGES AND FOREST MANAGEMENT UNDER THE OPERATION OF EAST-WEST ECONOMIC CORRIDOR IN VIETNAM AND LAOS

By HCE Team

*Correspondent: Hoang Thanh Long, Dao Duy Minh,
Manivanh LOBRIAYAO, Bui Duc Tinh*

*Hue College of Economics, Hue University
100 – Phung Hung, Hue City, Vietnam*

Email: bdtinh@yahoo.com.sg

Cell phone: (+84) 0914 519 058



SEI

STOCKHOLM
ENVIRONMENT
INSTITUTE



LMPPPI
Lower Mekong Public Policy Initiative

I. Introduction

- East-West Economic Corridor (EWEC) is economic development program initiated by Mekong Subregion countries
- After 10 years of operation, EWEC has made significant contribution to socio-economic development, but also caused impacts on local livelihoods and natural forest resources

II. Key findings

1. Greater connection and regional trading activities
2. Increased considerably income and social welfares of forest dependent villagers with EWEC
3. Highly efficiency on forest community-based management
4. Pressures on natural resources, particularly natural forest resources
5. More potential risks, uncertainties and inequity

III. EWEC benefits and drawbacks

1. Total goods export turnover transported on EWEC : US\$ 1,351 mil in 2008 (7.5 times higher than that of 2002)

Table 1: The export- import value between Vietnam and Laos through the Lao Bao Border Gate in EWEC (Unit: \$ million)

	2010	2011	2012	2013	2014
1. Export-import value	261.84	413.83	364.85	504.53	485.55
Export	34.25	57.78	72.08	61.85	47.14
Import	227.59	356.05	292.77	442.68	438.41
2. Main export goods	34.24	57.77	72.07	61.84	47.13
Consumable goods	17.12	28.89	36.04	30.92	23.57
Construction materials	10.27	17.33	21.62	18.55	14.14
Agricultural products	6.85	11.55	14.41	12.37	9.42
3. Main import goods	134.97	206.45	151.35	285.41	346.02
Timber	61.96	133.86	93.99	254.56	319.38
Gypsum	3.65	3.41	3.88	3.82	2.24
Copper	69.36	69.18	53.48	27.03	24.4

(Source: Household survey, 2016)

III. EWEC benefits and drawbacks (cont)

2. EWEC has been creating opportunities for households' income improvement

Table 2: Households' income structure between 2005 and 2015**Unit: million VND/year/household**

Activities	Unaffected				Affected				Comparison in 2015		
	2005		2015		2005		2015				
	Value	%	Value	%	Value	%	Value	%	Value	%	Sig.
Cultivation	12.06	54.964	39.20	54.820	14.13	52.416	47.02	56.275	1.69	4.312	0.788
Animal raising	3.78	17.237	9.52	13.314	4.49	16.644	5.95	7.114	-4.35	-45.704	0.336
Non-timber exploitation	1.99	9.085	12.53	17.519	3.41	12.655	20.33	24.334	5.15	41.147	0.464
Service	2.54	11.550	3.79	5.297	1.51	5.611	1.07	1.286	-2.85	-75.331	0.002
Others	1.57	7.163	6.47	9.050	3.42	12.674	9.19	10.991	1.51	23.411	0.588
Total	21.95	100	71.50	0	26.95	0	87.66	0	1.16		0.914

(Source: Household survey, 2016)

