ECONOMIC INTEGRATION AND NATURAL FOREST MANAGEMENT: THE CASE STUDY OF EAST-WEST ECONOMIC CORRIDOR ESTABLISHMENT IN VIETNAM AND LAOS

ABSTRACT

East—West economic Corridor (EWEC) is an economic development program initiated at the Greater Mekong Subregion (GMS) in Manila, the Philippines to promote development and integration of four Southeast Asia Countries, Myanmar, Thailand, Laos and Vietnam. Despite its significant contribution to socio-economic development of the GMS since 2006, EWEC has caused negative impacts on natural resources, particularly forest coverage. This paper analyses the role of EWEC in production and transportion, especially agricultural output to domestic and international markets, and the sharp decline in forest area along the Corridor.

RATIONALE

The EWEC was established to stimulate economic growth, reduce poverty and protect the environment in the poorer areas of GMS (Bui et al, 2005; Ikumo, 2010, ADB 2009&2013).

Few studies have examined the impacts of EWEC on natural resources. Mu and Van De Wall (2011) used a sustainable livelihood framework to conclude that rural road construction promotes local markets and non-farming activities but DID NOT benefit disadvantaged groups and low-educated labor. Zu Hua (2006) showed that regional road construction caused a decline in forest and biodiversity. The Frameworks and Action Plans of ADB and GMS Countries from 2002 to 2009, 2009-2012 for EWEC establishment and operation did not emphasize forest resource management practices.

The objective of this paper is to investigate the impact of economic regionalization project on forest resources through a case study in Quang Tri Province.

RESEARCH METHOD

DIFFERENCE IN DIFFERENCE METHOD

Measures the impacts by comparing indicators reflecting forest resources in BEFORE and AFTER the EWEC.

- Key Informant Interview
- Household Questionaire Survey, including 247 indicators

- Review relevant documents and publications regarding EC's
- Decriptive analysis of changes in socio-economic conditions and forest resources at provincial and local levels.

FINDINGS

1. Forest resources are neglected in ADB's action plan for GMS countries

Main content of ADB 2001 Strategy and Action Plan (SAP 2001)	Main content of ADB 2009 Strategy and Action Plan (SAP 2009)
Infrastructure	Infrastructure
Trade	Trade
Investment	Investment
Agriculture & Agro-Industry	Agriculture & Agro-Industry
Industry	Private Sector Development
Tourism	Tourism
Human Resource Development	Social and Environmental

2. Negative impacts on forest resources

Cross-border timber trading has increased sharply, compared between "before and after" the EWEC

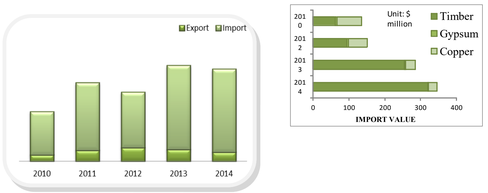

Figure 1: The export-import value between Vietnam and Laos at Lao Bao Border Gate in EWEC

Villagers expand cash-cropping

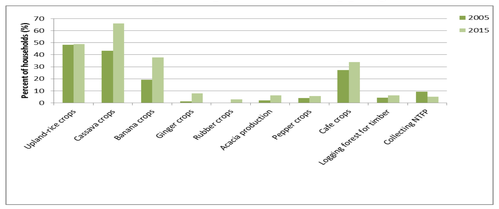

Figure 2: Change in cash-crop development between 2005 and 2015

The questionnaire shows that the majority of forest dependent villagers converted their forest land or hired forest land from Laos to expand the area of cash crops.

Figure 3: Banana production area and quantity in Huong Hoa District over the period 2005-2015

There has been a significant increase in cultivated area for cassava, bananas, rubber and ginger over the period 2005-2015.

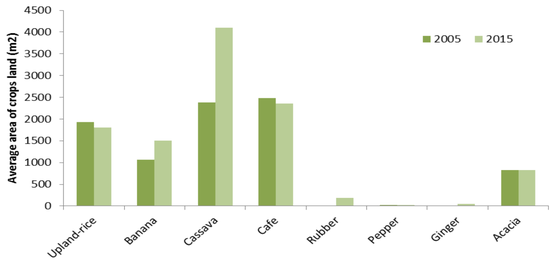

Figure 4: Comparison of household average area of cash crop land between 2005-2015

Results of household survey

Table 1: Ratio of household converted forest land into cash crops

	Households		Total
	Households away from EWEC	Households on 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	27.93[a]	2	.000
Likelihood Ratio	30.79	2	.000
Linear-by-Linear Association	8.00	1	.005
No of valid cases	244		

Table 2: Analyzing distance from EWEC to house location of villagers and the level deforestation.

Distance from house to EWEC	The proportion of converted forests (%)		ANOVA		
	Mean	Std. Deviation	Mean Square	F	Sig.
Less than 10 Km	46.90	26.93	633.53	1.16	.32
From 10 – 20 km	43.64	15.90			
Over 20 km	40.73	19.68			
Total	44.31	23.36			

Table 3: Group population and percentage of converted forests

Group population	Percentage of converted forests (%)		ANOVA		
You are originally villager of this village	Mean	Std. Deviation	Mean Square	F	Sig.
1. Migrated/resettled households	49.47*	25.30	1329.12	2.46	0.1*
2. Local villagers	42.69	22.58			
Total	44.31	23.36			

CONCLUSIONS

EWEC made significant contributions to socio-economic development (better infrastructure, more employment, increased agricultural production).

Adverse impacts on natural resources in the region along EWEC because of gaps in EWEC policies related to management and protection of natural resources, particularly forests.

Easy access to forest resources for forest-dependent villagers and people outside the EWEC. Lower transportation costs and lack of effective managerial methods → serious deforestation

Villagers outside EWEC also take advantage of EWEC, collect timber and develop cash crops using the EWEC → attracting migrants → higher pressures on natural resources.

POLICY IMPLICATIONS

Action Plans for the EWEC should have included provisions to protect forest resources. In addition to policies for socio-economic development, governments should ensure forest resources are protected and encourage livelihood strategies which are less dependent on natural resources.