III. EWEC benefits and drawbacks (cont)

3. Benefits from forest community-based management

III. EWEC benefits and drawbacks (cont)

4. Increasing forest and agricultural land converted into cash-crops land

Table 3: Ratio of household converted forest land into cash crops

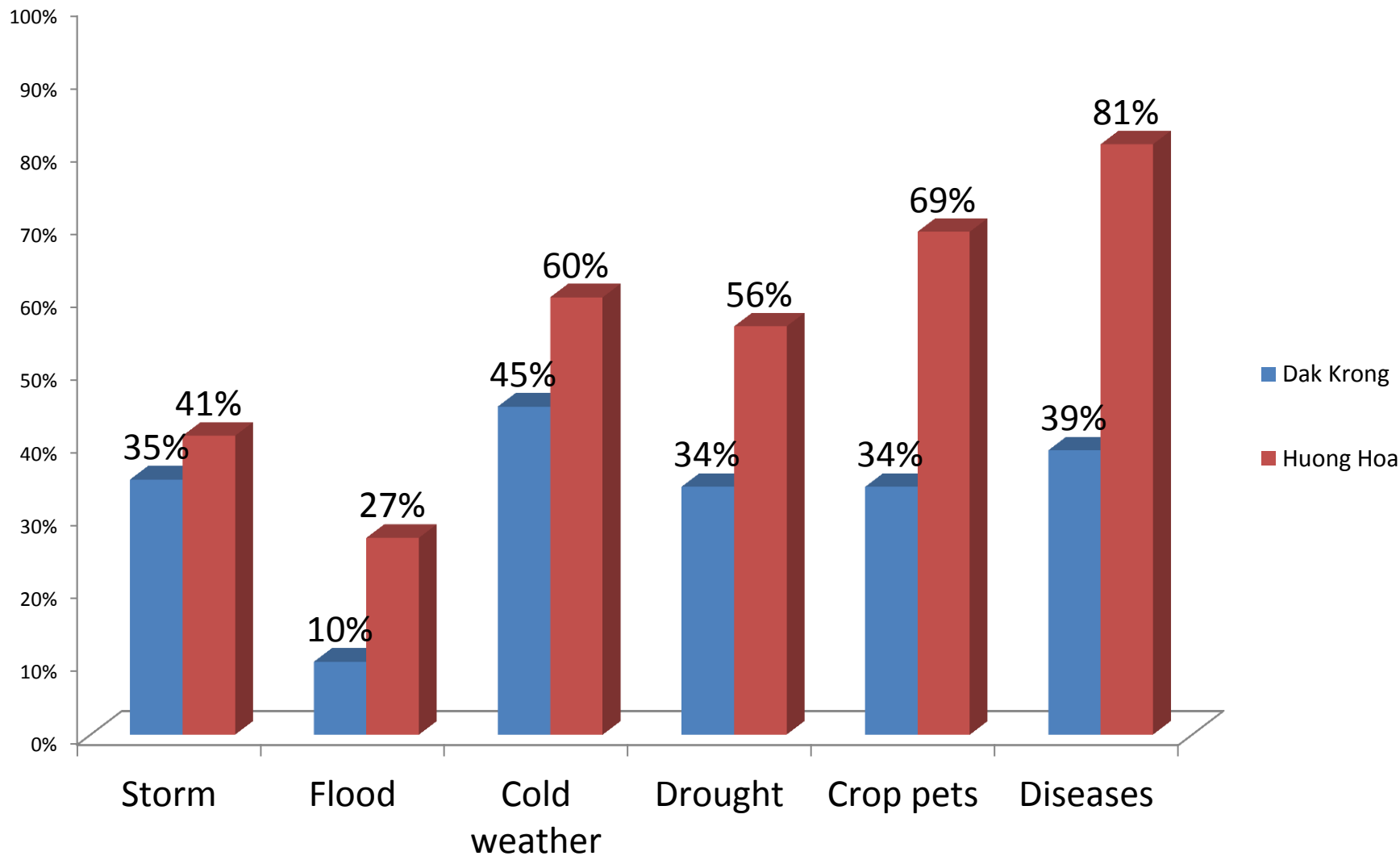
	Households		Total
	Households without EWEC	Households with EWEC	
No answer	0	3.7	2.0
No conversion of forests	30.0	5.9	16.8
Conversion of forests	70.0	90.0	81.1
Total	100	100	100.0
Pearson Chi-Square	27.931 ^a	2	.000
Likelihood Ratio	30.793	2	.000
Linear-by-Linear Association	8.004	1	.005
N of Valid Cases	244		

(Source: household surveyed 2015)

III. EWEC benefits and drawbacks (cont)

5. Potential risks and uncertainties, inequity

Figure 1. The proportion of households encountered shocks in 2010-2015



(Source: household surveyed 2016)

Table 4: Comparing damaged cost due to production risks by EWEC

	Group	Mean (VND)	Std. Deviation	Std. Error Mean
Production Risk	Villages with EWEC	5,955.1000	11.80447	1.035.320
	Villages without EWEC	3.012,700	2.59462	2.662.000

(Source: household surveyed 2016)

IV. Recommendation for sustaining local livelihoods and natural resources

- 1. Action plans for forest protection at provincial level***
- 2. Enhancing local participation in forest resource management***
- 3. Maintaining equity in access to social welfare among villages***
- 4. Providing more training courses on non-farming jobs***
- 5. Planning land use pattern***
- 6. Increasing collaborative groups among cash-crop farmers***

MANY THANKS FOR YOUR LISTENING